BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1000)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS:

1. Total operating revenue of the Group for the year of 2014 was RMB680,769 thousand, representing an increase of RMB13,341 thousand or 2% as compared with 2013.

2. Net profit of the Group attributable to the shareholders of the Company for the year of 2014 was RMB10,506 thousand, representing a decrease of RMB9,871 thousand or 48.44% as compared with 2013.

3. Earnings per share was RMB0.0532, representing a decrease of RMB0.05 or 48.44% as compared with 2013.

4. The Board proposes to declare a final dividend of RMB0.10 per share for the year 2014.

The Board announces the consolidated results of the Group for the year ended 31 December 2014 which have been prepared in accordance with the PRC Accounting Standards and the disclosure requirements of the Listing Rules and the Hong Kong Companies Ordinance.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2014

Item		Notes	For the year ended 31 December 2014	RMB'000 For the year ended 31 December 2013
1.	**Total operating revenue**	1	**680,769**	667,428
	Including: Operating revenue	1	**680,769**	667,428
2.	**Total operating costs**		**683,420**	644,501
	Including: Operation cost	1	**537,208**	573,686
	Sales taxes and surcharges		**11,649**	13,087
	Selling expenses		**38,511**	17,682
	Administrative expenses		**63,582**	56,797
	Financial expenses	3	**(9,831)**	(23,417)
	Impairment loss of assets		**42,301**	6,666
	Add: Gain arising from the changes in fair value (loss listed with "-")		**(8,234)**	(1,071)
	Investment income (Loss listed with "-")	4	**(40,452)**	10,206
	Including: income from investment in associates		**(40,521)**	10,347
3.	**Operating profit (Loss listed with "-")**		**(51,337)**	32,062
	Add: Non-operating income	5	**57,022**	5,921
	Including: Gain from disposal of non-current assets		**97**	312
	Less: Non-operating expenses	6	**78**	18,536
	Including: Loss on disposal of non-current assets		**9**	–
4.	**Total profit (Loss listed with "-")**		**5,607**	19,447
	Less: Income tax expenses	7	**711**	2,174

CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2014

Item	Notes	For the year ended 31 December 2014	*RMB'000* For the year ended 31 December 2013
5. Net profit attributable to: (Net loss listed with "-")		**4,896**	17,273
Shareholders of the parent company		**10,506**	20,377
Non-controlling shareholders		**(5,610)**	(3,104)
6. Net other comprehensive income after tax		**(6)**	–
Net other comprehensive income after tax attributable to owners of the parent company		**(4)**	–
Other comprehensive income subsequently reclassified into profit or loss		**(4)**	–
Exchange differences from retranslation of financial statements		**(4)**	–
Net other comprehensive income after tax attributable to non-controlling shareholders		**(2)**	–
7. Total comprehensive income		**4,890**	17,273
Total comprehensive income attributable to shareholders of the parent company		**10,502**	20,377
Total comprehensive income attributable to non-controlling shareholders		**(5,612)**	(3,104)
8. Earnings per share:			
(1) Basic earnings per share	*8*	**0.05**	0.10
(2) Diluted earnings per share	*8*	**0.05**	0.10
Dividends	*9*	**27,623**	59,193

CONSOLIDATED BALANCE SHEET
As at 31 December 2014

Item	Notes	As at 31 December 2014	RMB'000 As at 31 December 2013
Current assets:			
Bank balance and cash		**366,321**	562,219
Financial assets at fair value through profit or loss		**–**	15
Accounts receivable		**410,679**	338,400
Prepayments		**103,651**	48,653
Interest receivables		**1,461**	4,780
Other receivables		**144,836**	36,847
Inventories		**54,768**	56,045
Non-current assets due within one year		**1,489**	632
Other current assets	*11*	**11,000**	–
Total current assets		**1,094,205**	1,047,591
Non-current assets:			
Financial assets available-for-sale	*12*	**145,560**	139,560
Investment in associates	*13*	**183,705**	248,097
Investment properties	*14*	**53,159**	53,435
Fixed assets		**12,725**	12,591
Intangible assets		**37,788**	39,103
Goodwill		**47,377**	47,377
Long-term deferred expenses		**1,721**	596
Deferred income tax assets		**4,534**	4,137
Other non-current assets	*15*	**14,816**	20,032
Total non-current assets		**501,385**	564,928
Total assets		**1,595,590**	1,612,519

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2014

RMB'000

Item	*Notes*	**As at 31 December 2014**	As at 31 December 2013
Current liabilities:			
Notes payable		**81,545**	95,980
Accounts payables	*16*	**107,721**	120,771
Receipts in advance		**47,643**	37,676
Employee benefit payables		**7,416**	7,645
Tax payables		**(16,418)**	(14,494)
Interests payables		**40**	–
Other payables	*17*	**26,998**	21,478
Non-current liabilities due within one year		**7,500**	–
Other current liabilities		**5,147**	7,366
Total current liabilities		**267,592**	276,422
Non-current liabilities:			
Long-term loans	*18*	**12,000**	–
Deferred tax liabilities		**5,030**	2,583
Total non-current liabilities		**17,030**	2,583
Total liabilities		**284,622**	279,005
Shareholders' equity:			
Share capital		**197,310**	197,310
Capital reserves		**887,794**	891,179
Other comprehensive income		**(4)**	–
Surplus reserves		**130,931**	130,931
Undistributed profits	*19*	**65,701**	82,818
Total equity attributable to shareholders of the parent company		**1,281,732**	1,302,238
Non-controlling interests		**29,236**	31,276
Total shareholders' equity		**1,310,968**	1,333,514
Total liabilities and shareholders' equity		**1,595,590**	1,612,519

BASIS FOR PREPARATION

The Group's financial statements for the year ended 31 December 2014 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the People's Republic of China, including adoption of nine revised and new basic and specific standards issued by MOF ("New PRC Accounting Standards") and other relevant regulations issued by MOF ("PRC Accounting Standards"), of which, ASBE No.2 – Investment in associates, ASBE No.9– Employee benefits, ASBE No.30 – Presentation of financial statements, ASBE No.33 Consolidated financial statements, ASBE No.39 – Fair value measurement and ASBE No.40 – Joint arrangements have been early adopted for the financial statements for the year ended 31 December 2014; and ASBE – Basic Standard, ASBE No.37 – Presentation of Financial Instruments and ASBE No.41 Disclosure of Interests in Other Entities have been also adopted for the financial statements for the year ended 31 December 2014, and disclosed in accordance with the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in "Principal accounting policies and accounting estimates and basis of preparation of consolidated financial statements".

ON A GOING CONCERN BASIS

The directors have made an assessment and concluded that the Group is able to continuous as a going concern for at least the next 12 months, and there is no existence of a material uncertainty on the ability of on-going operation.

CHANGE OF ACCOUNTING POLICY AND ITS EFFECT

The related change in accounting policy has no material effect to the Group's financial statements.

STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's consolidated financial statements have been prepared in conformity with the "PRC Accounting Standards", and present truly and completely the consolidated financial position as at 31 December 2014 and their consolidated operating results, consolidated cash flows and other relevant information for the year then ended.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

NOTES TO THE FINANCIAL STATEMENTS

I. TOTAL OPERATING REVENUE, OPERATING COSTS

Items	**For the year ended 31 December 2014**	For the year ended 31 December 2013
Principal operating revenue	**656,943**	629,250
Other operating revenue	**23,826**	38,178
Total operating revenue	**680,769**	667,428
Principal operating costs	**517,648**	541,185
Other operating costs	**19,560**	32,501
Total operating costs	**537,208**	573,686
Gross Profit	**143,561**	93,742

Total operating revenue, which is the Group's turnover, represents the net amounts received and receivables for sale of advertising spaces and goods, and rendering of services by the Group to external customers, less trade discounts during the current period.

