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## **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 2021**

#### **FINANCIAL HIGHLIGHTS:**

1. Total operating income of the Group for the year of 2021 was RMB187,552 thousand, representing a decrease of RMB29,739 thousand or 13.69% as compared with 2020.
2. Net loss of the Group attributable to the shareholders of the Company for the year of 2021 was RMB64,159 thousand, representing a decrease of loss of 50.71% as compared with 2020; net loss of the Group attributable to the shareholders of the Company for the year of 2020 was RMB130,176 thousand.
3. Earnings per share was RMB-0.33 in 2021; earnings per share was RMB-0.66 in 2020.
4. As of 31 December 2021, the equity of the Group attributable to the shareholders of the Company was RMB628,627 thousand and the gearing ratio of the Group was 12.70%.
5. The Board did not propose to declare a final dividend for the year 2021.

The Board announces the audited consolidated results of the Group for the year ended 31 December 2021 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 2021

| Item   | Notes | <i>RMB'000</i>                               |  |
|--|-------|--|--|
|  |       | For the year<br>ended<br>31 December<br>2021 | For the year<br>ended<br>31 December<br>2020 |
| <b>Total operating income</b>                                    | 1     | <u>187,552</u>                               | <u>217,291</u>                               |
| <b>Total operating costs</b>                                     |       | <b>220,973</b>                               | 239,669                                      |
| Operating costs  | 1     | <b>169,492</b>                               | 192,447                                      |
| Tax and surcharges   |       | <b>1,699</b>                                 | 1,964  |
| Selling expenses   |       | <b>15,556</b>                                | 13,596                                       |
| Administrative expenses  |       | <b>36,976</b>                                | 33,806                                       |
| Financial expenses   | 3     | <b>(2,750)</b>                               | (2,144)                                      |
| Including: Interest expenses                                     |       | <b>18</b>                                    | 138  |
| Interest income  |       | <b>2,672</b>                                 | 2,219  |
| <b>Add: Other income</b>   |       | <b>189</b>                                   | 420  |
| Investment income (Loss represented in “-”)                      | 4     | <b>28,217</b>                                | 25,337                                       |
| Including: Gain from investments in<br>associates                | 4     | <b>30</b>                                    | (6,241)                                      |
| Profit on the changes in fair value<br>(Loss represented in “-”) |       | <b>(14,948)</b>                              | (20,317)                                     |
| Credit impairment losses<br>(Loss represented in “-”)            |       | <b>(41,827)</b>                              | (112,718)                                    |
| Impairment loss of assets<br>(Loss represented in “-”)           |       | <b>(332)</b>                                 | (1,936)                                      |
| Gain on disposal of assets<br>(Loss represented in “-”)          |       | <b>11</b>                                    | 50   |
| <b>Operating profit</b>  |       | <b>(62,111)</b>                              | (131,542)                                    |
| Add: non-operating income  | 5     | <b>291</b>                                   | 101  |
| Less: non-operating expenses                                     | 6     | <b>678</b>                                   | 137  |
| <b>Total profit</b>  |       | <b>(62,498)</b>                              | (131,578)                                    |
| Less: Income tax expenses  | 7     | <b>4,694</b>                                 | 4,778  |
| <b>Net profit</b>  |       | <b>(67,192)</b>                              | (136,356)                                    |
| Net profit attributable to:                                      |       |  |  |
| Net profit from continuing operations                            |       | <b>(67,192)</b>                              | (136,356)                                    |
| Net profit from discontinued operations                          |       | —  | —  |
| Shareholders of the Company                                      |       | <b>(64,159)</b>                              | (130,176)                                    |
| Non-controlling shareholders                                     |       | <b>(3,033)</b>                               | (6,180)                                      |

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the year ended 31 December 2021

| Item  | Notes | <i>RMB'000</i>                               |  |
|---|-------|--|--|
|   |       | For the year<br>ended<br>31 December<br>2021 | For the year<br>ended<br>31 December<br>2020 |
| <b>Other net comprehensive income after tax</b>   |       | <b>64,254</b>                                | (10,145)                                     |
| Other net comprehensive income after tax<br>attributable to shareholders of the Company                     |       | <b>64,277</b>                                | (10,075)                                     |
| Including: Other comprehensive income<br>unqualified for subsequent<br>reclassification into profit or loss |       | <b>64,312</b>                                | (9,971)                                      |
| Including: Change in fair value of<br>other equity instruments<br>investments                               |       | <b>64,312</b>                                | (9,971)                                      |
| Including: Other comprehensive income<br>subsequently reclassified into profit or<br>loss                   |       | <b>(35)</b>                                  | (104)  |
| Including: Exchange differences<br>from retranslation of<br>financial statements                            |       | <b>(35)</b>                                  | (104)  |
| Other net comprehensive income after tax<br>attributable to non-controlling shareholders                    |       | <b>(23)</b>                                  | (70)   |
| <b>Total comprehensive income</b>   |       | <b>(2,938)</b>                               | (146,501)                                    |
| Total comprehensive income attributable to<br>shareholders of the Company                                   |       | <b>118</b>                                   | (140,251)                                    |
| Total comprehensive income attributable to non-<br>controlling shareholders                                 |       | <b>(3,056)</b>                               | (6,250)                                      |
| <b>Earnings per share:</b>  |       |  |  |
| Basic earnings per share (RMB)  | 8     | <b>(0.33)</b>                                | (0.66)                                       |
| Diluted earnings per share (RMB)  | 8     | <b>(0.33)</b>                                | (0.66)                                       |
| <b>Dividends</b>  | 9     | —  | —  |

## CONSOLIDATED BALANCE SHEET

As at 31 December 2021

| Item                                | Notes | RMB'000                      |                              |
|-------------------------------------|-------|------------------------------|------------------------------|
|                                     |       | As at<br>31 December<br>2021 | As at<br>31 December<br>2020 |
| <b>Current assets:</b>              |       |                              |                              |
| Bank balances and cash              |       | 264,322                      | 240,221                      |
| Notes receivable                    |       | 2,498                        | 100                          |
| Accounts receivable                 | 10    | 25,792                       | 66,762                       |
| Prepayments                         |       | 522                          | 1,171                        |
| Other receivables                   | 11    | 848                          | 3,467                        |
| Inventories                         |       | 11,942                       | 13,460                       |
| Other current assets                |       | 29,117                       | 31,716                       |
| <b>Total current assets</b>         |       | <b>335,041</b>               | <b>356,897</b>               |
| <b>Non-current assets:</b>          |       |                              |                              |
| Long-term equity investment         |       | 3,527                        | 3,497                        |
| Other equity instruments investment | 12    | 270,421                      | 205,927                      |
| Other non-current financial assets  | 13    | 1,946                        | 43,017                       |
| Investment properties               |       | 96,185                       | 110,971                      |
| Fixed assets                        |       | 467                          | 776                          |
| Right-of-use assets                 |       | 74                           | 1,982                        |
| Intangible assets                   |       | 19,077                       | 20,029                       |
| Goodwill                            |       | —                            | —                            |
| Long-term prepaid expenses          |       | 822                          | 2,351                        |
| Deferred income tax assets          |       | —                            | —                            |
| Other non-current assets            |       | —                            | —                            |
| <b>Total non-current assets</b>     |       | <b>392,519</b>               | <b>388,550</b>               |
| <b>Total assets</b>                 |       | <b>727,560</b>               | <b>745,447</b>               |

## CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2021

| Item  | Notes | RMB'000                      |                              |
|---|-------|------------------------------|------------------------------|
|   |       | As at<br>31 December<br>2021 | As at<br>31 December<br>2020 |
| <b>Current liabilities:</b>   |       |                              |                              |
| Notes payable   |       | 3,239                        | 10,807                       |
| Accounts payable  | 14    | 14,748                       | 13,335                       |
| Contractual liabilities   |       | 21,499                       | 23,560                       |
| Employee benefit payables   |       | 6,847                        | 5,887                        |
| Tax payables  |       | 6,085                        | 4,452                        |
| Other payables  |       | 23,604                       | 30,344                       |
| Non-current liabilities due within one year                         |       | 61                           | 218                          |
| Other current liabilities   |       | 1,394                        | 1,556                        |
| <b>Total current liabilities</b>                                    |       | <b>77,477</b>                | <b>90,159</b>                |
| <b>Non-current liabilities:</b>                                     |       |                              |                              |
| Leased liabilities  |       | —                            | 83                           |
| Deferred income tax liabilities                                     |       | 4,525                        | 6,709                        |
| <b>Total non-current liabilities</b>                                |       | <b>4,525</b>                 | <b>6,792</b>                 |
| <b>Total liabilities</b>  |       | <b>82,002</b>                | <b>96,951</b>                |
| <b>Shareholders' equity:</b>  |       |                              |                              |
| Share capital   |       | 197,310                      | 197,310                      |
| Capital reserves  |       | 934,421                      | 934,421                      |
| Other comprehensive income  |       | 160,111                      | 95,834                       |
| Surplus reserves  |       | 130,931                      | 130,931                      |
| Undistributed profits   |       | (794,146)                    | (729,987)                    |
| <b>Total equity attributable to shareholders<br/>of the Company</b> |       | <b>628,627</b>               | <b>628,509</b>               |
| Non-controlling interest  |       | 16,931                       | 19,987                       |
| <b>Total shareholders' equity</b>                                   |       | <b>645,558</b>               | <b>648,496</b>               |
| <b>Total liabilities and shareholders' equity</b>                   |       | <b>727,560</b>               | <b>745,447</b>               |
| <b>Net current assets</b>   |       | <b>257,564</b>               | <b>266,738</b>               |
| <b>Total assets less current liabilities</b>                        |       | <b>650,083</b>               | <b>655,288</b>               |

## **BASIS FOR PREPARATION**

The Group's financial statements for the year ended 31 December 2021 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") in 2014; and based on the applicable disclosure rules under the Listing Rules of Hong Kong Stock Exchange and Hong Kong Companies Ordinance as well as the accounting policies and estimates as stated in Note V "Significant accounting policies and accounting estimates" of the "Notes to the Financial Statements" of the Group's 2021 annual report.

## **ON A GOING CONCERN BASIS**

The Company is able to continue as a going concern for at least the next 12 months from the end of the Reporting Period, and there is no existence of a material uncertainty affecting the ability of on-going operation.

## **STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

The Group's 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 2021 and their consolidated operating results, consolidated cash flows and other relevant information for the year then ended.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. TOTAL OPERATING INCOME, OPERATING COSTS

#### (1) Principal operations — by business

| Item                               | For the year ended<br>31 December 2021 |                    | For the year ended<br>31 December 2020 |                    |
|------------------------------------|--|--------------------|--|--------------------|
|                                    | Operating<br>income                    | Operating<br>costs | Operating<br>income                    | Operating<br>costs |
| Advertising                        | 82,855                                 | 72,599             | 89,973                                 | 75,077             |
| Printing                           | 2,921                                  | 2,710              | 2,824                                  | 2,884              |
| Trading of print-related materials | 96,486                                 | 92,590             | 115,256                                | 113,220            |
| Publication                        | 61                                     | 147                | 127                                    | 114                |
| Other revenue                      | 29                                     | —                  | 75                                     | —                  |
| Total                              | <u>182,352</u>                         | <u>168,046</u>     | <u>208,255</u>                         | <u>191,295</u>     |

(2) For the year ended 31 December 2021, the sum of operating income from the top five customers is RMB62,144 thousand, representing 33.13% of total operating income.

### 2. SEGMENT INFORMATION

The price of intra-segment transactions is determined with reference to market price and classified as follows:

| Business segments                   | Principal activities   |
|-------------------------------------|--|
| Advertising:                        | Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA, Chongqing Youth Daily, Beiqing Community Newspaper. |
| Printing:                           | Provision of printing services.  |
| Trading of print-related materials: | Sales of paper, ink, lubricant, film, presensitized plate and rubber sheet used for printing and other print-related materials                       |
| Distribution:                       | Distribution of newspaper that are mainly published by Chongqing Youth Daily.  |

(1) For the year ended 31 December 2021

| Item  | Advertising     | Printing     | Trading of<br>print-related<br>materials | Distribution | Unallocated<br>amount | Elimination      | Total           |
|---|-----------------|--------------|--|--------------|-----------------------|------------------|-----------------|
| Operating income  | 83,133          | 7,430        | 102,121                                  | 61           | 6,173                 | (11,366)         | 187,552         |
| Including: Income from external transactions                      | 82,855          | 2,921        | 96,486                                   | 61           | 5,229                 | —                | 187,552         |
| Income from intra-segment transactions                            | 278             | 4,509        | 5,635                                    | —            | 944                   | (11,366)         | —               |
| Total operating costs   | 116,761         | 6,836        | 102,678                                  | 327          | 6,238                 | (11,867)         | 220,973         |
| Provision for impairment  | 29,197          | 669          | 9,191                                    | (1)          | 8,292                 | (5,189)          | 42,159          |
| Gains on changes in fair value                                    | —               | —            | —  | —            | (14,948)              | —                | (14,948)        |
| Investment income   | —               | —            | —  | —            | 54,217                | (26,000)         | 28,217          |
| Gain on disposal of asset   | —               | —            | —  | —            | 11                    | —                | 11              |
| Other income  | —               | —            | —  | —            | 189                   | —                | 189             |
| Operating profit (loss)   | <u>(62,825)</u> | <u>(75)</u>  | <u>(9,748)</u>                           | <u>(265)</u> | <u>31,112</u>         | <u>(20,310)</u>  | <u>(62,111)</u> |
| Non-operating income and expenses, net                            | (486)           | 3            | 40                                       | —            | 56                    | —                | (387)           |
| Total profit  | <u>(63,311)</u> | <u>(72)</u>  | <u>(9,708)</u>                           | <u>(265)</u> | <u>31,168</u>         | <u>(20,310)</u>  | <u>(62,498)</u> |
| Income tax expenses   | —               | 25           | 340                                      | —            | 4,329                 | —                | 4,694           |
| Net profit  | <u>(63,311)</u> | <u>(97)</u>  | <u>(10,048)</u>                          | <u>(265)</u> | <u>26,839</u>         | <u>(20,310)</u>  | <u>(67,192)</u> |
| Total assets  | <u>296,924</u>  | <u>2,436</u> | <u>33,473</u>                            | <u>78</u>    | <u>623,895</u>        | <u>(229,246)</u> | <u>727,560</u>  |
| Total liabilities   | <u>58,529</u>   | <u>3,397</u> | <u>46,683</u>                            | <u>296</u>   | <u>33,659</u>         | <u>(60,562)</u>  | <u>82,002</u>   |
| Supplementary information   |                 |              |  |              |                       |                  |                 |
| Depreciation and amortization expenses                            | 3,394           | 1            | 15                                       | 6            | 507                   | (501)            | 3,422           |
| Capital expenditure   | 634             | —            | —  | —            | 85                    | —                | 719             |
| Impairment of assets  | 29,197          | 669          | 9,191                                    | (1)          | 8,292                 | (5,189)          | 42,159          |
| Non-cash expenses excluding depreciation and impairment of assets | —               | —            | —  | —            | —                     | —                | —               |

