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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 2012

FINANCIAL HIGHLIGHTS:

1. Total operating revenue of the Group for the year of 2012 was RMB690,276 thousand, representing a decrease of RMB67,298 thousand or 8.88% as compared with 2011.
2. Net profit of the Group attributable to the shareholders of the Company for the year of 2012 was RMB64,987 thousand, representing a decrease of RMB54,907 thousand or 45.80% as compared with 2011.
3. Earnings per share was RMB0.33, representing a decrease of RMB0.28 or 45.80% as compared with 2011.
4. The Board proposes to declare a final dividend of RMB0.30 per share for the year of 2012.

The Board announces the consolidated results of the Group for the year ended 31 December 2012 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 2012

RMB '000

Item	Notes	For the year ended 31 December 2012	For the year ended 31 December 2011
Total operating revenue	1	690,276	757,574
Total operating costs	1	668,288	732,884
Operating costs	1	608,474	646,829
Sales tax and surcharges		23,678	35,945
Selling expenses		14,494	28,873
Administrative expenses		50,362	50,465
Financial expenses	5	(31,314)	(30,524)
Impairment loss of assets		2,594	1,296
Gain on changes in fair value		10,739	4,151
Share of profit of associates	3	13,633	9,476
Other investment income	3	22,356	87,183
Operating profit		68,716	125,500
Add: non-operating income	4	1,530	3,122
Less: non-operating expenses		9	204
Total profit		70,237	128,418
Less: Income tax expenses	6	6,778	5,705
Net profit		63,459	122,713
Other comprehensive income		—	—
Total comprehensive income		<u>63,459</u>	<u>122,713</u>
Net profit attributable to:			
Shareholders of the Company		64,987	119,894
Minority shareholders		(1,528)	2,819
		<u>63,459</u>	<u>122,713</u>
Total comprehensive income attributable to:			
Shareholders of the Company		64,987	119,894
Minority shareholders		(1,528)	2,819
		<u>63,459</u>	<u>122,713</u>
Earnings per share:			
Basic earnings per share (RMB)	7	0.33	0.61
Diluted earnings per share (RMB)	7	<u>0.33</u>	<u>0.61</u>
Dividends	8	<u>118,386</u>	<u>98,655</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2012

RMB'000

Item	Notes	As at 31 December 2012	As at 31 December 2011
Current assets:			
Bank balances and cash		828,850	995,593
Financial assets held for trading		22	31
Accounts receivable	9	213,437	125,698
Prepayments		16,322	16,789
Interest receivable		7,355	10,517
Other receivables		80,705	59,551
Inventories		50,087	49,928
Other current assets		150,600	80,600
Total current assets		1,347,378	1,338,707
Non-current assets:			
Long-term receivables		–	369
Investments in associates		135,171	133,748
Other long-term equity investments		59,560	11,560
Investment properties		54,499	43,750
Fixed assets		11,082	12,690
Intangible assets		27,652	28,124
Goodwill		47,377	47,377
Long-term prepaid expenses		1,788	1,932
Deferred income tax assets		1,318	1,206
Other non-current assets		–	48,000
Total non-current assets		338,447	328,756
Total assets		1,685,825	1,667,463

CONSOLIDATED BALANCE SHEET (Continued)*As at 31 December 2012**RMB '000*

Item	<i>Notes</i>	As at 31 December 2012	As at 31 December 2011
Current liabilities:			
Notes payable		89,357	36,599
Accounts payable	<i>10</i>	108,530	63,315
Receipts in advance		21,660	19,045
Employee benefit payables		6,776	6,098
Tax payables		(6,370)	4,013
Dividend payable		398	398
Other payables		92,215	91,201
Non-current liabilities due within one year		3,670	3,670
Other current liabilities		7,539	8,513
Total current liabilities		323,775	232,852
Non-current liabilities:			
Long-term borrowings		–	3,670
Deferred income tax liabilities		3,616	1,292
Total non-current liabilities		3,616	4,962
Total liabilities		327,391	237,814
Shareholders' equity:			
Share capital		197,310	197,310
Capital reserves		891,179	893,841
Surplus reserves		130,931	130,931
Undistributed profits		121,634	175,033
Equity attributable to shareholders of the Company		1,341,054	1,397,115
Minority interests		17,380	32,534
Total shareholders' equity		1,358,434	1,429,649
Total liabilities and shareholders' equity		1,685,825	1,667,463
Net current assets		1,023,603	1,105,855
Total assets less current liabilities		1,362,050	1,434,611

BASIS FOR PREPARATION

The Group's financial statements for the year ended 31 December 2012 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 and other relevant regulations issued by the Ministry of Finance of the PRC ("PRC Accounting Standards") and the applicable disclosures required by the Listing Rules and Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in Note IV "Principal accounting policies and accounting estimates and basis of preparation of consolidated financial statements" in the annual report of the Group for the year 2012.

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 2012 and their consolidated operating results, cash flows and other relevant information for the year then ended.