2. SEGMENT INFORMATION

The price of intra-segment transactions is determined with reference to market rates. The segments are:

Segment	**Principal activities**
Advertising:	Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA, Chongqing Youth Daily, Beiqing Community Media (北青社區報) and CéCi magazine.
Printing:	Provision of printing services.
Trading of print-related material:	Sales of newsprint, ink, lubricants, films, PS boards and rubber sheets and other print-related materials.
Distribution:	Distribution of newspaper that are mainly published by Chongqing Youth Daily.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

(1) For the year ended 31 December 2014

	Advertising	Printing	Trading of print-related materials	Distribution	Unallocated amount	Elimination	Total
Total operating revenue	375,407	78,034	322,968	6,457	30,255	(132,352)	680,769
Including: Revenue from external transactions	360,187	24,658	260,567	6,457	28,900	–	680,769
Revenue from intra-segment transactions	15,220	53,376	62,401	–	1,355	(132,352)	–
Total cost of operating	378,052	81,247	319,877	10,812	25,784	(132,352)	683,420
Gain on changes in fair value	–	–	–	–	(8,234)	–	(8,234)
Investment income	–	–	–	–	(33,722)	(6,730)	(40,452)
Operating profit (loss)	(2,645)	(3,213)	3,091	(4,355)	(37,485)	(6,730)	(51,337)
Non-operating income and expenses, net	55,335	6	25	1,577	1	–	56,944
Total profit	52,690	(3,207)	3,116	(2,778)	(37,484)	(6,730)	5,607
Income tax expenses	(2,215)	222	921	–	1,783	–	711
Net profit	54,905	(3,429)	2,195	(2,778)	(39,267)	(6,730)	4,896
Total assets	1,090,213	47,804	190,475	5,367	592,192	(330,461)	1,595,590
Total liabilities	168,946	37,318	149,274	5,383	26,166	(102,465)	284,622
Supplementary information							
Depreciation and amortization expenses	3,944	160	660	343	482	–	5,589
Capital expenditure	4,930	21	87	1,445	184	–	6,667
Impairment of assets	38,109	298	1,234	–	2,660	–	42,301
Non-cash expenses excluding depreciation and impairment of assets	–	–	–	–	–	–	–

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

(2) For the year ended 31 December 2013

	Advertising	Printing	Trading of print-related materials	Distribution	Other and unallocated amount	Elimination	Total
Total operating revenue	342,435	91,436	360,230	329	38,626	(165,628)	667,428
Including: Revenue from external transactions	339,805	22,330	266,786	329	38,178	–	667,428
Revenue from intra-segment transactions	2,630	69,106	93,444	–	448	(165,628)	–
Total cost of operating	330,608	88,262	360,524	5,490	25,245	(165,628)	644,501
Gain on changes in fair value	–	–	–	–	(1,071)	–	(1,071)
Investment income	–	–	–	–	19,306	(9,100)	10,206
Operating profit (loss)	11,827	3,174	(294)	(5,161)	31,616	(9,100)	32,062
Non-operating income and expenses, net	(12,883)	54	212	14	(12)	–	(12,615)
Total profit	(1,056)	3,228	(82)	(5,147)	31,604	(9,100)	19,447
Income tax expenses	(433)	159	628	–	1,820	–	2,174
Net profit	(623)	3,069	(710)	(5,147)	29,784	(9,100)	17,273
Total assets	1,180,263	30,030	236,749	6,075	869,215	(709,813)	1,612,519
Total liabilities	139,962	44,390	177,561	1,837	90,802	(175,547)	279,005
Supplementary information:							
Depreciation and amortization expenses	3,169	321	731	22	203	–	4,446
Capital expenditure	14,798	323	1,277	375	103	–	16,876
Impairment of assets	4,526	368	1,472	–	300	–	6,666
Non-cash expenses excluding depreciation and impairment of assets	–	–	–	–	–	–	–

The business of the Group mainly are located in Beijing, China.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

3. FINANCIAL EXPENSES

Items	**For the year ended 31 December 2014**	For the year ended 31 December 2013
Interest expenses – on bank loans wholly repayable within 5 years	**836**	482
Less: Interest income	**11,566**	23,960
Add: Foreign exchange, loss (gain)	**67**	(108)
Add: Other expenses	**832**	169
Total	**(9,831)**	(23,417)

4. INVESTMENT INCOME

Items	**For the year ended 31 December 2014**	For the year ended 31 December 2013
Share of profit of associates	**(40,521)**	10,347
Other investment income:		
Gain on disposal of partial interests in an associate	**–**	–
Other investment income	**69**	(141)
Sub-total of other investment income	**69**	(141)
Total	**(40,452)**	10,206

5. NON-OPERATING INCOME

Items	**For the year ended 31 December 2014**	For the year ended 31 December 2013
Government grants *(Note)*	**55,000**	2,000
Donation income	**1,750**	–
Gain on disposal of fixed assets	**97**	312
Penalty income	**97**	–
Compensation for removal of advertising board	**–**	3,590
Others	**78**	19
Total	**57,022**	5,921

Note: Government grants represented unconditional grant from the PRC government in relation to the project of Beijing Community Media and newspaper printing. Government grant was determined at the sole discretion of the relevant PRC government authorities.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

6. NON-OPERATING EXPENSES

Items	For the year ended 31 December 2014	For the year ended 31 December 2013
Total loss on disposal of non-current assets	**9**	–
Including: Loss on disposal of fixed assets	**9**	–
Public donations expenses	**10**	–
Loss resulted from shortage of asset	**48**	–
Loss on payment to the Social Security Fund *(Note)*	**–**	18,524
Compensation and late payment charges expenses	**–**	12
Others	**11**	–
Total	**78**	18,536

Note: When the Company was listed in 2004, according to the requirement of "Provisional Administrative Measures of Raising Social Security Funds by Reduction of the State Shares Holding" and relevant commitment, the Company should have to pay the National Social Security Fund in the amount of HK$88,870 thousand for the reduction of state shares holding. Pursuant to the comment letter "Social Security Fund Fa (2013) No.15" issued by National Council for Social Security Fund in respect of the pay back of the funds of the reduction of state shares holding, the Company required to pay the treasury fund in the amount of RMB90,585 thousand. For the year ended 31 December 2013, the Company has paid the above amount. The difference of RMB18,524 thousand from the original amount payable for the reduction of state shares holding was included in non-operating expenses.

7. INCOME TAX EXPENSES

(1) Income tax expenses

Items	For the year ended 31 December 2014	For the year ended 31 December 2013
Current income tax expenses	**3,175**	6,026
Deferred income tax expenses	**(2,464)**	(3,852)
Total	**711**	2,174

(2) Current income tax expenses

Items	For the year ended 31 December 2014	For the year ended 31 December 2013
Current income tax – PRC	**955**	6,071
Under-provision in prior years – PRC	**(244)**	(45)
Total	**711**	6,026

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

There was no provisions for Hong Kong Profits Tax of the Group during this year, because no profit was generated from Hong Kong.

Note: According to the "Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Culture Entities into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department and forwarded by Beijing Municipal Finance Bureau, Beijing State Administration of Taxation, Beijing Local Taxation Bureau and the Publicity Department of the Beijing Committee of the Communist Party of China" (Jing Cai Shui [2014] No. 2907) (《北京市財政局北京市國家稅務局北京市地方稅務局中國共產黨北京市委員會宣傳部轉發財政部國家稅務總局中宣部關於繼續實施文化體制改革中經營性文化事業單位轉制為企業若干稅收政策的通知》(京財稅[2014]2907號)), the Company will continue to enjoy preferential enterprise income tax exemption during the period from 1 January 2014 to 31 December 2018.

8. EARNINGS PER SHARE

Items	**For the year ended 31 December 2014**	For the year ended 31 December 2013
Net profit for the year attributable to shareholders of the Company	**10,506**	20,377
Weighted average number of issued ordinary shares (thousand shares)	**197,310**	197,310
Earnings per share, basic (RMB)	**0.05**	0.10

Diluted earnings per share and basic earnings per share for the years ended 31 December 2014 are the same as there were no diluting events existed during both years.

9. DIVIDENDS

(1) The final dividends for 2014 of RMB0.10 per share amounting to a total of RMB19,731 thousand have been proposed by the Board and are subject to shareholders' approval at the forthcoming annual general meeting.

(2) Dividends recognized as profit distribution during the year are as follows:

	For the year ended 31 December 2014	For the year ended 31 December 2013
Final dividend for the financial year ended 31 December 2013 at RMB0.14 per share (2013: Final dividend for 2012 at RMB0.30 per share) *(Note)*	**27,623**	59,193
Total	**27,623**	59,193

Note: The Company has distributed the 2013 final dividend to its shareholders by 31 July 2014.

When the final dividend was distributed to the individual H shareholders whose name was appeared on the register of members of the Company on 28 May 2014, the Company has withheld 10% of the final dividend as individual income tax in compliance with the regulation issued by the State Administration of Taxation.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

10. ACCOUNTS RECEIVABLE

Items	As at 31 December 2014	As at 31 December 2013
Accounts receivable	**434,929**	351,065
Less: Provision for bad debts	**24,250**	12,665
Net accounts receivable	**410,679**	338,400
For reporting purpose, analysis as:		
Non-current assets – long-term receivables	**–**	–
Current assets – accounts receivable	**410,679**	338,400
	410,679	338,400

(1) The following is an aging analysis of accounts receivable presented basing on the invoice date (net of provision for bad debts):

Items	As at 31 December 2014	As at 31 December 2013
0-90 days	**87,324**	52,043
91-180 days	**54,897**	63,936
181-365 days	**114,938**	165,454
1-2 years	**124,393**	42,714
Over 2 years	**29,127**	14,253
Total	**410,679**	338,400

The Group normally granted credit period from 1 week to 3 months from the date of invoice to its customers (including related parties but excluding certain advertising agents of classified advertisements).