(2) For the year ended 31 December 2020

| Item  | Advertising     | Printing       | Trading of<br>print-related<br>materials | Distribution | Unallocated<br>amount | Elimination      | Total            |
|---|-----------------|----------------|--|--------------|-----------------------|------------------|------------------|
| Operating income  | 90,019          | 7,020          | 122,435                                  | 127          | 10,384                | (12,694)         | 217,291          |
| Including: Income from external transactions                      | 89,973          | 2,824          | 115,256                                  | 127          | 9,111                 | —                | 217,291          |
| Income from intra-segment transactions                            | 46              | 4,196          | 7,179                                    | —            | 1,273                 | (12,694)         | —                |
| Total operating costs   | <u>114,601</u>  | <u>6,872</u>   | <u>122,986</u>                           | <u>1,063</u> | <u>6,841</u>          | <u>(12,694)</u>  | <u>239,669</u>   |
| Provision for impairment  | 43,083          | 2,987          | 53,179                                   | 37           | 70,368                | (55,000)         | 114,654          |
| Gains on changes in fair value                                    | —               | —              | —  | —            | (20,317)              | —                | (20,317)         |
| Investment income   | —               | —              | —  | —            | 25,337                | —                | 25,337           |
| Gain on disposal of asset   | —               | —              | —  | —            | 50                    | —                | 50               |
| Other income  | —               | —              | —  | —            | 420                   | —                | 420              |
| Operating profit (loss)   | <u>(67,665)</u> | <u>(2,839)</u> | <u>(53,730)</u>                          | <u>(973)</u> | <u>(61,335)</u>       | <u>55,000</u>    | <u>(131,542)</u> |
| Non-operating income and expenses, net                            | (57)            | 2              | 39                                       | —            | (20)                  | —                | (36)             |
| Total profit  | <u>(67,722)</u> | <u>(2,837)</u> | <u>(53,691)</u>                          | <u>(973)</u> | <u>(61,355)</u>       | <u>55,000</u>    | <u>(131,578)</u> |
| Income tax expenses   | —               | (9)            | (162)                                    | —            | 4,949                 | —                | 4,778            |
| Net profit  | <u>(67,722)</u> | <u>(2,828)</u> | <u>(53,529)</u>                          | <u>(973)</u> | <u>(66,304)</u>       | <u>55,000</u>    | <u>(136,356)</u> |
| Total assets  | <u>294,765</u>  | <u>3,043</u>   | <u>53,067</u>                            | <u>250</u>   | <u>676,773</u>        | <u>(282,451)</u> | <u>745,447</u>   |
| Total liabilities   | <u>70,003</u>   | <u>3,269</u>   | <u>57,015</u>                            | <u>710</u>   | <u>38,031</u>         | <u>(72,077)</u>  | <u>96,951</u>    |
| Supplementary information   |                 |                |  |              |                       |                  |                  |
| Depreciation and amortization expenses                            | 4,941           | 20             | 352                                      | 16           | 1,242                 | —                | 6,571            |
| Capital expenditure   | 169             | —              | —  | —            | 594                   | —                | 763              |
| Impairment of assets  | 43,083          | 2,987          | 53,179                                   | 37           | 70,368                | (55,000)         | 114,654          |
| Non-cash expenses excluding depreciation and impairment of assets | <u>—</u>        | <u>—</u>       | <u>—</u>                                 | <u>—</u>     | <u>—</u>              | <u>—</u>         | <u>—</u>         |

### 3. FINANCIAL EXPENSES

| <b>Item</b>                         | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|-------------------------------------|--|--|
| Interest expenses                   | 18   | 138  |
| Less: interest income               | 2,672  | 2,219  |
| Less: exchange gain                 | 161  | 138  |
| Add: commissions and other expenses | 65   | 75   |
|                                     | <u>          </u>                                      | <u>          </u>                                      |
| Total                               | <u><u>(2,750)</u></u>                                  | <u><u>(2,144)</u></u>                                  |

### 4. GAIN ON INVESTMENT

| <b>Item</b>   | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|---|--|--|
| Share of gains of associates  | 30   | (6,241)  |
| Investment income received from the disposal of financial assets at fair value through profit or loss | 20,195   | 22,944   |
| Investment income received from holding investments of other equity instruments                       | 7,671  | 9,615  |
| Others  | 321  | (981)  |
|   | <u>          </u>                                      | <u>          </u>                                      |
| Total   | <u><u>28,217</u></u>                                   | <u><u>25,337</u></u>                                   |

### 5. NON-OPERATING INCOME

| <b>Item</b>                     | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|---------------------------------|--|--|
| Transfer-in without any payment | —  | 92   |
| Rental refund deposit income    | 240  | —  |
| Others                          | 51   | 9  |
|                                 | <u>          </u>                                      | <u>          </u>                                      |
| Total                           | <u><u>291</u></u>                                      | <u><u>101</u></u>                                      |

## 6. NON-OPERATING EXPENSES

| <b>Item</b>   | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|---|--|--|
| Losses on damage or abandonment of non-current assets | 3  | —  |
| Inventory scrap loss                                  | 375  | —  |
| Compensation and late payment charges                 | 291  | 80   |
| Others  | 9  | 57   |
|   | <u>678</u>   | <u>137</u>   |

## 7. INCOME TAX EXPENSES

### (1) Income tax expenses

| <b>Item</b>                  | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|------------------------------|--|--|
| Current income tax expenses  | 7,059  | 6,036  |
| Deferred income tax expenses | (2,365)  | (1,258)  |
|                              | <u>4,694</u>   | <u>4,778</u>   |

### (2) Current income tax expenses

| <b>Item</b>                          | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|--------------------------------------|--|--|
| Current income tax — PRC             | 6,827  | 6,207  |
| Under-provision in prior years — PRC | 232  | (171)  |
|                                      | <u>7,059</u>   | <u>6,036</u>   |

No provisions for Hong Kong profits tax of the Group during the year, as there was no profit generated from Hong Kong.

**(3) Reconciliation table of total profit to income tax expenses**

| <b>Item</b>   | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|---|--|--|
| <b>Total profit</b>                                     | <u><b>(62,498)</b></u>                                 | <u>(131,578)</u>                                       |
| Income tax calculated at the applicable tax rate of 25% | <b>(15,624)</b>  | (32,894)   |
| Tax effect of non-taxable income                        | <b>(1,925)</b>   | —  |
| Tax effect of non-deductible expenses                   | <b>591</b>   | 311  |
| Tax effect of the Company's losses in current year      | <b>22,485</b>  | 38,555   |
| Tax losses previously unrecognized utilized             | <b>(1,065)</b>   | (1,023)  |
| Under-provision in prior years                          | <u><b>232</b></u>                                      | <u>(171)</u>   |
| <b>Total</b>  | <u><u><b>4,694</b></u></u>                             | <u><u>4,778</u></u>                                    |

*Note:* Pursuant to the “Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Cultural Public Institutions into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department” (Cai Shui [2019] No. 16), the enterprises that have completed the transformation before 31 December 2018 can continue to enjoy the five-year EIT exemption starting from 1 January 2019.