NOTES TO THE FINANCIAL STATEMENTS

I. TOTAL OPERATING REVENUE, OPERATING COSTS

	For the year ended 31 December 2012	For the year ended 31 December 2011
Principal operating revenue	683,654	747,914
Other operating revenue	6,622	9,660
Total operating revenue	690,276	757,574
Principal operating costs	607,924	643,092
Other operating costs	550	3,737
Total operating costs	608,474	646,829
Gross Profit	81,802	110,745

2. SEGMENT INFORMATION

The price of intra-segment transactions is determined with reference to market rates. Expenses incurred from intra-segment transactions, other than those which are unable to be allocated reasonably, are allocated between different segments on the basis of revenue. The segments are:

Reporting Segment	Principal activities
Advertising:	Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA and CéCi magazine.
Printing:	Provision of printing services.
Trading of printing related materials:	Sales of paper, ink, lubricant, film, pre-coating photosensitive liquid plate and rubber plate used for printing and other printing related materials.

(1) For the year ended 31 December 2012

	Advertising	Printing	Trading of print-related materials	Distribution	Unallocated amount	Elimination	Total
Operating revenue	361,400	118,937	377,090	–	9,622	(176,773)	690,276
Including: Revenue from external transactions	361,299	47,147	272,208	–	9,622	–	690,276
Revenue from intra-segment transactions	101	71,790	104,882	–	–	(176,773)	–
Operating expenses	360,870	118,045	375,329	–	(9,183)	(176,773)	668,288
Gain on changes in fair value	–	–	–	–	10,739	–	10,739
Investment income	–	–	–	–	44,889	(8,900)	35,989
Operating profit	530	892	1,761	–	74,433	(8,900)	68,716
Non-operating income and expenses, net	1,455	16	50	–	–	–	1,521
Total profit	1,985	908	1,811	–	74,433	(8,900)	70,237
Income tax expenses	2,155	305	965	–	3,353	–	6,778
Net profit	(170)	603	846	–	71,080	(8,900)	63,459
Total assets	1,113,548	45,961	145,543	–	903,358	(522,585)	1,685,825
Total liabilities	131,003	47,117	149,204	–	22,486	(22,419)	327,391
Supplementary information							
Depreciation and amortization expenses	2,910	208	660	–	757	–	4,535
Capital expenditure	677	65	207	–	1,395	–	2,344
Impairment of assets	2,822	(55)	(173)	–	–	–	2,594
Non-cash expenses excluding depreciation and impairment of assets	–	–	–	–	–	–	–

(2) For the year ended 31 December 2011

	Advertising	Printing	Trading of print-related materials	Distribution	Unallocated amount	Elimination	Total
Operating revenue	452,251	264,888	234,860	11,754	9,660	(215,839)	757,574
Including: Revenue from external transactions	450,331	50,969	234,860	11,754	9,660	–	757,574
Revenue from intra-segment transactions	1,920	213,919	–	–	–	(215,839)	–
Operating expenses	428,670	266,777	229,115	31,650	(7,489)	(215,839)	732,884
Gain on changes in fair value	–	–	–	–	4,151	–	4,151
Investment income	–	–	–	–	96,659	–	96,659
Operating profit (loss)	23,581	(1,889)	5,745	(19,896)	117,959	–	125,500
Non-operating income and expenses, net	–	–	–	–	2,918	–	2,918
Total profit	23,581	(1,889)	5,745	(19,896)	120,877	–	128,418
Income tax expenses	1,193	–	1,578	–	2,934	–	5,705
Net profit	22,388	(1,889)	4,167	(19,896)	117,943	–	122,713
Total assets	1,001,083	61,666	61,709	–	1,044,617	(501,612)	1,667,463
Total liabilities	130,947	59,548	52,806	–	11,809	(17,296)	237,814
Supplementary information							
Depreciation and amortization expenses	5,657	467	414	300	–	–	6,838
Capital expenditure	3,074	422	374	37	–	–	3,907
Impairment of assets	1,248	21	19	8	–	–	1,296
Non-cash expenses excluding depreciation and impairment of assets	3	–	–	–	–	–	3

3. INVESTMENT INCOME

The investment income was arisen from:

	For the year ended 31 December 2012	For the year ended 31 December 2011
Share of profit of associates	<u>13,633</u>	<u>9,476</u>
Other investment income:		
Gain on disposal of a subsidiary	–	67,873
Gain on disposal of other long-term equity investments	–	541
Gain on deemed disposal of an associate	–	5,808
Gain on disposal of partial interests in an associate	11,228	–
Gain on disposal of financial assets held for trading	–	211
Other investment income	<u>11,128</u>	<u>12,750</u>
Sub-total of other investment income	<u>22,356</u>	<u>87,183</u>
Total	<u><u>35,989</u></u>	<u><u>96,659</u></u>

4. NON-OPERATING INCOME

	For the year ended 31 December 2012	For the year ended 31 December 2011
Gain on disposal of fixed assets	75	2,332
Government grants (<i>Note</i>)	–	300
Penalty income for breach of contracts	–	302
Compensation for removal of advertising board	18	–
Late payment charges	1,437	–
Others	<u>–</u>	<u>188</u>
Total	<u><u>1,530</u></u>	<u><u>3,122</u></u>

Note: Government grants represented unconditional grant from the PRC government in relation to the project funds for creative industry of media culture. Government grant was determined at the sole discretion of the relevant PRC government authorities.