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

(2) Analysis of accounts receivable by categories:

	As at 31 December 2014				As at 31 December 2013			
	Balance of carrying amount		**Provision for bad debts**		Balance of carrying amount		Provision for bad debts	
	Amount	**Percentage** *(%)*	**Amount**	**Percentage** *(%)*	Amount	Percentage *(%)*	Amount	Percentage *(%)*
Significant individual receivables with bad debt provision made on individual basis	–	–	–	–	–	–	–	–
Receivables with bad debt provision made on group basis:								
Aging group	273,986	63.00	19,239	7.02	251,831	71.73	10,064	4.00
Related party group	152,709	35.11	–	–	96,433	27.47	–	–
Non-risk group	1,483	0.34	–	–	–	–	–	–
Sub-total	428,178	98.45	19,239	4.49	348,264	99.20	10,064	2.89
Insignificant individual receivables with bad debt provision made on individual basis	6,751	1.55	5,011	74.22	2,801	0.80	2,601	92.86
Total	434,929	100.00	24,250		351,065	100.00	12,665	

Accounts receivable with bad debt provision by aging method:

	As at 31 December 2014			As at 31 December 2013		
	Amount	**Percentage** *(%)*	**Provision for bad debts**	Amount	Percentage *(%)*	Provision for bad debts
Within 1 year	173,098	–	–	197,579	–	–
1-2 years	71,351	10.00	7,135	41,455	10.00	4,145
2-3 years	19,946	30.00	5,984	6,305	30.00	1,892
3-4years	5,175	50.00	2,587	3,887	50.00	1,943
Over 4 years	4,416	80.00	3,533	2,605	80.00	2,084
Total	273,986		19,239	251,831		10,064

(3) Top five accounts receivable as at 31 December 2014 represents 45.55% of the total accounts receivable (2013: 32.15%).

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

(4) The ageing analysis of the accounts receivable which are past due but not impaired as the balance sheet date are as follows:

Items	As at 31 December 2014	As at 31 December 2013
Within 6 months	**61,028**	50,418
6 months to 1 year	**23,033**	33,434
1-2 years	**60,177**	5,405
2-3 years	**2,814**	6,774
3-4 years	**6,738**	348
Over 4 years	**402**	54
Total	**154,192**	96,433

Trade receivable which are past due but not impaired are related to independent customers and related parties, such accounts have good credit records with the Group. According to the past experience, management of the Company was of the view that no provision is necessary with respect to such balances, as there is no significant change in credit quality and balances are still considered to be fully recovered.

11. OTHER CURRENT ASSETS

	As at 31 December 2014	As at 31 December 2013
Held-to-maturity investments	**11,000**	–
Total	**11,000**	–

Note: The held-to-maturity investments as at 31 December 2014 included:

The Company had entered a fixed-income investment agreement with the Beijing Spring Integration Film Limited（北京春天融和影視文化有限責任公司）to which the Company will invest RMB10,000 thousand for the TV drama project "All Quiet in Peking"（《北平無戰事》）, and the investment term will be one year and carry a fixed interest rate of 16.60% per annum. However, the company will not participate into the production process and will not take up any risks or losses derived from the said TV drama project.

The Company had entered a fixed-income investment agreement with the Beijing Wenmai Tang Cultural Development Co., Ltd. (北京文脈堂文化發展有限公司) to which the Company will invest RMB1,000 thousand for the film project "Coming out"（《出山》）, and the investment term will be one year and carry a fixed interest rate of 15.00% per annum. However, the company will not participate into the production process and will not take up any risks or losses derived from the said film project.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

12. FINANCIAL ASSETS AVAILABLE-FOR-SALE

(1) Details of financial assets available-for-sale

	As at 31 December 2014			As at 31 December 2013		
	Balance	**Provision of impairment**	**Carrying Value**	Balance	Provision of impairment	Carrying Value
Available-for-sale equity instruments	**150,629**	**5,069**	**145,560**	144,629	5,069	139,560
At fair value	**–**	**–**	**–**	–	–	–
At cost	**150,629**	**5,069**	**145,560**	144,629	5,069	139,560
Total	**150,629**	**5,069**	**145,560**	144,629	5,069	139,560

(2) The analysis of financial assets available-for-sale are as followings:

Classification	**As at 31 December 2014**	As at 31 December 2013
Unlisted equity investments, China	**150,629**	144,629
Provision for impairment of unlisted equity investments	**5,069**	5,069
Total	**145,560**	**139,560**

The unlisted equity investment and equity investment fund cannot be measured at fair value instead of at cost as there is no active market.

(3) Financial assets available-for-sale, at cost

	Balance			
Investee	**As at 1 January 2014**	**Increase during the year**	**Decrease during the year**	**As at 31 December 2014**
Suzhou Huaying Culture Industry Investment Enterprise	4,500	–	–	4,500
Beijing Keyin Media Culture Co., Ltd.	6,560	–	–	6,560
Beiyang Publishing & Media AG	103,000	–	–	103,000
Beijing Gehua Sunshine Advertising Company	3,000	–	–	3,000
BYD Internet Media Ltd	500	–	–	500
Flint (Ink) Beijing Co., Ltd.	2,069	–	–	2,069
Beijing Runxin Dingtai Investment Centre (Limited Partnership)	25,000	–	–	25,000
Beijing 3D Investment Fund Management Ltd.	–	6,000	–	6,000
Total	**144,629**	**6,000**	**–**	**150,629**

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

Investee	Provision of impairment As at 1 January 2014	Increase in the year	Decrease in the year	As at 31 December 2014	Proportion of shareholding (%)	Divided paid in cash for the year ended 31 December 2014
Beijing Gehua Sunshine Advertising Company	3,000	–	–	3,000	30.00	–
Flint (Ink) Beijing Co., Ltd.	2,069	–	–	2,069	5.00	–
Total	**5,069**	–	–	**5,069**	**–**	**–**

(4) Provision of impairment for financial assets available-for-sale

	Available-for-sale Equity instrument	Total
Classification of financial assets available-for-sale		
Impairment as at 1 January 2014	5,069	5,069
Provision during the year	–	–
Included: transferred from other comprehensive income	–	–
Decrease in the year	–	–
Included: Reversal for the subsequent increase of fair value	–	–
Impairment as at 31 December 2014	5,069	5,069

13. INVESTMENTS IN ASSOCIATES

(1) Classification of investment in associates

Classification	As at 31 December 2014	As at 31 December 2013
Investments in associates under equity method	**209,326**	248,097
Less: Provision of impairment for investment in associates	**25,621**	–
Total	**183,705**	248,097

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

(2) Investments in associates

Investee	Balance as at 1 January 2014	Changes during the year: Further Investment	Decrease in Investment	Investment Loss under Equity Menthod	Other comprehensive income adjustment	Other Change in Equity	Declared Dividend in cash or profits	Provision of impairment	Others	As at 31 December 2014 Balance	As at 31 December 2014 Balance of impairment provision
Associates											
Beijing Leisure Trend Advertising Company Limited	–	–	–	–	–	–	–	–	–	–	–
Beijing Beiqing Shengda Automobile Service Company Limited	–	–	–	–	–	–	–	–	–	–	–
Beijing Beisheng United Insurance Agency Co., Limited	27	–	–	25	–	–	–	–	–	52	–
BYD Time Consulting Co., Ltd.	511	–	–	(140)	–	–	–	–	–	371	–
Beijing Transmedia Advertising Limited	221,682	–	–	(27,793)	–	–	–	25,621	–	168,268	25,621
Beijing Beiqing Top Advertising Limited	19,622	–	–	(8,507)	–	–	–	–	–	11,115	–
Heibei Jujingcai E-commerce Company Limited	6,255	–	–	(3,937)	–	–	–	–	–	2,318	–
Chongqing Sou Yang Internet Technology Company Limited	–	1,750	–	(169)	–	–	–	–	–	1,581	–
Total	248,097	1,750	–	(40,521)	–	–	–	25,621	–	183,705	25,621

Items	**As at 31 December 2014**	As at 31 December 2013
Unlisted shares, at cost	**190,532**	188,782
Share of post-acquisition profit	**18,469**	58,990
Share of capital reserves of associates	**325**	325
Total	**209,326**	248,097

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

14. INVESTMENT PROPERTIES

(1) Investment Properties measured at fair value

		Increase during the year		Decrease during the year		
	Fair value as at 1 January 2014	**Purchases**	**Gain or loss arising from changes in fair value**	**Disposal**	**Change into own-occupied property**	**Fair value as at 31 December 2014**
Cost	21,826	7,958	–			29,784
Property, buildings	21,826	7,958	–			29,784
Changes in fair value	31,609	–	(8,234)			23,375
Property, buildings	31,609	–	(8,234)			23,375
Carrying value	53,435	7,958	(8,234)			53,159
Property, buildings	53,435	7,958	(8,234)			53,159

As at 31 December 2014, the carrying values of the investment properties for which the Group had not been granted formal title amounted to approximately RMB7,246,000 (2013:RMB7,391,000). In the opinion of the directors of the Company, the absence of formal title to these properties does not impair value of the relevant properties to the Group. The directors of the Company also believe that formal title to these properties will be granted the Group in due course.