**8. EARNINGS PER SHARE**

| <b>Item</b>   | <b>For the year<br/>ended<br/>31 December<br/>2021</b> | <b>For the year<br/>ended<br/>31 December<br/>2020</b> |
|---|--|--|
| Net profit attributable to shareholders of the Company for the year | <b>(64,159)</b>  | (130,176)  |
| Weighted average number of issued ordinary shares (thousand shares) | <u><b>197,310</b></u>                                  | <u>197,310</u>   |
| <b>Basic earnings per share (RMB)</b>                               | <u><u><b>(0.33)</b></u></u>                            | <u><u>(0.66)</u></u>                                   |

Basic earnings per share and diluted earnings per share during the years ended 31 December 2020 and 2021 were the same, as no diluting events existed for both years.

## 9. DIVIDENDS

- (1) As the cumulative distributable profits in 2021 are insufficient to pay dividend, the Board did not propose to declare a final dividend for the year 2021.
- (2) For the Reporting Period, the Company did not distribute any dividends.

## 10. ACCOUNTS RECEIVABLE

| <b>Item</b>                                | <b>As at<br/>31 December<br/>2021</b> | <b>As at<br/>31 December<br/>2020</b> |
|--|---------------------------------------|---------------------------------------|
| Accounts receivable                        | 428,387                               | 428,836                               |
| Less: Provision for bad debts              | <u>402,595</u>                        | <u>362,074</u>                        |
| Net accounts receivable                    | <u>25,792</u>                         | <u>66,762</u>                         |
| For reporting purpose, analysis as:        |                                       |                                       |
| Non-current assets — long-term receivables | —                                     | —                                     |
| Current assets — accounts receivable       | <u>25,792</u>                         | <u>66,762</u>                         |
| Total                                      | <u><u>25,792</u></u>                  | <u><u>66,762</u></u>                  |

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

| <b>Item</b>  | <b>As at<br/>31 December<br/>2021</b> | <b>As at<br/>31 December<br/>2020</b> |
|--------------|---------------------------------------|---------------------------------------|
| 0–90 days    | 7,856                                 | 13,573                                |
| 91–180 days  | 3,150                                 | 5,587                                 |
| 181–365 days | 3,384                                 | 8,732                                 |
| 1–2 years    | 3,919                                 | 10,154                                |
| Over 2 years | <u>7,483</u>                          | <u>28,716</u>                         |
| Total        | <u><u>25,792</u></u>                  | <u><u>66,762</u></u>                  |

## 11. OTHER RECEIVABLES

| Item                          | As at<br>31 December<br>2021 | As at<br>31 December<br>2020 |
|-------------------------------|------------------------------|------------------------------|
| Interest receivable           | —                            | —                            |
| Dividends receivable          | —                            | —                            |
| Other receivables             | 201,981                      | 203,598                      |
| Less: Provision for bad debts | <u>201,133</u>               | <u>200,131</u>               |
| <b>Net other receivables</b>  | <b><u>848</u></b>            | <b><u>3,467</u></b>          |

## 12. INVESTMENT IN OTHER EQUITY INSTRUMENTS

### (1) Investment in other equity instruments

| Item   | Investment cost | As at<br>31 December<br>2021 | As at<br>31 December<br>2020 |
|--|-----------------|------------------------------|------------------------------|
| Beijing Keyin Media and Culture Co., Ltd.                                    | 6,560           | 46,665                       | 46,524                       |
| Beiyang Publishing & Media Co., Ltd.   | 103,000         | 194,901                      | 156,657                      |
| Beijing Youth Daily Newspaper Internet<br>Communication Technology Co., Ltd. | 500             | 3,472                        | 2,746                        |
| Beijing International Advertising &<br>Communication Group Co., Ltd.         | <u>33,119</u>   | <u>25,383</u>                | <u>—</u>                     |
| Total  | <u>143,179</u>  | <u>270,421</u>               | <u>205,927</u>               |

### (2) Investment in other equity instruments is analyzed as follows:

| Type                               | As at<br>31 December<br>2021 | As at<br>31 December<br>2020 |
|------------------------------------|------------------------------|------------------------------|
| Unlisted equity investments, China | <u>270,421</u>               | <u>205,927</u>               |
| Total                              | <b><u>270,421</u></b>        | <b><u>205,927</u></b>        |

### 13. OTHER NON-CURRENT FINANCIAL ASSETS

| <b>Item</b>  | <b>As at<br/>31 December<br/>2021</b> | <b>As at<br/>31 December<br/>2020</b> |
|--|---------------------------------------|---------------------------------------|
| Beijing Runxin Dingtai Investment Center (limited partnership)                 | —                                     | 40,332                                |
| Suzhou Huaying Culture Industry Investment Enterprise<br>(limited partnership) | <u>1,946</u>                          | <u>2,685</u>                          |
| <b>Total</b>   | <b><u>1,946</u></b>                   | <b><u>43,017</u></b>                  |

### 14. ACCOUNTS PAYABLE

The following is an aging analysis of accounts payable as at 31 December 2021 presented based on the invoice date:

| <b>Item</b>   | <b>As at<br/>31 December<br/>2021</b> | <b>As at<br/>31 December<br/>2020</b> |
|---------------|---------------------------------------|---------------------------------------|
| 0–90 days     | 11,378                                | 10,876                                |
| 91–180 days   | 243                                   | 100                                   |
| 181–365 days  | 647                                   | 60                                    |
| Over one year | <u>2,480</u>                          | <u>2,299</u>                          |
| <b>Total</b>  | <b><u>14,748</u></b>                  | <b><u>13,335</u></b>                  |

## MANAGEMENT DISCUSSION AND ANALYSIS

### GROUP BUSINESS REVIEW

The Group is principally engaged in three core businesses: (1) advertising sales, which contributes to part of the Group's turnover; (2) printing, whose turnover includes revenue from printing publications arranged by BYD Logistics; and (3) trading of print-related materials, which involves the supply and trading of, among others, newsprint, ink, lubricants, films, presensitized plate and rubber sheet to customers including commercial printers.

In 2021 the Group adhered to the strategy of “focusing on stability, innovating while maintaining stability, and seeking progress while innovating (以穩為主、穩中有試、試中求進)”, and took multiple measures simultaneously:

**Firstly, the Group continued to consolidate the existing businesses and build a solid foundation for development.**

The Group's professional level of operation and management has been significantly improved since the joining of the management team of Capital Group represented by the newly appointed chairman and the president. The Group streamlined corporate structure to improve efficiency through adjusting organizational settings of functional departments including introducing professional talents to establish a legal and auditing department, preparing for the establishment of a Department of the Party and the Masses Affairs and cancelling the film and television investment department and through optimizing the organization structure of the operating department including merging the functions of the comprehensive business division and forming a service department of advertising center. The Group also improved the Company's management procedures and amended the articles of association and adopted the OA office system. The above measures improved the Company's efficiency and the quality of operation, and laid a solid foundation.

**Secondly, the Group eliminated systematic hazards to ensure ongoing operation.**

The Group actively resolved major legal disputes. In 2021, the Group completed a total of 42 lawsuits; merged the account receivable settlement function into the finance department, and made efforts to recover historical arrears; adjusted the members of the special team for liquidation and exit of inferior enterprises, implemented policies varied from different enterprises, took the leadership, promoted the exit procedure by the classification of difficulty to expedite the exit of inferior enterprises.