5. FINANCIAL EXPENSES

	For the year ended 31 December 2012	For the year ended 31 December 2011
Interest expenses – on bank loans wholly repayable within 5 years	587	677
Less: Interest income	32,508	27,408
Add: Exchange loss	510	(3,810)
Add: Other expenses	97	17
Total	(31,314)	(30,524)

6. INCOME TAX EXPENSES

(1) Income tax expenses

	For the year ended 31 December 2012	For the year ended 31 December 2011
Current income tax expenses	4,566	4,379
Deferred income tax expenses	2,212	1,326
Total	6,778	5,705

(2) Current income tax expenses

	For the year ended 31 December 2012	For the year ended 31 December 2011
Current income tax – PRC	4,188	4,137
Under-provision in prior years – PRC	378	242
Total	4,566	4,379

There was no provisions for Hong Kong profits tax of the Group for the year, because no profits was generated from Hong Kong.

7. EARNINGS PER SHARE

	For the year ended 31 December 2012	For the year ended 31 December 2011
Net profit for the year attributable to shareholders of the Company	64,987	119,894
Weighted average number of issued ordinary shares (thousand shares)	<u>197,310</u>	<u>197,310</u>
Earnings per share (RMB)	<u>0.33</u>	<u>0.61</u>

Basic earnings per share and diluted earnings per share for the two years ended 31 December 2012 are the same as there were no diluting events existed during both years.

8. DIVIDENDS

	For the year ended 31 December 2012	For the year ended 31 December 2011
Dividends recognised as distribution during the year:		
Payment of 2011 final dividend – RMB0.60 (2011: 2010 final dividend RMB 0.50) per share (<i>Note</i>)	<u>118,386</u>	<u>98,655</u>
Total	<u>118,386</u>	<u>98,655</u>

Note: At the annual general meeting held on 15 May 2012, the Shareholders approved the final dividends of RMB0.60 per ordinary share amounting to a total of RMB118,386,000 in respect of the year ended 31 December 2011. The amounts have been appropriated from retained earnings for the year ended 31 December 2012.

The final dividend for 2012 of RMB0.30 per share totaling RMB59,193,000 has been proposed by the directors and is subject to the Shareholders' approval in the forthcoming general meeting.

9. ACCOUNTS RECEIVABLE

	As at 31 December 2012	As at 31 December 2011
Accounts receivable	222,129	132,999
Less: Provision for bad debts	8,692	6,932
	<hr/>	<hr/>
Net accounts receivable	213,437	126,067
	<hr/> <hr/>	<hr/> <hr/>
For reporting purpose, analysis as:		
Non-current assets – long-term receivables	–	369
Current assets – accounts receivable	213,437	125,698
	<hr/>	<hr/>
Total	213,437	126,067
	<hr/> <hr/>	<hr/> <hr/>

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

	As at 31 December 2012	As at 31 December 2011
0-90 days	95,152	81,754
91-180 days	62,635	17,079
181-365 days	34,791	16,477
1-2 years	13,630	7,328
Over 2 years	7,229	3,429
	<hr/>	<hr/>
Total	213,437	126,067
	<hr/> <hr/>	<hr/> <hr/>

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

(2) Analysis of accounts receivable by categories:

	As at 31 December 2012				As at 31 December 2011			
	Balance of		Provision for		Balance of		Provision for	
	carrying amount		bad debts		carrying amount		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	175,682	79.09	4,088	2.33	112,932	84.91	2,328	2.06
Related party group	29,930	13.47	-	-	14,545	10.94	-	-
Non-risk group	11,913	5.36	-	-	918	0.69	-	-
Sub-total	217,525	97.92	4,088	1.88	128,395	96.54	2,328	1.81
Insignificant individual receivables but with bad debt provision made on individual basis	4,604	2.08	4,604	100.00	4,604	3.46	4,604	100.00
Total	222,129	100.00	8,692		132,999	100.00	6,932	

Accounts receivable with bad debt provision by aging method:

	As at 31 December 2012			As at 31 December 2011		
	Amount	Percentage (%)	Provision for bad debts	Amount	Percentage (%)	Provision for bad debts
Within 1 year	160,015	-	-	101,357	-	-
1-2 years	7,769	10.00	777	6,935	10.00	694
2-3 years	4,954	30.00	1,486	3,460	30.00	1,038
3-4 years	1,767	50.00	884	1,159	50.00	580
Over 4 years	1,177	80.00	941	21	80.00	16
Total	175,682		4,088	112,932		2,328

(3) The top five accounts receivable as at 31 December 2012 represented 25.40% of the total accounts receivable.

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

Ageing	As at 31 December 2012	As at 31 December 2011
Within 6 months	32,613	5,691
6 months to 1 year	1,754	7,828
1-2 years	6,774	1,890
2-3 years	648	54
3-4 years	54	–
Total	41,843	15,463

Accounts 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 is 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.