During the year, the rental income generated from investment properties is RMB2,402,000 (2013:RMB1,956,000) .

(2) Analysis of investment properties by region and lease term are as follows

Item	**Fair value as at 31 December 2014**	Fair value as at 1 January 2014
Located in PRC		
Medium (10-50 years)	**44,460**	53,435
Located in the overseas		
Long (more than 50 years)	**8,699**	–
Total	**53,159**	53,435

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

15. OTHER NON-CURRENT ASSETS

	As at 31 December 2014	As at 31 December 2013
Entrusted Loan *(Note 1)*	**3,000**	3,000
Film project prepaid expenses *(Note 2)*	**11,816**	17,032
Total	**14,816**	20,032

Note 1: As at 31 December 2014, the Company provided entrusted loan in aggregate of RMB3,000 thousand to Chongqing Youth Industrial Co., Ltd. on 29 December 2013 via bank for a term of three years and carry fixed interest rates of 6.15% per anum.

Note 2: Film projects prepaid expenses related to the Company's participation in film and television production of "The Story of Zheng Yang Gate" (《正陽門下》) , "Silent Witness" (《全民目擊》) and "Billow" (《巨浪》). The Company entered into agreements with Daqianmen (Beijing) Media Co. Ltd., pursuant to which the Company participated for the production and distribution of TV series "The Story of Zheng Yang Gate", with Century 21 Wink Films Investments Co., Ltd., pursuant to which the Company involved in production of the Film "Silent Witness", and with Beijing Forest Movies Culture Media Co., Ltd., pursuant to which the Company involved in production of TV series "Billow". As at 31 December 2014, the prepaid expenses of the film project "Silent Witness" had been fully recovered, and the balances related to the remaining two television projects prepaid expenses are RMB1,556 thousand and RMB10,260 thousand respectively.

16. ACCOUNTS PAYABLE

The following is an aging analysis of accountable as at 31 December 2014 presented based on the invoice date:

Items	**As at 31 December 2014**	As at 31 December 2013
Within 90 days	**29,059**	28,680
91-180 days	**13,874**	17,434
181-365 days	**27,674**	41,049
Over one year	**37,114**	33,608
Total	**107,721**	120,771

The average credit period for purchases of good is from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit period.

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

17. Other payables

Item	As at 31 December 2014	As at 31 December 2013
Other payables	**26,998**	21,478
Total	**26,998**	21,478

As at 31 December 2014, there are no foreign currency-denominated payables in other payables (2013: Nil).

18. Long-term loans

(1) Category

Classification	As at 31 December 2014	As at 31 December 2013
Pledged loan	**19,500**	–
Less: Due within 1 year	**7,500**	–
Total	**12,000**	–

On 26 June 2014, the Company's subsidiary Beiqing Outdoor, had entered a pledged loan agreement with Bank of Communications, Beijing Dongdan Branch for financing RMB19,500 thousand to settle Beiqing Outdoor's royalty fee of advertising facilities, and which the loan is repayable within 36 months (26 June 2014 to 23 June 2017), interest bearing on 3 year's Benchmark Loan Interest Rates of Financial Institutions plus 20%, and secured by the investment properties held by Beiqing Outdoor.

(2) Long-term loans due date analysis

	As at 31 December 2014	As at 31 December 2013
1-2 years	**6,500**	–
2-5 years	**5,500**	–
Total	**12,000**	–

(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)

19. Undistributed profits

Items	For the year ended 31 December 2014 Amounts	Appropriation (%)
Ending Balance of Last Year	**82,818**	
Add: Beginning retained earnings adjustment	–	
Beginning Balance of Current Year	**82,818**	
Add: Net profit attributable to Parent Company of Current Year	**10,506**	
Less: Provision of statutory surplus reserve	–	10
Provision of discretionary surplus reserve	–	
Provision of general risk reserve	–	
Ordinary share dividend payable	**27,623**	
Capitalized ordinary share dividend	–	
Ending Balance of Current Year	**65,701**	

As at 31 December 2014, the undistributed profits attributable to Parent Company include the allocation to surplus reserve of RMB25,882 thousand from the subsidiaries (2013: RMB25,198 thousand).

20. Subsequent event

Nil

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW OF THE GROUP

The Group is principally engaged in three core businesses: (1) advertising sales, which contributed the majority of the turnover of the Group; (2) printing, the turnover of which includes the revenue of the printing of publications arranged by BYD Logistics; and (3) trading of print-related materials, which involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to customers including commercial printers.

Total operating revenue of the Group for 2014 was RMB680,769 thousand (2013: RMB667,428 thousand), representing an increase of 2% as compared with 2013. Net profit attributable to shareholders of the Company for 2014 was RMB10,506 thousand (2013: RMB20,377 thousand), representing a decrease of 48.44% as compared with 2013.

In 2014, the Company adhered to the two major strategies of reinforcing traditional business and exploring emerging business sectors. In reinforcing traditional business: the Company actively expanded the influence of its business and ensured the quality of service through media functions; in exploring emerging business sectors: firstly, we operate online game platforms, make effort in expanding from webpage game to mobile game; secondly, we engaged in the merging points of online and offline to solve the issue of internet service in the last mile, while collecting big data, seized sales channels that reaches the households and cultivated a large number highly loyal customers to achieve economy of scale; thirdly, leveraging on the established influence and cultural assets of our media, we invested in cultural, film and video projects to pursue internal growth by riding the tide of a rapidly developing cultural industry. In particular, when implementing such strategy, the Company strived to achieve (1) professionalism of its team: selecting a mix of professional team members of excellent quality; (2) diversified operation models: also provide upstream and downstream related services while we providing total value added solutions to our customers; and (3) centralisation of resources allocation: focus on dominating businesses, allocating more funding and human resources to them.

In 2014, the Group's income was directly impacted by various factors, including the macroeconomic downturn, persistently strict control over real estate and automobile markets and slide in luxury product industry, which in turn resulted in higher account receivables from the Company, the subsidiaries and associates and longer collection period. To cope with the new changes in the market condition, the Company is considering professional and intensive operation and making adjustments to the structure of the former Beijing Media Advertisement Centre. In 2014, the differentiated independent operation of the Company, Legal Evening Post (《法制晚報》) and Civil Aviation Administration of China News (《中國民航報TOP時空》) began. A personalised and precise marketing plan was implemented and a refined professional marketing team was created. Meanwhile, at the end of 2014, the Company actively adjusted the advertising operating team in order to build a first-class and professional team to further enhance the operating efficiency through standard and innovative management.

The macro-economy generally trended downward in 2014, which affected results of the industry. The "Notice on the Adjustment of Individual Housing Transfer Business Tax Policy" (Cai Shui [2015] No.39) (《關於調整個人住房轉讓營業稅政策的通知》(財稅[2015]39號)) issued by the Ministry of Finance and the State Administration of Taxation and the "Notice on Policies for Individual Housing Provident Fund Loans" (《關於個人住房貸款政策有關問題的通知》) issued by the People's Bank Of China on 30 March 2015, indicate that the government has been launching positive policies to help the economy to resume growth and caring out easing policies on real estate. It is expected that such moves will have positive effect on the economy in the second half of 2015. The Group will follow such trend act accordingly in hope of accomplishing good performance.