**Thirdly, the Group reduced cost and improved efficiency, and promoted growth by assessment.**

Through the streamlining of personnel in the operating department, adjusting redundancy and filling vacancies, improving quality and efficiency, the Company reduced the number of on-the-job employees in the advertising center from 63 to 48 in 2021, effectively reducing personnel costs and expenses; meanwhile, an enterprise-oriented operation assessment system has been established to adjust the assessment methods of the operating department and to achieve effective incentives through standardized performance assessment.

**Fourthly, the Group actively explored emerging markets, planned business transformation, and chose to develop new businesses.**

The new media resources such as the “Beijing Youth Daily” Mobile Client, YNET, Weibo and Wechat were fully integrated to create multi-media marketing platform; our subsidiary Beiqing Community Media has deepened the field of government new media services and developed new business models; depending on the resources of Capital Group to explore outdoor advertising. In addition, it actively deployed in the fields of culture and creativity and new media digitalization and explored new businesses through capital operations.

The Group’s total operating income for 2021 was RMB187,552 thousand, representing a decrease of 13.69% as compared with the corresponding period in 2020 (2020: RMB217,291 thousand), which was mainly attributable to (1) a decrease of advertising income; (2) a decrease of paper trading income. Net loss attributable to shareholders of the Company for 2021 was RMB64,159 thousand (net loss attributable to shareholders of the Company for 2020: RMB130,176 thousand), representing a decrease of loss of 50.71% as compared with the corresponding period in 2020, which was mainly due to (1) an increase of investment income, among which RMB19,923 thousand was contributed by Runxin Dingtai Fund and RMB376 thousand by Suzhou Huaying Fund; (2) a decrease of RMB72,495 thousand from bad debt provision and asset impairment.

## **Advertising Business**

In 2021, revenue from the Group's advertising business was RMB82,855 thousand (RMB89,973 thousand for the corresponding period in 2020), representing a year-on-year decrease of 7.91%.

In 2021, as COVID-19 pandemic continues to have a greatly impact on the global economy, and the new media and the change of public's reading habit influence the traditional media, the Group recorded a decrease of advertising income.

Under the severe market condition, the Company aims to the development trend of integrated media, actively adjusts product structure and expands new advertisement resources by combining the resource advantages of Capital Group and BYDA with its own resource advantages to promote business transformation. The Company mainly adopted the following measures in respect of advertising business:

### **1. Focusing on products, customers and services to build “three centers”**

Product center, ability center and marketing center were built to be responsible for resource acquisition and product system construction, internal and external customer service and project execution, exploring new customers and expanding market; by actively expanding advertisement types and building richer product matrix, the Group constantly improved the core competitiveness in terms of video production, activity planning, operation of cultural and creative IP, operation and maintenance of new media, to develop new customers and dig out the new demand of existing customers.

The Company's Advertising Center actively developed content products and developing Wechat public account, Douyin (抖音號), Today Headlines (今日頭條號), Bai Jia (百家號) and Wechat Videos (微信視頻號) for various industries to attract more followers, interact with other parties and improve performance by way of the content-driven operation. Media Department actively expanded business channels by holding “Connection with Hong Kong (連繫香港)” themed exhibition and joining Gongmei Group's press conference of 300-day countdown to the Winter Olympics. Video Department explored to develop our Company's video account by constantly publishing quality video content and to support the Company's advertising business expansion by endeavoring to improve the ability of video production.

## **2. Improving the management model of business units and promoting the optimizing and upgrading of advertising income structure**

The Company's advertising center focused on four business lines of real estate, finance, automobile and education, expecting to make breakthroughs in key industries to drive the overall situation and expand advantageous businesses. It has also optimized and upgraded the advertising income structure through integrating cross-industry resources, supported potential small industries to become stronger, explored new business growth points and achieved differentiated development.

The finance business unit closely followed national policies and news hotspots and drove advertising operations with news planning. It planned featured specials such as "Financial Assistance for the 14th Five-Year Plan", effectively promoting advertising placement and increasing business performance. The real estate business unit overcame the adverse impact arising from the real estate macro-control, continued to focus on innovating content to expand the industry influence, created the "Trendsetter X Trendy Real Estate (潮人X潮盤)" brand and launched video accounts such as "Yujie Jianfang (郁姐鑿房)" and "Beiqing Pichibu (北青皮尺部)". In addition, it explored key customers and piloted "full packaged" services, connected with government resources, integrated developers activities and held the "Lize Forum of New Financial Heights (金融新高地麗澤論壇)". The automobile business unit constantly improved its influence over the new media field and successfully held the automotive industry awards ceremony. The education business unit, with focus on event planning, strived for new changes under the pressure of "double reduction (雙減)", organized "Principal Forum of Youth Education (青教育)" and held "2021 Youth Education Ceremony (2021青教育盛典)", which has effectively expanded its influence over the industry. Moreover, the comprehensive business unit has constantly enhanced the efforts to expand direct customers and secure new project resource.

## **3. Depending on shareholders' resources to achieve internal industry synergy**

On one hand, relevant new media resources such as the "Beijing Youth Daily" Mobile Client, YNET and Wechat public account were fully integrated to create multi-media marketing platform; on the other hand, the Group kept digging out the resources of Capital Group to promote internal industry synergy, including cooperating with Langyuan of Capital Group in terms of space of site, activity planning, operation and maintenance of contents to form complementary advantages and achieve win-win cooperation.

#### **4. Adjusting the organization structure of the advertising business division to build a closed-loop management mechanism of “target, task, assessment and incentive”**

Firstly, the Company established a service department of advertising business division by optimizing staffing which is responsible for customer service, advertisement review, content management and administrative service to form a customer-centric service system. Secondly, the Company set up a profit-based performance appraisal system to specify performance commission ratio and cost sharing method of business staff, head of the business division and director of advertising business division, and created a marketing team with “clear rights and responsibilities, standardized operation, performance orientation, market incentives”.

The above measures can help to the gradual transformation of the Group’s key business from traditional media to new media and mobile Internet businesses, which would efficiently improve the Group’s market competitiveness and drive the whole growth of our advertising performance.

#### **Results of major subsidiaries of the Group**

Beiqing Community Media is a 52.661%-owned subsidiary of the Company. Beiqing Community Media has transformed from its original traditional media newspaper business model to a government-affiliated integrated media service business model, digging deeper into the needs of government and enterprise customers and constantly improving its activity planning and organizing capabilities to achieve the organic combination of online operation and maintenance with offline activities and the steady growth in new projects. Beiqing Community Media’s intensive cultivation of community media has been highly recognized by community residents, governments at all levels, and enterprise customers, which has greatly increased the influence of Beiqing Community Media. Up to now, Beiqing Community Media has 21 branches across the whole urban area of Beijing, including CBD, Chaoyang, Dongcheng, Wangjing, Shunyi, Changping, Tongzhou, Daxing, Xicheng, Yizhuang, Beisan County, Yanqing and Miyun, and has published several respective newspapers of “Beiqing Community Daily”. In addition to newspapers, each of the branches and the marketing departments of Beiqing Community Media owns and cooperates with a total of 82 WeChat public accounts. At the same time, each branch also distributed news products on various new media platforms such as Douyin (抖音號), Kuaishou (快手號), Today Headlines Account (今日頭條號) and Sina Weibo (新浪微博), forming a strong propaganda matrix, and presenting good performance in integrated media propaganda.