10. ACCOUNTS PAYABLE

The following is an aging analysis of accounts payable as at 31 December 2012 presented based on the invoice date:

	As at 31 December 2012	As at 31 December 2011
Within 90 days	66,334	45,846
91 to 180 days	24,611	10,224
181 to 365 days	2,572	6,707
Over one year	15,013	538
Total	108,530	63,315

The average credit period for purchases of goods 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 timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in three core businesses: (1) advertising sales, this part of business contributed the largest portion of the turnover of the Group; (2) printing, the turnover of this part of business includes revenue mainly generated from the printing of publications arranged by BYD Logistics; and (3) trading of print-related materials, this part of business 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 2012 was RMB690,276 thousand (2011: RMB757,574 thousand), representing a decrease of 8.88% as compared with 2011. Net profit attributable to shareholders of the Company for 2012 was RMB64,987 thousand (2011: RMB119,894 thousand), representing a decrease of 45.80% as compared with 2011.

In 2012, as a result of the strengthened Chinese government's macro control over real estate market, restrictive policies on automobiles purchase promulgated by Beijing Municipal Government and impacts from new media, the print media advertisement market in Beijing was shrinking and the advertising industries especially in real estate and building materials were adversely impacted. However, the market share of Beijing Youth Daily remained the top among metropolitan newspapers in Beijing. Moreover, the placement of advertisement in Beijing Youth Daily from the living style services sector targeting high-income groups increased by 24.15%, and revenue from advertising sales to 3C products and financial services increased by 21.47% and 17.7% respectively while the revenue from advertising sales to education, tourism, commodity circulation and luxury goods also recorded slight and stable growth. The Group has made great efforts in various aspects, thus slowing down the adverse impacts brought by the decrease in revenue from real estate and automobile advertisement to a maximum extent. Revenue from advertising sales of the Group for 2012 was RMB361,299 thousand (2011: RMB450,331 thousand), representing a decrease of 19.77% as compared with 2011.

Towards the end of 2012, after negotiation between the Company, LEPA (publisher of Legal Evening Post), a subsidiary of BYDA and Beiqing Top (publisher of Civil Aviation Administration of China News (Inflight Edition)), an associated company of the Company, the Company and the parties decided to establish strategic cooperative relationship and signed a Letter of Intent on 20 December 2012. Pursuant to which, the Company set up Beijing Media Advertisement Centre to consolidate the advertisements on Beijing Youth Daily, Beijing Legal Evening Post and Civil Aviation Administration of China News (Inflight Edition) and coordinate marketing activities, through which our advertisement services cover morning posts, evening posts and aviation media in Beijing, forming a joint force in various aspects to maximize our market share and gain more opportunities for advertisement business.

BYD Logistics is a 92.84%-owned subsidiary of the Company. Operating revenue of the Group from the printing and the trading of print-related materials businesses for the year 2012 was RMB47,147 thousand and RMB272,208 thousand (corresponding period of 2011: RMB50,969 thousand and RMB234,860 thousand), respectively, representing a decrease of 7.5% and an increase of 15.90% as compared with those of the corresponding period of 2011, respectively. The major profit generators of BYD Logistics for the year 2012 shifted from the intragroup printing and trading business to the third-party printing and trading business. Notable success was achieved in building up a diversified non-intra-group third-party customer portfolio.

To further carry out its strategic development in outdoor advertising market and forge a cross-media conglomeration, as approved by the Board on 9 October 2012, the Company acquired 45% equity interest in Today Sunshine held by 12 individuals at approximately RMB14,724 thousand and completed changes in registration with the industrial and commercial administration authorities on 9 November 2012. Today Sunshine has become a wholly-owned subsidiary of the Company. Operating revenue of Today Sunshine for the year 2012 was RMB3,633 thousand (corresponding period of 2011: RMB4,840 thousand), representing a decrease of 24.94%. Decline in operating revenue was mainly due to the outdoor billboards resources expired successively during the reporting period.

On 21 December 2012, the Company won the bid for outdoor billboards from Beijing Municipal Administration Commission and acquired the right of use in 6 outdoor billboards and proposed to authorize the Company's subsidiary, Today Sunshine for the further implementation. The Company will keep extending the development in outdoor billboard advertising market to establish a professional cross-media group.

Beiqing CéCi, a 84.69%-owned subsidiary of the Company, focused on advertising business in CéCi (《CéCi 姐妹科學》) magazine, a premium women's magazine for fashion mavens distributed across major cities of China including Hong Kong. Through four years' operation, CéCi, being the favourite magazine of urban white-collar ladies with a sound track record in sales since its launching, achieved a year-on-year growth of 39.15% in revenue from advertising sales and net profit achieved a year-on-year growth of 118.36% in 2012. CéCi and AIRTIME Youth Weekend (“AIRTIME 青年周末”) cooperated with strategic partner, China Film Co., Ltd., China Film Entertainment Brokerage Co., Ltd., and initiated New Asia Youth Development Program for young talent in entertainment industry, which provided a performance platform for the new faces to show their talents, drove the development of the film industry in China by micro film and discovered and trained new talented directors, script writers and artists. The project caught the attention of many global fashion brands. IWC Watch, a world-known brand, who has hundreds of long-term charity projects across the world, also took part in this activity as a special sponsor for the investment and production of the micro film, which were a promotional video of the brand, produced by those new faces. Such especially meaningful program also gained support from Tao Zee, David, a famous Chinese singer, who acted as the overall director of such promotional video. Green script writers and artists of China Film Entertainment Brokerage Co., Ltd. took part in the video to demonstrate the new force of film industry in China.