In 2014, according to the "Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Culture Entities into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department and forwarded by Beijing Municipal Finance Bureau, Beijing State Administration of Taxation, Beijing Local Taxation Bureau and the Publicity Department of the Beijing Committee of the Communist Party of China" (Jing Cai Shui [2014] No. 2907) (《北京市財政局 北京市國家稅務局 北京市地方稅務局 中國共產黨北京市委員會宣傳部轉發財政部 國家稅務總局 中宣部關於繼續實施文化體制改革中經營性文化事業單位轉制為企業若干稅收政策的通知》(京財稅[2014]2907號)), the Company will continue to enjoy preferential enterprise income tax exemption during the period from 1 January 2014 to 31 December 2018.

Advertisement Business

Revenue from advertising sales of the Group for 2014 was RMB360,187 thousand (2013: RMB339,805 thousand), representing an increase of 6% as compared with 2013.

In 2014, the advertising business in real estate sector was still the major advertising business of the Company. To cope with market competition, the Company adjusted the real estate industry team in 2014 to fully implement the refined professional strategy. There was active expansion in the real estate market outside Beijing through building a physical sales platform, planning circulating for special issues on Beijing-Tianjin-Hebei integration and the Gorgeous Home and other measures such as organizing group visits to houses. The result was favourable. Meanwhile, the Company also participated in the community showcase of real estate projects and promoted the direct communications between the advertisers and consumers, to provide more extented services for clients and bring more advertising sales for the Company.

With the continuous effort made by the Company, the monitoring data provided by the third party showed that the placement volume of advertisement in real estate industry of the Company still maintained a leading advantage in the industry compared with other print media of Beijing metropolitan newspapers in 2014 (market share of placement volume of advertisement of the Company in real estate industry among print media of Beijing metropolitan newspapers was 31.78% in 2014).

In 2014, the placement volume of advertisement in automobile industry was in the top ranking among the total placement volume of advertisement of the Company. Under the continuous market downturn of the automobile industry, the Company proactively adjusted its business model: firstly, to use underwriting to promote traditional advertising placement; secondly to actively hold various activities and auto shows. It organized the Beiqing Automobile Exhibition with around 17 domestic and foreign renowned automobile brands and more than 180 models of automobile. At the Beijing International Automobile Exhibition 2014, through innovative distribution and outreach activities, the Company provided the advertising customers with diversified marketing plans, thereby enhancing the influence of Beijing Media brand and effectively increasing advertising sales income.

In 2014, the monitoring data provided by the third party showed that, benefited from the efforts of the Company in different aspects, the placement volume of advertisement in automobile industry of the Company still maintained a leading advantage in the industry compared with other print media of Beijing metropolitan newspapers (market share of placement volume of advertisement of the Company in automobile industry among print media of Beijing metropolitan newspapers was 30.90% in 2014).

Meanwhile, the monitoring data provided by the third party showed that the placement volume of advertisement in Beijing Youth Daily (《北京青年報》) in industries such as living service, recruitment and finance and insurance that the high-income group pay close attention to took a high market share among the print media of Beijing metropolitan newspapers, especially the performance of placement volume in living service industry (market share of placement volume of advertisement in living service, recruitment and finance and insurance industry of the Company among print media of Beijing metropolitan newspapers were 59.88%, 51.16% and 38.93%, respectively in 2014).

The Company made detailed projection of the economic situation and actively responded to the industrial competition, so as to still maintain a relatively high market share in the industry under unfavorable external market environment. In 2014, the market observation data provided by third party showed that the consolidated market share of advertisement in Beijing Youth Daily still ranked top among the print media of Beijing metropolitan newspapers (market share of Beijing Youth Daily among print media of Beijing metropolitan newspapers was 26.49% in 2014).

Film and television business

To diversify operation and increase income sources, the Company continued to explore investment in films and television following the good reputation and stable revenue for the TV drama "Story of Zheng Yang Gate" (《正陽門下》) and the film "Silent Witness" (《全民目擊》). On 27 February 2014, with the approval by the Board, the Company invested and produced the TV series "東方球王" (formally known as "Henqiu" (《恨球》)). Currently, several satellite television stations have expressed interests in purchasing its broadcasting right. In 2014, the Company also jointly invested and produced TV series "All Quiet in Peking" (《北平無戰事》) and "Waves" (《巨浪》) in collaboration with Beijing Spring TV Culture Co., Ltd. and Beijing Forest Movie Culture Media Co., Ltd., respectively. The Company also co-produced the film "Coming Out" (《出山》) with Beijing Wen Mai Tang Development Co., Ltd.. The above new developments are expected to bring income in the future.

RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP

Beiqing CéCi is a 84.69%-owned subsidiary of the Company. In 2014, the revenue and net profit of Beiqing CéCi respectively amounted to RMB32,696 thousand and RMB5,981 thousand, representing an increase of 17.77% and 43.37% as compared with that of the corresponding period of last year.

In 2014, Beiqing CéCi explored customer needs in depth, used their keen sense on fashion and edit advantage to develop new business of making internal magazine for advertisers, making it a new profit growth point. To enhance corporate brand influence, on 30 November 2014, the Company jointly organized the one-year campaign, "I am the leader of my youth-Red Ribbon Campus Health Ambassador" ("美好青春我做主－紅絲帶健康大使青春校園行") with 16 universities in 14 provinces nationwide. The campaign targeted at college students to promote AIDS prevention education, with the participation of a number of government officials, university leaders, and Prof. Peng Liyuan, who is the WHO's AIDS Ambassador and AIDS Prevention Advocate of the National Health and Family Planning Commission. Beiqing CéCi strived to continuously enhance the reputation and influence of CéCi (《茜茜姐妹CéCi》) magazine through new marketing initiatives to respond to the increasingly fierce market competition and effectively increase revenue.

Beiqing Outdoor is a wholly-owned subsidiary of the Company and officially changed its name to Beijing Beiqing Outdoor Advertisement Co., Ltd. in July 2014. Its principal business is operating urban outdoor single column billboards. In the first half of 2014, the Company and Beiqing Outdoor successfully won the bid of outdoor single column billboards from Beijing Municipal Commission of City Administration and Environment, acquiring the operation right for 3 years of more than 10 single column billboards in advantageous locations in sections such as West 4th Ring and East 5th Ring in Beijing, Jingkai Highway and Beijing-Harbin Freeway. All advertising spaces on such outdoor billboards were sold out in 2014. At present, the Company and Beiqing Outdoor kept a leading position in retaining the number of single column billboards in the bidding market of Beijing city region. In the second half of 2014, the Company injected capital into Beiqing Outdoor, causing the increase of registered capital of Beiqing Outdoor from RMB4,000 thousand to RMB10,000 thousand. Currently, Beiqing Outdoor adopts active measures for its business and operation in order to turn profitable as soon as possible.

Beiqing Community Media is a 76.14%-owned subsidiary of the Company. Beiqing Community Media is dedicated to develop Beiqing Community Daily (《北青社區報》), a new media focusing a small group of people. Relying on government advantages, Beiqing Community Daily entered into various communities. Major business districts and popular gathering places were of first priority. Through interaction between newspapers and Weixin, particularly the offline activities conducted in specific districts, the cohesion of community users was enhanced and solid foundation for large data marketing was laid. In 2014, Beiqing Community Daily had produced 27 community papers for Fangzhuang and other districts, and the free indoor circulation in each of such districts was approximately 40,000 copies. The total publication amount as a weekly newspaper was approximately 1.08 million copies which covered 4.32 million readers, with 130 community relay stations opened correspondingly. It is expected that it will expand circulation to 35 copies of community newspapers and open 150 community relay stations in 2015. Meanwhile, in order to achieve close integration of the community newspaper and community relay stations for building the most preferred personalized service platform for home life in Beijing, Beiqing Community Media launched the online platform APP "OK Home APP" and officially conducted online trial in October 2014. As of February 2015, registration has opened on the platform, for over 90 sub-communities in three communities, namely Chaoqing District, Beiyuan District and Tiantongyuan District. Although Beiqing Community Media is still in the rearing period, the Company firmly believes that when the resource accumulation, both online and offline, of the community daily and community relay stations reaches a certain scale, maximized profits can be expected.

LEP Media is a wholly-owned subsidiary of the Company. In 2013, LEP Media, as a limited partner, formed Beijing Runxin Dingtai Investment Centre (Limited Partnership) (the "Fund"). On 17 June 2014, the backdoor listing plan of Tianshenhudong.com, the first online game project invested by the Fund, was conditionally approved by the Review Committee of Merger, Acquisition and Reorganization of Listing Companies of China Securities Regulatory Commission. In 2014, LEP Media was profitable.