In 2021, Beiqing Community Media continued to promote cooperation in government service and social organizations procurement, including (1) undertaking the cooperation with the government departments and social organizations to publish newspapers and establish publications; (2) assisting in operating WeChat official accounts; and (3) providing government with comprehensive services such as publicity and promotion, operation, development and maintenance.

In 2021, Beiqing Community Media continued to focus on commercial promotion of the real estate sector, organized brand-themed events for several real estate companies through the marketing methods of online promotion and offline activities, through which it has increased its popularity and recognition in the market, and achieved a win-win situation for both corporate reputation and business operation. At the same time of commercial promotion, Beiqing Community Media devoted to public welfare career, continuously creating five “Stations for National Studies” (國學書香驛站) of purely public welfare nature and are integrated Party-building, publicity with cultural education. It has benefited community residents and demonstrated its corporate responsibility by carrying out “Great Education” public welfare projects and various Party-themed activities for the community.

Beiqing Network Culture is a wholly-owned subsidiary of the Company. Beiqing Network Culture, as a limited partner, contributed a portion to establish Beijing Runxin Dingtai Investment Centre (Limited Partnership) (the “Fund”) in 2013. Pursuant to the agreement, the Fund expired on 25 November 2021 and entered into two-year liquidation period, during which all projects the Fund will complete the exit. In 2021, the Fund distributed the exit gains for the previous investments in Jiangsu Kaimi Membrane Technology Co., Ltd., Guangdong South Lead TV & Film Co., Ltd., Jushri Technologies, Inc. (“Jushri Technologies”), Beijing TINAVI Medical Technology Co., Ltd. (“TINAVI”), Beijing Yonder Environmental Energy Technology Co., Ltd., Suzhou Koovine Environmental Protection Technology Co., Ltd. and Xi’An Bright Laser Technologies Co., Ltd.

Chongqing Media is a 60%-owned subsidiary of the Company. The current business operations of Chongqing Media are advertising and newspaper distribution. The advertising is mainly on online platforms such as WeChat, Weibo and Chongqing Headlines (重慶頭條) APP, supplemented by newspaper promotion. In 2021, Chongqing Media insisted on “stabilizing content, stabilizing operation and stabilizing talent (穩內容、穩經營、穩隊伍)” and actively explored business transformation. As a result, it achieved operating income of RMB2,688 thousand, representing an increase of 23.59% as compared with the corresponding period last year; its total profit was RMB-1,872 thousand, representing a decrease of loss of 51.53% as compared with the corresponding period in last year. In terms of content, Chongqing Media continued to strengthen news report, by focusing on the 100th anniversary of the founding of Party, as well as the Two Sessions of the Nation, conducted learning, education and publicity activities of the Party History in various channels, planned more than 300 major topic-specific coverage, and set up special reports of “Striving for One Hundred Years,

Starting a New Journey (奮鬥百年路，啟航新征程)” and “Focusing on the Two Sessions of the Nation (聚焦全國兩會)”, attracting readers and audiences of about 25 million. In terms of operation, it timely adjusted strategies based on the market demand, spared no efforts to satisfy large customers with the publicity plan customization, and actively tried to transfer business model, facilitated to hold the “Diamond Cup” Junior Tennis Challenger of the China Tennis Open Tournament in Chongqing. In terms of talent, on the basis of stabilizing the existing team, it deepened the reform of the system and mechanism, and made greater efforts in the training of All-media talents, so as to develop a group of high-level talents who can integrate resources and platforms, are willing to make innovation, are good at decision-making, and lead and guide the development of integrated media and the construction of All-media.

BYD Logistics is a 92.84%-owned subsidiary of the Company and principally engages in the businesses of printing and trading of print-related materials. In 2021, despite of the new policies issued by the country, the intense supply of resources and energy, as well as the increase of material cost, BYD Logistics has made full use of its own advantages and implemented various measures to reduce cost and improve efficiency simultaneously and achieved effective reduction of cost and expense on the basis of stabilizing businesses. On one hand, BYD Logistics accurately judged the market trends, stored inventories in advance and significantly reduced paper procurement cost; it newly engaged in paper import and procurement agency business based on the operating rights of paper import and export, which further strengthen its dual competitive advantages of sales price and market supply. At the same time, it actively cooperated with paper enterprises in Europe and Asia to ensure the diversity and stabilization of paper supply. On the other hand, following the changes of the Board of the company and the election of a new chairman, it improved its governance structure of the company and strengthened internal control to reduce operating risk. In addition, BYD Logistics obtained the Management Quality System Certification Certificate in April 2021, passing the certification in “Sales of Paper”, which further established the advantages of sales of paper and provided a strong guarantee for the future market bidding. In December 2021, BYD Logistics had successfully won the bid of the paper materials procurement project of China Children’s Press and Publishing Federation, making a breakthrough of “zero” publishing house customer. In 2021, the gross profit of BYD Logistics was RMB5,307 thousand, representing an increase of 33.17% as compared with the corresponding period of 2020. The total profit was RMB-9,701 thousand, representing a loss decrease of 82.84% as compared with the corresponding period of 2021.

## **Prospects and Future Plans**

In 2022, the Group will accelerate the business transformation with the resources of Capital Group, exploring and developing new business growth points and establishing a sustainable business model by “focusing on the youth, focusing on Beijing, focusing on core business and focusing on science and technology” and outward “concentric circle” expansion.

In 2022, the Group will integrate all media resources of enterprises under BYDA to create a new business landscape and develop a new growth engine.

In 2022, the Group will continue to deeply cultivate its management, improve risk control system, promote the adjustment of its organization structure and comprehensively complete enterprise informatization construction.

In 2022, the Group will enhance the talent construction, cultivate high-quality versatile talents, establish an effective incentive mechanism to strengthen the Group with talents.

In 2022, the Group will stably implement the exit of inferior companies and properly deal with the previous issues.

In 2022, the Group will, based on the strengthening of the existing businesses, grasp the opportunities arising from industry reform to create new opportunities in crisis and open a new chapter in a changing situation by trying valiantly and exploring actively, and determine to become a leading media enterprise with cross-media cultural and creative platform in China.

## **FINANCIAL POSITION AND OPERATIONAL RESULTS**

### **1. Total Operating Income**

Total operating income of the Group for 2021 was RMB187,552 thousand (2020: RMB217,291 thousand), representing a decrease of 13.69% as compared with 2020, of which, revenue from advertising was RMB82,855 thousand (2020: RMB89,973 thousand), representing a decrease of 7.91% as compared with 2020; revenue from printing was RMB2,921 thousand (2020: RMB2,824 thousand), representing an increase of 3.43% as compared with 2020; and revenue from trading of print-related materials was RMB96,486 thousand (2020: RMB115,256 thousand), representing a decrease of 16.29% as compared with 2020.

## **2. Operating Cost and Sales Tax and Surcharges**

Operating cost of the Group for 2021 was RMB169,492 thousand (2020: RMB192,447 thousand), representing a decrease of 11.93% as compared with 2020, of which, cost of advertising was RMB72,599 thousand (2020: RMB75,077 thousand), representing a decrease of 3.30% as compared with 2020; cost of printing was RMB2,710 thousand (2020: RMB2,884 thousand), representing a decrease of 6.03% as compared with 2020; and cost of trading of print-related materials was RMB92,590 thousand (2020: RMB113,220 thousand), representing a decrease of 18.22% as compared with 2020. Tax and surcharges were RMB1,699 thousand (2020: RMB1,964 thousand), representing a decrease of 13.49% as compared with 2020.