Beijing Zhong Wang Shi Tong Technologies Co., Ltd., a subsidiary of the Company, was officially renamed as Beiqing Long Teng Investment Management (Beijing) Co., Limited on 30 August 2012. On 9 October 2012, the Company signed a Capital Injection Agreement with Beijing Longteng Ruixiang Culture Development Co., Ltd. to jointly inject RMB30,000 thousand to Beiqing Long Teng, upon which its registered capital increased from RMB20,000 thousand to RMB50,000 thousand. It is expected that the relevant injection and corresponding changes in registration with the industrial and commercial administration authorities will be completed in the first half of 2013. The Company would hold 51% equity interests in Beiqing Long Teng after the completion of capital injection.

In 2012, BQTM further consolidated its position as the largest player of airport LED screen business. The LED screens broadcast network covers 15 airports in Beijing, Tianjin, Guangzhou, Xi'an, Nanjing, Shenzhen, Sanya, Haikou, Chengdu, Kunming, Lijiang, Xishuangbanna, Lhasa, Linzhi and Jiuzhaigou, which have constituted a network. Among these, the landscape-class LED screen in Guangzhou Baiyun Airport was awarded "2012 Asia OOH Awards". Distribution of the Civil Aviation Administration of China News (Inflight Edition), which was under control and operation of BQTM, has been extended to airport terminals of 33 cities across the PRC and artery routes of major airlines, becoming one of the leading premium free newspaper in flight. As at the date of this report, the Company held 31.09% equity interests in BQTM.

The Company acquired 1.5% equity interest in Beiyang Media by way of capital injection of the entire equity interest in Heqing Media held by the Company. The relevant changes in business registration have been fully completed on 22 March 2012. Beiyang Media will further accelerate the pace of the capital operation in 2013.

All of the initiatives above enabled the Group to diversify investment portfolio and set up extensive media platforms with comprehensive audience group, covering newspapers, magazines, LED internet and aviation and outdoor broadcast. Meanwhile, the Group managed to provide all-round sophisticated media marketing platforms for advertisers to place advertisements, which enabled advertisers to maximize return by selecting diversified cross-channel, cross-media and cross-region advertising portfolios.

In 2012, Beijing Media continued to pursue the leading position in the industry. The Group further strengthened its cooperation with companies in real estate, automobile and tourism sectors through adoption of new technologies and new measures in advertising and marketing to proactively seek a new business model, enhancement of the placement of advertisements in relevant sectors through brand promotional campaigns and organization of seminars and exhibitions. By adopting these new technologies and initiatives, Beijing Media reinforced its brand strength in key advertising placement sectors such as automobile and real estate.

In terms of marketing tactics, the Group further emphasized the importance of delivering customer-oriented services, proactively developed new customers and cultivated new selling points for its business. The Group prepared tailor-made marketing plans for customers with no advertisement placed, setting up an integrated communication platform for marketing.

EVENTS ORGANIZED DURING THE YEAR

During 2012, The “2012 Beijing Auto Exhibition” hosted by BYDA and the Group was successfully held at the National Conference Centre of Beijing Olympic Park from 31 August to 3 September 2012. During the four-day exhibition period, both numbers of visitors and car sales reached a record high and amounted to 116,700 people and 1,657 vehicles respectively. The sales amount was over RMB200 million. Automobile Exhibition by Beijing Media was a catalyst for the sales for the period of “Golden September and Silver October”. Under the macro policy on auto purchase restriction by draw, Auto Exhibition by Beijing Media encouraged the exchange of old cars with a new one. Among 1,657 vehicles sold record, more than 60% came from car owners exchanging vehicles. Automobile Exhibition by Beijing Media was held at the time that Beijing government introduced new emission standard “Jing V Emission Standard”, and more than 70% exhibited cars in exhibition were qualified for Jing V Emission Standard which was more like a show before the implementation of Jing V Emission Standard.

From 26 July to 20 August 2012, the Group organized the Auto Olympics of Beijing Olympics Culture Festivals, MINI Olympics and Olympics Encyclopedia. Those events not only caught the attention of millions of visitors at hot Olympics spots, but also drove operating revenue by the hot cultural events, which achieved a breakthrough in marketing. By combining the concept of daily exercise and automobile culture in various manners, the Company established brand new Olympics philosophy and idea of world-class city. Many well-known property developers, such as R&F Property and Vanke, were attracted and set up a booth for a corner of Olympics Encyclopedia. Auto Olympics invited a lot of automobile distributors, such as Mercedes Benz, Nissan, jeep, Toyota and BYD to showcase the latest models of new energy cars. Sunshine Insurance and Bank of China sponsored and supported MINI Olympics to build mini venues for soccer, basketball and badminton and made them be the interaction zones with visitors.