Qingyou Information is a wholly-owned subsidiary of the Company. In order to explore emerging media business segment, the Company fully invested RMB30,000 thousand in the operation of the website game platform "Qingyou online". The game platform at present has completed the online trail testing and is now under stable operation. It is an agent of more than 240,000 games and has over 1,200,000 users. In 2014, Qingyou Information achieved profit and it is expected to be the new profit growth point of the Group.

Beiqing Long Teng is a 51%-owned subsidiary of the Company. In 2014, Beiqing Long Teng actively improved its internal management system foucused on asset management and financial consultant business, and created revenue of nearly RMB3,277 thousand. Beiqing Long Teng, which was under the rearing period, expanded business and established a unique investment brand in the cultural market in order to realize profits as soon as possible.

Chongqing Media is a 60%-owned subsidiary of the Company. It runs Chongqing Youth Daily (《重慶青年報》). At present, the circulation of Chongqing Youth Daily has reached more than 60,000 copies in 2014, the number of the followers of its WeChat public account has reached 480,000, making it the most popular WeChat public account in Chongqing region. Chongqing Media is currently striving to shorten the rearing period in order to realize profits as soon as possible.

BYD Logistics is a 92.84%-owned subsidiary of the Company. Operating revenues from the printing and the trading of print-related materials businesses for 2014 were respectively RMB24,658 thousand and RMB260,567 thousand (2013: RMB22,330 thousand and RMB266,786 thousand), representing an increase of 10.43% and a decrease of 2.33% as compared with those of the corresponding period of 2013. In 2014, BYD Logistics further controlled costs and expenses, and its operating profit during the period was almost the same as that of the previous year.

BQTM is an associate of the Company in which the Company holds 36.14% of its shares. BQTM is dedicated to operate the large LED screen in several domestic airports led by the Capital Airport. In 2014, since the Capital Airport developed various advertising spots in different forms around the original large LED screen operated by BQTM, the advertising income from large LED screen received by BQTM was affected, which resulted in the decline in its results difficulty in operation. BQTM is currently taking effective measures to raise its operating income. In 2014, BQTM strived to expand the new business of the Ground Transportation Centre (GTC). It collaborated with Raising Aerodrome Exhibition Co., Ltd. Beijing (RAECO) in the development of catering business for passengers in transit at the airport. BQTM primarily contracted the design, operation and allocation of the advertising resources of GTC, which included various advertising means such as LED large screens and automobile exhibition spaces. Currently, the GTC business has been launched in T3 of Capital Airport, Shanghai Hongqiao Airport and Shenzhen Bao'an Airport. BQTM also entered into a strategic co-operation agreement with RAECO in February 2014 and entered into the overall co-operation agreement and advertising agency agreement for T3 of capital airport in 2015. Agreements will be entered into for other airports as the GTC business develops. Adopting new business is expected to help BQTM to realize profits as soon as possible.

Jujingcai (Hebei Jujingcai E-commerce Company Limited) is an associate of the Company, in which the Company holds 44.5% equity interest. On 30 June 2014, CaiCai.cc officially launched its operation after half year of trial operation. Through a wide range of innovative marketing activities, it has nearly 20,000 registered users with 6 product lines and more than 140 products in total. In 2014, Jujingcai obtained Hebei Province Cultural Industry Development Guidance Subsidy and was honored "Novice Award" in the "China Creative Industries Innovation Award" (中國創意工業創新獎) campaign, which effectively enhanced the influence of its brand.

The Group was committed to diversifying investment portfolio and setting up extensive media platforms with comprehensive audience group, covering newspapers, magazines, outdoor, LED internet and aviation broadcast. Meanwhile, the Group managed to provide all-round sophisticated media marketing platforms for advertisers to place advertisements, which enabled advertisers to maximize returns by selecting diversified cross-channel, cross-media and cross-region advertising portfolios.

EVENTS ORGANIZED DURING THE YEAR

Capitalizing on its media strengths and integrating and consolidating its internal resources, the Group established a platform for communications between readers (consumers) and advertising customers (exhibitors). In 2014, Beijing Media organized "2014 Beijing Auto Exhibition" and "Beijing Media Travel Exhibition" as well as participating in large-scale exhibitions such as "Beijing International Automotive Exhibition", which effectively facilitated the placement of advertisements in the respective industries.

During 2014, the "2014 Beijing Auto Exhibition" hosted by BYDA and the Group was successfully held at the Beijing Exhibition Center from 14 August 2014 to 17 August 2014. During the four-day exhibition period, the Group invited 17 famous international and domestic automobile brands including GAC-Toyota with more than 180 vehicle types displayed in the exhibition, which in turn further deepened the image of such exhibition as a "true exhibition with valuable yield" among consumers.

In 2014, leveraging on the strong influence of the Beijing Media brand and our own marketing resources, the Company attempted to cultivate a professional sales platform for tourism industry and organized the onsite event "Beijing Media Travel Exhibition" for seven times during the year. With an average of 400 visitors and 50 tourism product purchases for each event and approximately 2,000 valid messages collected from the audience, the exhibition built a sound reputation in Beijing tourism circle and effectively set up the position of the Beijing Media brand in the tourism industry.

PROSPECTS AND FUTURE PLANS

While maintaining its existing core businesses in 2015, the Group intends to further diversify its media business through acquisitions and cooperation. The Group will bolster its ongoing relationship with BYDA, in order to further development of its business and stand out from its peers as a leading cross-media group in the PRC.

In 2015, the Company will actively promote the operation of Beiqing Community Daily, and facilitate new expansion of business scope through capital operation. It is expected that there will be 35 community newspapers and 150 community relay stations by the end of the year.

In 2015, the Company will strive to explore emerging media business segment. Relying on the media advantage and influence of the Group, Qingyou Information will establish a precise marketing advertising network service platform for different operations while operating web game platform "Qingyou online" to create a new profit growth point on the basis of over 1,200,000 users.

In 2015, the Group will continue to rely on Beiqing Outdoor to accelerate the development of outdoor advertisement business. With our headquarter in Beijing, we will extend our business all over the country with focus on channel development and outdoor advertisement business in emerging digital media form.

In 2015, the Company will further consolidate the media resources and realize cross-media marketing to provide customers with promotion and marketing mix based on the approach of adopting internal media as well as to design, circulate and implement the marketing mix based on external media for the clients. The provision of extended services along the industrial chain will generate more revenues for the Company.

In 2015, the Company will continue to expand the cultural industry market, setting foot on the film and television production operations. In February 2015, the Company and Beijing Jiaren Culture Media Co., Ltd. co-produced the TV series "38th Parallel" (《三八線》), the outcome of the distribution and ratings of which is expected to be favourable.

FINANCIAL POSITION AND OPERATIONAL RESULTS

1. Total Operating Revenue

Total operating revenue of the Group for 2014 was RMB680,769 thousand (2013: RMB667,428 thousand), representing an increase of 2% as compared with 2013. Of which, revenue from advertising sales was RMB360,187 thousand (2013: RMB339,805 thousand), representing an increase of 6% as compared with 2013; revenue from printing was RMB24,658 thousand (2013: RMB22,330 thousand), representing an increase of 10.43% as compared with 2013; and revenue from trading of print-related materials was RMB260,567 thousand (2013: RMB266,786 thousand), representing a decrease of 2.33% as compared with 2013.

2. *Operating Cost and Sales Tax and Surcharges*

Operating cost of the Group for 2014 was RMB537,208 thousand (2013: RMB573,686 thousand), representing a decrease of 6.36% as compared with 2013. Of which, cost of advertising sales was RMB244,434 thousand (2013: RMB268,198 thousand), representing a decrease of 8.86% as compared with 2013; cost of printing was RMB24,258 thousand (2013: RMB17,320 thousand), representing an increase of 40.06% as compared with 2013; and cost of trading of print-related materials was RMB242,518 thousand (2013: RMB251,790 thousand), representing a decrease of 3.68% as compared with 2013. Sales tax and surcharges was RMB11,649 thousand (2013: RMB13,087 thousand), representing a decrease of 10.99% as compared with 2013.

3. *Gross Profit*

Gross profit of the Group for 2014 was RMB143,561 thousand (2013: RMB93,742 thousand), representing an increase of 53.14% as compared with 2013; gross profit margin of the Group for 2014 was 21.09% (2013: 14.05%).

4. *Selling Expenses*

Selling Expenses of the Group for 2014 was RMB38,511 thousand (2013: RMB17,682 thousand), representing an increase of 117.80% as compared with 2013.

5. *Administrative Expenses*

Administrative expenses of the Group for 2014 was RMB63,582 thousand (2013: RMB56,797 thousand), representing an increase of 11.95% as compared with 2013.