## **3. Gross Profit**

Gross profit of the Group for 2021 was RMB18,060 thousand (2020: RMB24,844 thousand), representing a decrease of 27.31% as compared with 2020; gross profit margin of the Group for 2021 was 9.63% (2020: 11.43%).

## **4. Selling Expenses**

Selling expenses of the Group for 2021 was RMB15,556 thousand (2020: RMB13,596 thousand), representing an increase of 14.42% as compared with 2020.

## **5. Administrative Expenses**

Administrative expenses of the Group for 2021 was RMB36,976 thousand (2020: RMB33,806 thousand), representing an increase of 9.38% as compared with 2020.

## **6. Financial Expenses**

Financial expenses of the Group for 2021 was RMB-2,750 thousand (2020: RMB-2,144 thousand), representing an increase of 28.26% in absolute value as compared with 2020, of which, interest income was RMB2,672 thousand (2020: RMB2,219 thousand), representing an increase of 20.41% as compared with 2020; and foreign exchange gain was RMB161 thousand (2020: RMB138 thousand), representing an increase of 16.67% as compared with 2020.

## **7. Share of Gains of Associates**

Share of gains of associates of the Group for 2021 was RMB30 thousand (2020: loss of RMB6,241 thousand), representing an increase of RMB6,271 thousand as compared with 2020.

## **8. Operating Profit**

Operating profit of the Group for 2021 was RMB-62,111 thousand (2020: RMB-131,542 thousand), representing a decrease of 52.78% in loss as compared with 2020.

## **9. Income Tax Expenses**

Income tax expenses of the Group for 2021 was RMB4,694 thousand (2020: RMB4,778 thousand), representing a decrease of RMB84 thousand or 1.76% as compared with 2020. Pursuant to the “Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Cultural Public Institutions into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department” (Cai Shui [2019] No. 16), the enterprises that have completed the structure reform before 31 December 2018 can continue to enjoy the five-year Enterprise Income Tax (EIT) exemption starting from 1 January 2019.

## **10. Net Profit/loss and Net Profit/loss Attributable to Shareholders of the Company**

Net loss of the Group for 2021 was RMB67,192 thousand (2020: net loss of RMB136,356 thousand), of which, net loss attributable to shareholders of the Company was RMB64,159 thousand (2020: net loss attributable to shareholders of the Company of RMB130,176 thousand).

## **11. Final Dividend**

The Board did not propose a final dividend for the year 2021 (2020: Nil).

## **12. Net Current Assets**

As at 31 December 2021, net current assets of the Group was RMB257,564 thousand (31 December 2020: RMB266,738 thousand). Current assets mainly comprised bank balances and cash of RMB264,322 thousand (31 December 2020: RMB240,221 thousand), notes receivable of RMB2,498 thousand (31 December 2020: RMB100 thousand), accounts receivable of RMB25,792 thousand (31 December 2020: RMB66,762 thousand), prepayments of RMB522 thousand (31 December 2020: RMB1,171 thousand), other receivables of RMB848 thousand (31 December 2020: RMB3,467 thousand), inventories of RMB11,942 thousand (31 December 2020: RMB13,460 thousand), and other current assets of RMB29,117 thousand (31 December 2020: RMB31,716 thousand). Current liabilities mainly comprised notes payable of RMB3,239 thousand (31 December 2020: RMB10,807 thousand), accounts payable of RMB14,748 thousand (31 December 2020: RMB13,335 thousand), contractual liabilities of RMB21,499 thousand (31 December 2020: RMB23,560 thousand), employee benefit payables of RMB6,847 thousand (31 December 2020: RMB5,887 thousand), tax payables of RMB6,085 thousand (31 December 2020: RMB4,452 thousand), other payables of RMB23,604 thousand (31 December 2020: RMB30,344 thousand), non-current liabilities due within one year of RMB61 thousand (31 December 2020: RMB218 thousand), and other current liabilities of RMB1,394 thousand (31 December 2020: RMB1,556 thousand).

## FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2021, current assets of the Group was RMB335,041 thousand (31 December 2020: RMB356,897 thousand), including bank balances and cash of RMB264,322 thousand (31 December 2020: RMB240,221 thousand) and non-current assets of the Group was RMB392,519 thousand (31 December 2020: RMB388,550 thousand).

As at 31 December 2021, current liabilities of the Group was RMB77,477 thousand (31 December 2020: RMB90,159 thousand); and non-current liabilities was RMB4,525 thousand (31 December 2020: RMB6,792 thousand).

As at 31 December 2021, shareholders' equity of the Group was RMB645,558 thousand (31 December 2020: RMB648,496 thousand).

## GEARING RATIO

As at 31 December 2021, gearing ratio of the Group was 12.70% (31 December 2020: 14.95%) (the gearing ratio is calculated by dividing the Group's total liabilities by its total equity).

## BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2021, bank loans, overdrafts and other borrowings of the Group was Nil (31 December 2020: Nil). Most of the currency unit of cash and cash equivalent held by the Group was Renminbi.

## FINANCING COST

Financing cost of the Group for 2021 was RMB18 thousand (2020: RMB138 thousand).

## FIVE-YEAR RESULTS HIGHLIGHTS

|  | For the year ended 31 December |                  |                  |                  |                 |
|--|--------------------------------|------------------|------------------|------------------|-----------------|
|  | 2021                           | 2020             | 2019             | 2018             | 2017            |
|  | <i>RMB'000</i>                 | <i>RMB'000</i>   | <i>RMB'000</i>   | <i>RMB'000</i>   | <i>RMB'000</i>  |
| Total operating income                                 | <b>187,552</b>                 | 217,291          | 219,927          | 344,625          | 426,708         |
| Net profit   | <b>(67,192)</b>                | (136,356)        | (214,511)        | (292,213)        | (99,577)        |
| Net profit attributable to shareholders of the Company | <b><u>(64,159)</u></b>         | <u>(130,176)</u> | <u>(196,538)</u> | <u>(277,310)</u> | <u>(85,251)</u> |
| Earnings per share — basic and diluted ( <i>RMB</i> )  | <b><u>(0.33)</u></b>           | <u>(0.66)</u>    | <u>(0.99)</u>    | <u>(1.39)</u>    | <u>(0.43)</u>   |

|  | <b>As at 31 December</b> |                |                |                |                  |
|--|--------------------------|----------------|----------------|----------------|------------------|
|  | <b>2021</b>              | 2020           | 2019           | 2018           | 2017             |
|  | <b>RMB'000</b>           | RMB'000        | RMB'000        | RMB'000        | RMB'000          |
| Total assets   | <b>727,560</b>           | 745,447        | 895,445        | 1,159,286      | 1,395,384        |
| Total liabilities  | <b>82,002</b>            | 96,951         | 100,448        | 148,694        | 194,810          |
| Total equity attributable to shareholders of the Company       | <b><u>628,627</u></b>    | <u>628,509</u> | <u>768,760</u> | <u>966,545</u> | <u>1,140,864</u> |
| Shareholders' equity per share as at the end of the year (RMB) | <b><u>3.19</u></b>       | <u>3.19</u>    | <u>3.90</u>    | <u>4.90</u>    | <u>5.78</u>      |

## USE OF PROCEEDS FROM THE LISTING

The Company raised a total net proceeds of HKD889,086 thousand from the global offering in 2004, all of which have been used up.