In addition, Beijing Media cooperated with Mercedes Benz China to organize a camp named “City of Moki – Road Safety Training Camp for Children” with the subject of “Transport and Future”. Thousands of visitors, including Liu Jing Min, the deputy mayor of Beijing, were present to join such technological and considerate activities which increasing influence and appeal of brand name of the Company.

Meanwhile, capitalising on its media strengths and integrating and consolidating other resources, the Group established a platform for communications between readers (consumers) and advertising customers (exhibitors). In 2012, Beijing Media co-sponsored a number of large-scale exhibitions including Beijing Four Seasons Real Estate Trade Fair and Beijing International Auto Exhibition, which effectively facilitated placement of advertisements by the respective industries.

PROSPECTS AND FUTURE PLANS

While maintaining its existing core businesses in 2013, the Group intends to further diversify its media business through acquisitions and cooperation. Aiming at further development of its business, the Group will bolster its ongoing relationship with BYDA, in order to stand out from its peers as a leading cross-media group in the PRC.

In 2013, the Group will seize the opportunities in development of cultural industries and restructuring of non-political newspapers and periodicals in the PRC to push ahead with capital operations, aiming at a new leap in expanding its niche.

In 2013, the Group will start to acquire the related assets and business of LEPA, a subsidiary of BYDA to further boost the development of advertisement business.

In 2013, the Group will continue to build up a media platform for fashion magazines through Beiqing CÉCi and by virtue of the excellent development of such magazine since its launching, the Group will consolidate the position of such magazine as a mainstream print media to have a better development in fashion media sector.

In 2013, the Group will base on Today Sunshine to accelerate the development of outdoor advertisement. We will be based in Beijing and extended across the country and focus on channel development and outdoor advertisement in new media form. Meanwhile, we will strive to achieve breakthrough in new media sectors such as Internet and mobile network. Besides, we will further explore and attempt to utilize the professional and market investment system, such as professional investment fund.

In 2013, Beiqing Long Teng, a wholly-owned subsidiary of the Company will introduce a new business partner, Beijing Longteng Ruixiang Culture Development Co., Ltd., to increase capital, in order to further establish a capital operation platform for cultural and media sector, together with value-added management for Beijing Media and other resources and capital cultural corporations.

In 2013, the Group plans to cooperate with Chongqing Youth Industrial Co., Ltd., a subsidiary of Chong Qing Provincial Committee Office, to establish a company to engage in the advertisement business, publishing and printing of Chongqing Youth Daily, which is favourable to the cross-region development of the Group and improve the appeal of the brand name of Beijing Media.

FINANCIAL POSITION AND OPERATIONAL RESULTS

1. Total Operating Revenue

Total operating revenue of the Group for 2012 was RMB690,276 thousand (2011: RMB757,574 thousand), representing a decrease of 8.88% as compared with 2011. Of which, revenue from advertising sales was RMB361,299 thousand (2011: RMB450,331 thousand), representing a decrease of 19.77% as compared with 2011; revenue from printing was RMB47,147 thousand (2011: RMB50,969 thousand), representing a decrease of 7.50% as compared with 2011; and revenue from trading of print-related materials was RMB272,208 thousand (2011: RMB234,860 thousand), representing an increase of 15.90% as compared with 2011.

2. *Operating Cost and Sales Tax and Surcharges*

Operating cost of the Group for 2012 was RMB608,474 thousand (2011: RMB646,829 thousand), representing a decrease of 5.93% as compared with 2011. Of which, cost of advertising sales was RMB308,070 thousand (2011: RMB349,580 thousand), representing a decrease of 11.87% as compared with 2011; cost of printing was RMB42,212 thousand (2011: RMB47,458 thousand), representing a decrease of 11.05% as compared with 2011; and cost of trading of print-related materials was RMB257,642 thousand (2011: RMB220,069 thousand), representing an increase of 17.07% as compared with 2011. Sales tax and surcharges was RMB23,678 thousand (2011: RMB35,945 thousand), representing a decrease of 34.13% as compared with 2011.

3. *Gross Profit*

Gross profit of the Group for 2012 was RMB81,802 thousand (2011: RMB110,745 thousand), representing a decrease of 26.13% as compared with 2011; gross profit margin of the Group for 2012 was 11.85% (2011: 14.62%).

4. *Selling Expenses*

Selling Expenses of the Group for 2012 was RMB14,494 thousand (2011: RMB28,873 thousand), representing a decrease of 49.80% as compared with 2011.

5. *Administrative Expenses*

Administrative expenses of the Group for 2012 was RMB50,362 thousand (2011: RMB50,465 thousand), representing a decrease of 0.20% as compared with 2011.

6. *Financial Expenses*

Financial expenses of the Group for 2012 was RMB-31,314 thousand (2011: RMB-30,524 thousand), representing an increase of 2.59% in absolute value as compared with 2011. Of which, interest income was RMB32,508 thousand (2011: RMB27,408 thousand), representing an increase of 18.61% as compared with 2011; and foreign exchange loss was RMB510 thousand (2011: RMB-3,810 thousand), representing a decrease of 113.39% as compared with 2011.

7. *Share of Profit of Associates*

Share of profit of associates of the Group for 2012 was RMB13,633 thousand (2011: RMB9,476 thousand), representing an increase of 43.87% as compared with 2011.