6. *Financial Expenses*

Financial expenses of the Group for 2014 was RMB-9,831 thousand (2013: RMB-23,417 thousand), representing a decrease of 58.02% in absolute value as compared with 2013. Of which, interest income was RMB11,566 thousand (2013: RMB23,960 thousand), representing a decrease of 51.73% as compared with 2013; and foreign exchange loss was RMB67 thousand (2013: foreign exchange gain: RMB108 thousand), representing a decrease of 162.04% as compared with 2013.

7. *Share of Profit of Associates*

Share of profit of associates of the Group for 2014 was RMB-40,521 thousand (2013: RMB10,347 thousand), representing a decrease of 491.62% as compared with 2013.

8. Operating Profit

Operating profit of the Group for 2014 was RMB-51,337 thousand (2013: RMB32,062 thousand), representing a decrease of 260.12% as compared with 2013.

9. Income Tax Expenses

Income tax expenses of the Group for 2014 was RMB711 thousand (2013: RMB2,174 thousand), representing a decrease of 67.30% as compared with 2013. According to the "Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Culture Entities into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department and forwarded by Beijing Municipal Finance Bureau, Beijing State Administration of Taxation, Beijing Local Taxation Bureau and the Publicity Department of the Beijing Committee of the Communist Party of China" (Jing Cai Shui [2014] No. 2907) (《北京市財政局、北京市國家稅務局、北京市地方稅務局、中國共產黨北京市委員會宣傳部轉發財政部、國家稅務總局、中宣部關於繼續實施文化體制改革中經營性文化事業單位轉制為企業若干稅收政策的通知》(京財稅[2014]2907號)), the Company will continue to enjoy preferential enterprise income tax exemption during the period from 1 January 2014 to 31 December 2018.

10. Net Profit and Net Profit Attributable to Shareholders of the Company

Net profit of the Group for 2014 was RMB4,896 thousand (2013: RMB17,273 thousand), representing a decrease of 71.66% as compared with 2013. Of which, net profit attributable to shareholders of the Company was RMB10,506 thousand (2013: RMB20,377 thousand), representing a decrease of 48.44% as compared with 2013.

11. Final Dividend

The Board recommends the distribution of a final dividend of RMB0.10 per share (2013: RMB0.14 per share).

12. Net Current Assets

As at 31 December 2014, net current assets of the Group was RMB826,613 thousand (31 December 2013: RMB771,169 thousand). Current assets mainly comprised of bank balances and cash of RMB366,321 thousand (31 December 2013: RMB562,219 thousand), nil financial assets held for trading (31 December 2013: RMB15 thousand), accounts receivable of RMB410,679 thousand (31 December 2013: RMB338,400 thousand), prepayments of RMB103,651 thousand (31 December 2013: RMB48,653 thousand), interest receivable of RMB1,461 thousand (31 December 2013: RMB4,780 thousand), other receivables of RMB144,836 thousand (31 December 2013: RMB36,847 thousand), inventories of RMB54,768 thousand (31 December 2013: RMB56,045 thousand), non-current assets due within one year was RMB1,489 thousand (31 December 2013: RMB632 thousand), and other current assets was RMB11,000 thousand (31 December 2013: nil). Current liabilities mainly comprised of notes payable of RMB81,545 thousand (31 December

2013: RMB95,980 thousand), accounts payable of RMB107,721 thousand (31 December 2013: RMB120,771 thousand), receipts in advance of RMB47,643 thousand (31 December 2013: RMB37,676 thousand), employee benefit payables of RMB7,416 thousand (31 December 2013: RMB7,645 thousand), tax payable of RMB-16,418 thousand (31 December 2013: RMB-14,494 thousand), other payables of RMB26,998 thousand (31 December 2013: RMB21,478 thousand), non-current liabilities due within one year was RMB7,500 thousand (31 December 2013: nil), and other current liabilities of RMB5,147 thousand (31 December 2013: RMB7,366 thousand).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2014, current assets of the Group was RMB1,094,205 thousand (31 December 2013: RMB1,047,591 thousand), including bank balances and cash of RMB366,321 thousand (31 December 2013: RMB562,219 thousand). Non-current assets of the Group was RMB501,385 thousand (31 December 2013: RMB564,928 thousand).

As at 31 December 2014, current liabilities of the Group was RMB267,592 thousand (31 December 2013: RMB276,422 thousand) and non-current liabilities was RMB17,030 thousand (31 December 2013: RMB2,583 thousand).

As at 31 December 2014, shareholders' equity of the Group was RMB1,310,968 thousand (31 December 2013: RMB1,333,514 thousand).

GEARING RATIO

As at 31 December 2014, gearing ratio of the Group was 21.71% (31 December 2013: 20.92%) (the gearing ratio is derived from dividing the Group's total liabilities by its total equity).

BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2014, bank loans of the Group was RMB19,500 thousand (31 December 2013: nil). The currency unit of cash and cash equivalent held by the Group was Renminbi.

FINANCING COST

Financing cost of the Group for 2014 was RMB836 thousand (2013: RMB482 thousand).

FIVE-YEAR RESULTS HIGHLIGHTS

	For the year ended 31 December				
	2014	2013	2012	2011	2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Restated)
Total operating revenue	**680,769**	667,428	690,276	757,574	769,497
Net profit	**4,896**	17,273	63,459	122,713	100,298
Net profit attributable to shareholders of the Company	**10,506**	20,377	64,987	119,894	99,715
Earnings per share – basic and diluted (RMB)	**0.05**	0.10	0.33	0.61	0.51

	As at 31 December				
	2014	2013	2012	2011	2010
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Restated)
Total assets	**1,595,590**	1,612,519	1,685,825	1,667,463	1,743,426
Total liabilities	**284,622**	279,005	327,391	237,814	312,430
Equity attributable to shareholders of the Company	**1,281,732**	1,302,238	1,341,054	1,397,115	1,394,296
Shareholders' equity per share as at the end of the year (RMB)	**6.50**	6.60	6.80	7.08	7.07

Note: As the Company has adopted PRC Accounting Standards from 2011, the above financial information includes the data restated in accordance with PRC Accounting Standards before 2010. In 2011, the Company carried out a business combination under common control, and acquired 55% equity interests in Beijing Outdoor. Therefore, the above data, including years before 2010, have been restated according to requirements of PRC Accounting Standards.

USE OF PROCEEDS FROM THE LISTING

The Company raised a total net proceeds of HKD889,086 thousand from the initial global offering in 2004. The following table sets forth a breakdown of the proposed use of proceeds as disclosed in the prospectus and the subsequent announcements of the Company, and the actual use of proceeds as at 31 December 2014:

Proposed use of proceeds	**Amounts proposed**	**Amounts used**
	HK$	*HK$*
Developing a number of topic-focused magazines on personal wealth management lifestyle and cultural activities	Approximately 23.59 million	Approximately 23.59 million
Investing in and acquisition of other media business (including but not limited to traditional media and emerging media businesses) and related businesses (including but not limited to the additional investment in the existing businesses of the Group)	Approximately 545.4960 million	Approximately 499.0848 million
General working capital of the Group	Approximately 320.00 million	Approximately 230.00 million

On 14 May 2014, LEP Media, a wholly-owned subsidiary of the Company, completed capital reduction. The registered capital of LEP Media thus reduced from RMB400,000 thousand to RMB51,000 thousand, after reduction of self-owned fund and the investment amount which have been utilized, there was approximately HKD299.62 million that returned to the Company's proceeds. Utilization of proceeds followed the original plan of the Company, and there were no violations regarding the Company's use of proceeds.

On 24 November 2014, in order to reinforce the development of outdoor advertising billboard business, the Company proposed to change the usage of part of the proceeds from initial global offering which has not yet been utilized as the general working capital to the general business activities such as the bidding of outdoor advertising billboards. Therefore, the Board has resolved that the proposed usage of the net proceeds from initial global offering which has not yet been utilized of approximately HKD251,041,200 has been changed as follows: (i) approximately HKD61,041,200 used for the investment and acquisition of other media businesses, including but not limited to the traditional media and new media, and other related businesses, including but not limited to the additional investment on the existing businesses of the Group; and (ii) approximately HKD190,000,000 used as the general working capital of the Group. The Board considers that the proposed change of use of proceeds from initial global offering will be conducive to expand the business of the Group, enlarge its income base and enhance its competitiveness, which is in the best interests of the Company and its Shareholders as a whole.