In order to capture more business opportunities arising from emerging media businesses and other media-related businesses, the Company believes that it will seek for various financing arrangements to support business development subject to business needs and mature conditions in the future.

## SHARE STRUCTURE (AS AT 31 DECEMBER 2021)

|   | <b>Number of shares</b>   | <b>Proportion to total share capital (%)</b> |
|---|---------------------------|--|
| <b>Holders of Domestic Shares</b>                       |                           |  |
| — BYDA  | 124,839,974               | 63.27  |
| — Beijing Chengshang Cultural Communication Co., Ltd.   | 7,367,000                 | 3.73   |
| — China Telecommunication Broadcast Satellite Co., Ltd. | 4,263,117                 | 2.16   |
| — Beijing Development Area Ltd.                         | 2,986,109                 | 1.52   |
| — Sino Television Co., Ltd.                             | <u>2,952,800</u>          | <u>1.50</u>                                  |
| Domestic Shares (subtotal)                              | 142,409,000               | 72.18  |
| H Shares <sup>Note</sup>                                | <u>54,901,000</u>         | <u>27.82</u>                                 |
| <b>Total share capital</b>                              | <b><u>197,310,000</u></b> | <b><u>100.00</u></b>                         |

Note:

Including 19,533,000 H Shares, representing 9.90% of the total share capital of the Company, which are held by Leshi Internet Information & Technology (Beijing) Limited.

## **CAPITAL EXPENDITURE**

Capital expenditures of the Group for 2021 was RMB719 thousand (2020: RMB763 thousand). Capital expenditures of the Group for 2021 was mainly comprised of the expenditures consistent with business strategies including expenditures on office equipment and intangible assets.

## **CONTINGENT LIABILITIES AND PLEDGE OF ASSETS**

As at 31 December 2021, the Group did not have any contingent liabilities or any pledge of assets.

## **MATERIAL INVESTMENTS**

During the Reporting Period, the Group had no material investments or any plan related to material investment or acquisition of assets.

## **MATERIAL ACQUISITION AND DISPOSAL OF ASSETS**

During the Reporting Period, the Group had no material acquisition or disposal of subsidiaries, joint ventures, associates, etc.

## **FOREIGN EXCHANGE RISKS**

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

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Group has always upheld the philosophy of placing equal emphasis on development and environmental protection. During its day-to-day operation, the Group reasonably utilises resources in strict compliance with the relevant laws, regulations, standards and other local rules. It has formulated and implemented the relevant internal rules and strives to minimize its impacts on the ecological environment from production and operation in terms of resource utilization and other aspects. During the Reporting Period, the Group organised several public benefit events relating to protection of natural environment. In the meantime, the Group is committed to maintaining and consolidating a healthy operation environment so that it can realize steady and orderly growth. The Group also tries its best to improve the working environment for its employees, advocates a philosophy of green office and green production and strives to create a safe, healthy, ideal and protected working environment for all employees. During the Reporting Period, the Group placed advertisements in the theme of public welfare over long period of time so as to promote the concept of environmental protection.

## **RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS**

The Group endeavours to maintain sustainable development in the long term, continuously creates value for its employees and customers, and fosters good relationships with its suppliers. The Group deeply understands that employees are its valuable assets, and the realisation and enhancement of employees' values will facilitate the achievement of the Group's overall goals. During the Reporting Period, the Group held staff trainings, and organised the staff to watch arts performances and sporting events for several times. The Group also understands the importance of maintaining good relationships with its suppliers and customers to the overall development of the Group. The Group places emphasis on supplier selection and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group abides by the principles of honesty and trustworthiness and commits itself to consistently providing quality services to its customers. During the Reporting Period, there was no significant and material dispute between the Group and its suppliers and/or customers.

## **AUDIT COMMITTEE**

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

The Audit Committee and the management 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 control and financial reporting of the Company, including reviewing the audited consolidated financial statements of the Group for the year of 2021 without dissenting opinions.

## **COMPLIANCE WITH LAWS, REGULATIONS AND CORPORATE GOVERNANCE CODE**

During the Reporting Period, the Company has been in compliance with the laws and regulations which would have a material impact on the Group and the code provisions set out in the Corporate Governance Code under Appendix 14 to the Listing Rules.

## **COMPLIANCE WITH THE MODEL CODE**

In respect of securities transactions of Directors and Supervisors, the Company has adopted the 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 its Directors and Supervisors. Having made sufficient enquiries to Directors and Supervisors, all Directors and Supervisors confirmed they have complied with the required standards under the Model Code during the Reporting Period.

## **PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## **FINAL DIVIDEND**

The Board did not recommend the distribution of final dividend for the year ended 31 December 2021.

## **CLOSURE OF REGISTER OF MEMBERS**

The Company intends to hold the 2021 annual general meeting of the Company (“AGM”) at 2 p.m. on Friday, 17 June 2022 at the Conference Room 704, the 7th Floor, Beijing Youth Daily Agency Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the People’s Republic of China. The register of members of the Company will be closed from Wednesday, 18 May 2022 to Friday, 17 June 2022 (both days inclusive), during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the AGM, all transfer documents of the holders of H shares together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company’s H share registrar and transfer office in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4: 30 p.m. on Tuesday, 17 May 2022. The record date for determining the eligibility to attend the AGM will be on Wednesday, 18 May 2022.

## **PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement will be published on the Company's website ([www.bjmedia.com.cn](http://www.bjmedia.com.cn)) and the website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2021 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  
**Beijing Media Corporation Limited**  
**Su Zhaohui**  
*Chairman of the Board*

Beijing, the PRC

25 March 2022

*As at the date of this announcement, the Board comprises: the executive directors of the Company, Xu Jian and Shang Da; the non-executive directors of the Company, Su Zhaohui, Cui Ping, Jing Enji, Yang Qing and Wang Zechen; and the independent non-executive directors of the Company, Cui Enqing, Shi Hongying, Chan Yee Ping, Michael and Du Guoqing.*

## DEFINITIONS

|                            |  |
|----------------------------|--|
| “Audit Committee”          | The audit committee under the Board  |
| “Beiqing Community Media”  | Beiqing Community Media Technology (Beijing) Co., Ltd., a subsidiary of the Company  |
| “Beiqing Network Culture”  | Beiqing Network Culture Communication Co., Ltd., a subsidiary of the Company   |
| “Board”                    | The board of Directors of the Company  |
| “BYD Logistics”            | BYD Logistics Company Limited, a subsidiary of the Company   |
| “BYDA”                     | Beijing Youth Daily Agency, the controlling shareholder of the Company   |
| “Capital Group”            | Beijing Capital Group Company Limited  |
| “Chongqing Media”          | Chongqing Youth Media Company Limited, a subsidiary of the Company   |
| “Company”                  | 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 share(s) of RMB1.00 per share in the share capital of the Company   |
| “Group”                    | The Company and its subsidiaries   |
| “H Shares”                 | The foreign share(s) 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  |
| “Listing Rules”            | The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange  |

|                    |   |
|--------------------|---|
| “Model Code”       | the Model Code for Securities Transactions by Directors of Listed Issuers   |
| “PRC” or “China”   | The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region and Taiwan |
| “Reporting Period” | The year ended 31 December 2021   |
| “RMB”              | Renminbi, the lawful currency of the PRC  |
| “Shareholder(s)”   | The shareholder(s) of the Company   |
| “Supervisor(s)”    | The supervisor(s) of the Company  |