8. *Operating Profit*

Operating profit of the Group for 2012 was RMB68,716 thousand (2011: RMB125,500 thousand), representing a decrease of 45.25% as compared with 2011.

9. *Income Tax Expenses*

Income tax expenses of the Group for 2012 was RMB6,778 thousand (2011: RMB5,705 thousand), representing an increase of 18.81% as compared with 2011. The taxation authority in the PRC has granted the Company an income tax exemption of five years effective from 1 January 2009 to 31 December 2013.

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

Net profit of the Group for 2012 was RMB63,459 thousand (2011: RMB122,713 thousand), representing a decrease of 48.29% as compared with 2011. Of which, net profit attributable to shareholders of the Company was RMB64,987 thousand (2011: RMB119,894 thousand), representing a decrease of 45.80% as compared with 2011.

11. *Final Dividend*

The Board recommends the distribution of a final dividend of RMB0.30 per share (2011: RMB0.60 per share).

12. *Net Current Assets*

As at 31 December 2012, net current assets of the Group was RMB1,023,603 thousand (31 December 2011: RMB1,105,855 thousand). Current assets mainly comprised of bank balances and cash of RMB828,850 thousand (31 December 2011: RMB995,593 thousand), financial assets held for trading of RMB22 thousand (31 December 2011: RMB31 thousand), accounts receivable of RMB213,437 thousand (31 December 2011: RMB125,698 thousand), prepayments of RMB16,322 thousand (31 December 2011: RMB16,789 thousand), interest receivable of RMB7,355 thousand (31 December 2011: RMB10,517 thousand), other receivables of RMB80,705 thousand (31 December 2011: RMB59,551 thousand), inventories of RMB50,087 thousand (31 December 2011: RMB49,928 thousand), and other current assets of RMB150,600 thousand (31 December 2011: RMB80,600 thousand). Current liabilities mainly comprised of notes payable of RMB89,357 thousand (31 December 2011: RMB36,599 thousand), accounts payable of RMB108,530 thousand (31 December 2011: RMB63,315 thousand), receipts in advance of RMB21,660 thousand (31 December 2011: RMB19,045 thousand), employee benefit payables of RMB6,776 thousand (31 December 2011: RMB6,098 thousand), tax payables of RMB-6,370 thousand (31 December 2011: RMB4,013 thousand), dividend payable of RMB398 thousand (31 December 2011: RMB398 thousand), other payables of RMB92,215 thousand (31 December 2011: RMB91,201 thousand), non-current liabilities due within one year of RMB3,670 thousand (31 December 2011: RMB3,670 thousand), and other current liabilities of RMB7,539 thousand (31 December 2011: RMB8,513 thousand).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2012, current assets of the Group was RMB1,347,378 thousand (31 December 2011: RMB1,338,707 thousand), including bank balances and cash of RMB828,850 thousand (31 December 2011: RMB995,593 thousand). Non-current assets of the Group was RMB338,447 thousand (31 December 2011: RMB328,756 thousand).

As at 31 December 2012, current liabilities of the Group was RMB323,775 thousand (31 December 2011: RMB232,852 thousand) and non-current liabilities was RMB3,616 thousand (31 December 2011: RMB4,962 thousand).

As at 31 December 2012, shareholders' equity of the Group was RMB1,358,434 thousand (31 December 2011: RMB1,429,649 thousand).

As at 31 December 2012, equity-to-borrowing ratio (defined as a percentage of net interest-bearing borrowings over equity attributable to shareholders of the Company) of the Group was 0.27% (31 December 2011: 0.53%).

GEARING RATIO

As at 31 December 2012, gearing ratio of the Group was 24.10% (31 December 2011: 16.63%) (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 2012, bank loans of the Group was RMB3,670 thousand (31 December 2011: RMB7,340 thousand); such bank loans bear interest ranging from 6.16% to 7.32% p.a. (2011: from 6.16% to 7.32% p.a.).

FINANCE COST

Finance cost of the Group for 2012 was RMB587 thousand (2011: RMB677 thousand).

FIVE-YEAR RESULTS HIGHLIGHTS

	For the year ended 31 December				
	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i> (Restated)	2009 <i>RMB'000</i> (Restated)	2008 <i>RMB'000</i> (Restated)
Total operating revenue	690,276	757,574	769,497	842,300	1,099,243
Net profit	63,459	122,713	100,298	149,233	38,791
Net profit attributable to shareholders of the Company	64,987	119,894	99,715	150,664	41,039
Earnings per share – basic and diluted (RMB)	0.33	0.61	0.51	0.76	0.20
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
	As at 31 December				
	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i> (Restated)	2009 <i>RMB'000</i> (Restated)	2008 <i>RMB'000</i> (Restated)
Total assets	1,685,825	1,667,463	1,743,426	1,750,615	1,715,922
Total liabilities	327,391	237,814	312,430	349,577	415,639
Equity attributable to shareholders of the Company	1,341,054	1,397,115	1,394,296	1,363,993	1,252,791
Shareholders' equity per share as at the end of the year (RMB)	6.80	7.08	7.07	6.96	6.40
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Note: As the Group 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 Today Sunshine Advertising Co., Ltd, 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 HK\$889,086 thousand from the global offering in 2004. The following table sets forth a breakdown of the proposed use of proceeds as disclosed in the prospectus and as recently modified in the announcement of the Company and the actual use of proceeds as at 31 December 2012:

Proposed use of proceeds	Amounts proposed <i>HK\$</i>	Amounts used <i>HK\$</i>
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 businesses (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 735.496 million	Approximately 596.4617 million
General working capital of the Group	Approximately 130 million	Approximately 80 million

On 6 November 2012, the Company completed the acquisition of 45% equity interest in Today Sunshine in the amount of RMB14.724 million (approximately HK\$18.1419 million) by utilizing proceeds. As at 31 December 2012, approximately HK\$189.0343 million of the proceeds of the Company had not been utilized.

In order to capture more business opportunities arising from emerging media businesses and other related media businesses and to utilize the net proceeds of the Group in a more effective way, during 2012, the Company strived to seek opportunities to fulfil the objectives as set forth above. The Company believes that the remaining proceeds will be utilized as aforesaid purposes for business development under mature conditions in 2013.

CAPITAL STRUCTURE

	Number of Shares	% of total share capital
Holder of Domestic Shares		
–Beijing Youth Daily Agency	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%
	<hr/>	<hr/>
	142,409,000	72.18%
H Shares in issue (<i>Note</i>)	54,901,000	27.82%
	<hr/>	<hr/>
Total share capital	197,310,000	100%
	<hr/> <hr/>	<hr/> <hr/>

Note: Including 19,533,000 H Shares in issue 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, intangible assets) of the Group for 2012 was RMB2,344 thousand (2011: RMB3,907 thousand). Capital expenditures of the Group for 2012 mainly comprised expenditure consistent with business strategies.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

The secured loans were the bank loans granted by Huaxia Bank to the subsidiary of the Company, Today Sunshine. The bank loans were secured by the self-owned properties and were guaranteed by the Parent. As at 31 December 2012, the outstanding balance of the loan was RMB3,670 thousand.

It is anticipated by the management team that no material liabilities will arise from the above guarantees provided in the normal course of business of the Group.

MATERIAL INVESTMENTS

There was no material investment made by the Group in 2012.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

There was no material acquisition or disposal of assets made by the Group in 2012.

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 Hong Kong dollars). Therefore, the Company is exposed to fluctuations in foreign exchange rate to a certain extent. Operating cash flow or liquidity of the Group is not subject to any 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 2012 without dissenting opinions.

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 our Directors and Supervisors. Having made sufficient enquiry of all Directors and Supervisors, all Directors and Supervisors confirmed they have complied with the required standards under the Model Code for the year ended 31 December 2012.

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

During the year ended 31 December 2012, 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 Friday, 15 March 2013 to propose a resolution recommending distribution of a final dividend of RMB0.30 per share (tax inclusive) in an aggregate amount of approximately RMB59,193 thousand for the year ended 31 December 2012. If the profit distribution proposal is approved by the Shareholders at the annual general meeting of 2012 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 Wednesday, 22 May 2013.

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 Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (the "Notice") 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 notice, 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 22 May 2013.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 15 April 2013 to Wednesday, 15 May 2013 (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 Shares 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 Friday, 12 April 2013.

The Register of Members will be closed from Wednesday, 22 May 2013 to Monday, 27 May 2013 (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 of the Company must be lodged at our H Shares 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, 21 May 2013.

CORPORATE GOVERNANCE

During the year ended 31 December 2012, the Company has 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.

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 2012 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the websites above-mentioned in due course.

By order of the Board

Zhang Yanping

Chairman

Beijing, the PRC, 15 March 2013

As at the date of this announcement, the Board comprises: the executive Directors, Zhang Yanping, Yu Haibo, Sun Wei and He Xiaona, the non-executive Directors, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Xu Xun and Li Yigeng and the independent non-executive Directors, Tsang Hing Lun, Wu Changqi, Liao Li, Cui Baoguo and Song Jianwu.

DEFINITIONS

“Audit Committee”	Audit Committee of the Board
“Beiqing CéCi”	Beiqing CéCi Advertising (Beijing) Limited, a subsidiary of the Company
“Beiqing Top”	Beijing Beiqing Top Advertising Limited
“Beiyang Media”	Beiyang Publishing & Media Corporation Limited, a joint stock limited company incorporated under the laws of the PRC
“Board”	The board of Directors
“BQTM”	Beiqing Transmedia Advertising Limited
“BYD Logistics”	BYD Logistics Company Limited, a subsidiary of the Company
“Company”, or “us” or “Beijing Media”	Beijing Media Corporation Limited
“Directors”	The directors 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
“Heqing Media”	Hebei Heqing Media Company Limited
“HK\$”	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
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisors”	The supervisors of the Company
“Today Sunshine”	Beijing Today Sunshine Advertising Co., Ltd., a subsidiary of the Company
“Beiqing Long Teng”	Beiqing Long Teng Investment Management (Beijing) Co., Limited (formerly known as Beijing Zhong Wang Shi Tong Technologies Co., Ltd.), a subsidiary of the Company