Upon the approval of the tenth meeting of the fifth session of the Board on 27 February 2014, the Company contributed RMB30,000 thousand (equivalent to approximately HKD37,712,000) to establish Qingyou Information, a wholly-owned subsidiary of the Company, to operate the "Qingyou online" business. Qingyou Information has completed the business registration on 24 June 2014. The Company has completed all capital contribution as at 31 July 2014.

As of December 2014, the Company has contributed an additional amount of RMB6 million (equivalent to approximately HKD7,606,100) to Beiqing Outdoor.

The proceeds utilized during the year was HKD172,129,800 in total. As at 31 December 2014, the balance of proceeds of the Company was HKD136,411,200.

In order to capture more business opportunities arising from emerging media businesses and other related media businesses for utilization of the net proceeds of the Group in a more effective way, during 2014, the Company strived to seek opportunities to fulfill the objectives as set forth above. The Company believes that the remaining proceeds will be utilized pursuant to the aforesaid purposes for business development under mature conditions in the future.

SHARE STRUCTURE

	Number of shares	**% of total share capital** *(%)*
Holders of Domestic Shares		
– BYDA	124,839,974	63.27%
– Beijing Zhijin Science and Technology Investment Co., Ltd.	7,367,000	3.73%
– China Telecommunication Broadcast Satellite Corp.	4,263,117	2.16%
– Beijing Development Area Ltd.	2,986,109	1.52%
– Sino Television Co., Ltd.	2,952,800	1.50%
Domestic Shares *(subtotal)*	142,409,000	72.18%
H Shares in issue *(note)*	54,901,000	27.82%
Total share capital	**197,310,000**	100%

Note: Including 19,533,000 outstanding H Shares held by MIH Print Media Holdings Limited, representing 9.90% of the total share capital of the Company.

CAPITAL EXPENDITURE

Capital expenditures, including expenditures on office equipment and intangible assets, of the Group for 2014 was RMB6,667 thousand (2013: RMB16,876 thousand). Capital expenditures of the Group for 2014 was mainly comprised of the expenditures consistent with business strategies.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2014, the Group did not have any contingent liabilities, nor any plans relating to contingent liabilities.

As at 31 December 2014, Beiqing Outdoor, the subsidiary of the Company, has entered into a loan agreement with Beijing Dongdan Branch, Bank of Communications on 26 June 2014, pursuant to which, Beijing Dongdan Branch, Bank of Communications agreed to provide the loan of RMB19,500 thousand to Beiqing Outdoor for the payment of utilization of advertising facilities for a term not more than 36 months (26 June 2014 to 23 June 2017). Beiqing Outdoor shall pay the interest based on an interest rate equivalent to the 3-year-term benchmark interest rate at a premium of 20% and pledge the investment properties held by Beiqing Outdoor as the security.

MATERIAL INVESTMENTS

Upon the approval of the tenth meeting of the fifth session of the Board on 27 February 2014, the Company contributed RMB30,000 thousand to establish Qingyou Information, a wholly-owned subsidiary of the Company, to operate the "Qingyou online" business. Qingyou Information has completed the business registration on 24 June 2014. The Company has completed all contribution on 31 July 2014.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

In 2014, the Group had no material acquisition or disposal of assets.

FOREIGN EXCHANGE RISKS

Renminbi is the functional currency of the Company. The Company's operations conducted in the PRC are mainly settled in Renminbi. However, certain account payables are settled in foreign currency (mainly HKD). Therefore, the Company is exposed to fluctuations in foreign exchange rate to certain extent. Operating cash flow and liquidity of the Group is subject to very limited effect from exchange rate fluctuations.

AUDIT COMMITTEE

The Company has set up the Audit Committee to review, supervise and adjust the financial reporting process and internal controls of the Group in accordance with the requirements of the Listing Rules. The Audit Committee comprises two independent non-executive Directors and one non-executive Director.

The Audit Committee and the management team of the Company have reviewed the accounting principles and practices adopted by the Group. In addition, the Audit Committee has discussed with the Directors on matters concerning the internal controls and financial reporting of the Company, including reviewing of the annual audited consolidated financial statements of the Group for the year ended 31 December 2014, without dissenting opinions.

CORPORATE GOVERNANCE

During the year ended 31 December 2014, the Company had fully complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors and the Supervisors. Having made sufficient enquiries from all Directors and Supervisors, all Directors and Supervisors confirmed that they had complied with the required standards under the Model Code for the year ended 31 December 2014.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

FINAL DIVIDEND

The Company held its annual Board meeting on Tuesday, 31 March 2015 to propose a resolution recommending distribution of a final dividend of RMB0.10 per share (tax inclusive) in an aggregate amount of approximately RMB19,731 thousand for the year ended 31 December 2014. If the profit distribution proposal is approved by the Shareholders at the annual general meeting of 2014 to be held on Friday, 19 June 2015 by way of an ordinary resolution, the final dividend will be paid to the Shareholders of H Shares whose names appear on the H Shares register of members of the Company on Monday, 29 June 2015.

According to the Law on Corporate Income Tax of the People's Republic of China which came into effect on 1 January 2008 and its implementing measures and other relevant rules, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Shares register of members of the Company. Any shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore their dividend receivable will be subject to the withholding of the corporate income tax.

Pursuant to the "Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document"（《關於國稅發[1993] 045號文件廢止後有關個人所得稅徵管問題的通知》）issued by the State Administration of Tax on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders is subject to individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries where they are residing and Mainland China.

According to the above notices, unless the relevant tax regulations, tax agreements or notices provided otherwise, the Company shall withhold 10% of the final dividends as individual income tax when distributing the final dividend to the individual Shareholders of H Shares appearing on the register of members of the Company on Monday, 29 June 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 May 2015 to Friday, 19 June 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the annual general meeting and voting in the meeting, all transfer documents of the holders of H Shares of the Company must be lodged at our H share registrar at Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 19 May 2015.

The register of members of the Company will be closed from Thursday, 25 June 2015 to Monday, 29 June 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for receiving the dividend, all transfer documents of the holders of H Shares must be lodged at our H share registrar at Hong Kong, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 24 June 2015.

PUBLICATION OF THE RESULT ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the Company's website (www.bjmedia.com.cn) and the website of Hong Kong Stock Exchange (www.hkex.com.hk). The 2014 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the aforesaid websites in due course.

By order of the Board
Zhang Yanping
Chairman

Beijing, the PRC, 31 March 2015

As at the date of this announcement, the Board comprises: the executive Directors, Zhang Yanping, Yu Haibo and He Xiaona, the non-executive Directors, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Wang Lin and Xu Xun, and the independent non-executive Directors, Song Jianwu, Cui Baoguo, Wu Tak Lung, Cui Enqing and Chen Ji.

DEFINITIONS

"Audit Committee"	Audit Committee of the Board
"Beiqing CéCi"	Beiqing CéCi Advertising (Beijing) Limited, a subsidiary of the Company
"Beiqing Community Media"	Beiqing Community Cultural Media (Beijing) Company Limited, a subsidiary of the Company
"Beiqing Long Teng"	Beiqing Long Teng Investment Management (Beijing) Co., Limited, a subsidiary of the Company
"Beiqing Outdoor"	Beijing Beiqing Outdoor Advertisement Co., Ltd. (previously known as Beijing Today Sunshine Advertising Co., Ltd.), a subsidiary of the Company
"Board"	The board of Directors
"BQTM"	Beiqing Transmedia Advertising Limited
"BYD Logistics"	BYD Logistics Company Limited, a subsidiary of the Company
"Chongqing Media"	Chongqing Youth Media Company Limited, a subsidiary of the Company
"Company" , "us" or "Beijing Media"	Beijing Media Corporation Limited, a joint stock limited company incorporated under the laws of the PRC and whose H shares are listed and traded on the Hong Kong Stock Exchange
"Director(s)"	The director(s) of the Company
"Domestic Shares"	The ordinary shares of RMB1.00 per share in the capital of the Company
"Group"	The Company and its subsidiaries
"H Shares"	The foreign shares listed overseas of RMB1.00 per share in the ordinary share capital of the Company
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"LEP Media"	Legal Evening Post Media Company Limited, a subsidiary of the Company
"LEPA"	Legal Evening Post Agency, a subsidiary of the BYDA
"Listing Rules"	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Parent" or "BYDA"	Beijing Youth Daily Agency, the controlling shareholder of the Company
"PRC" or "China"	The People's Republic of China, excluding Hong Kong, Macau Special Administration Region and Taiwan
"Qingyou Information"	Beijing Qingyou Information Technology Co., Ltd., a subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	The shareholder(s) of the Company
"Supervisor(s)"	The supervisor(s) of the Company