北青传媒
BEIJING MEDIA

HK Stock Code: 1000

2015 INTERIM REPORT

Beijing Media Corporation Limited

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

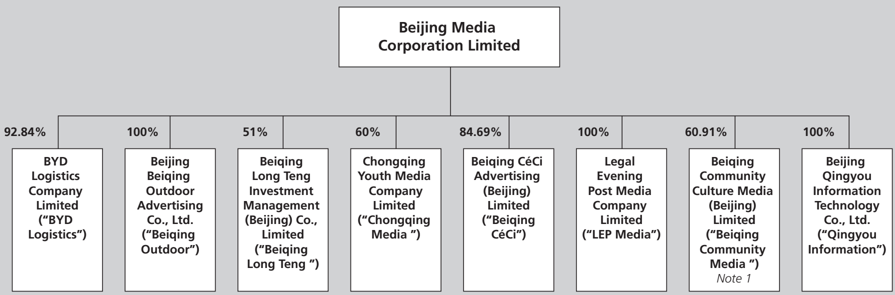
CONTENT

Company Profile	2
Corporate Information	3
Chairman's Statement	4
Management Discussion and Analysis	15
Consolidated Balance Sheet	24
Consolidated Income Statement	26
Consolidated Cash Flow Statement	27
Consolidated Statement of Changes in Shareholders' Equity	29
Notes to the Financial Statements	30

COMPANY PROFILE

Beijing Media Corporation Limited (the "**Company**" or "**Beijing Media**", together with its subsidiaries collectively the "**Group**"), is one of the leading media companies in the People's Republic of China (the "**PRC**"). The Company's main advertising medium is Beijing Youth Daily. Other core businesses of the Group include the production of newspapers, printing and trading of print-related materials. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 22 December 2004.

Corporate Structure (as at 30 June 2015)



Note:

1. On 4 May 2015, Hangzhou Xipan Investment Consulting Co., Ltd. entered into an agreement, agreeing to inject RMB30,000 thousand in cash to Beiqing Community Media. Upon the completion of the capital injection, the Company's equity interest in Beiqing Community Media was diluted from 76.14% to 60.91%. The relevant procedures of capital injection and corresponding changes in registration with the industrial and commercial administration authorities were all completed on 29 May 2015.

COMPANY WEBSITE

www.bjmedia.com.cn

STOCK INFORMATION

- Stock Code: 1000
- Board Lot: 500 shares
- Number of Shares Issued (as at 30 June 2015): 197,310,000
- Market Capitalisation (as at 30 June 2015): HK$1,243.05 million
- Financial Year End: 31 December
- Bloomberg's Stock Machine Search Code: 1000 HK Equity
- Reuters Stock Machine Search Code: 1000. HK

EXECUTIVE DIRECTORS
Zhang Yanping *(Chairman)*
Yu Haibo *(Vice Chairman and President)*
He Xiaona *(Executive Vice President)*
Duan Gang *(Vice President)* *Note 1*

NON-EXECUTIVE DIRECTORS
Li Shiheng *(Vice Chairman)*
Liu Han
Wu Peihua
Li Xiaobing
Wang Lin
Xu Xun

INDEPENDENT NON-EXECUTIVE DIRECTORS
Song Jianwu
Cui Baoguo
Wu Tak Lung
Cui Enqing
Chen Ji

JOINT COMPANY SECRETARIES
Shang Da
Yu Leung Fai

AUDIT COMMITTEE
Wu Tak Lung *(Chairman)*
Chen Ji
Liu Han

REMUNERATION COMMITTEE
Cui Baoguo *(Chairman)*
Yu Haibo
Cui Enqing

NOMINATION COMMITTEE
Zhang Yanping *(Chairman)*
Song Jianwu
Cui Baoguo

AUTHORISED REPRESENTATIVES
Zhang Yanping
Yu Haibo

ALTERNATIVE AUTHORISED REPRESENTATIVES
Shang Da
Yu Leung Fai

REGISTERED OFFICE
Building A, No. 23 Baijiazhuang Dongli,
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG
7/F, Hong Kong Trade Centre,
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LEGAL ADVISER
as for Hong Kong Law
DLA Piper Hong Kong
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AUDITORS
ShineWing Certified Public Accountants
(Special General Partnership)
9/F, Block A, Fu Hua Mansion,
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Dongcheng District, Beijing, the PRC

HONG KONG SHARE REGISTRAR
Computershare Hong Kong Investor
Services Limited
Rooms 1712-1716
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Wanchai, Hong Kong

Note:

1. Upon the approval at the annual general meeting of the Company on 19 June 2015, Mr. Duan Gang was appointed as an executive director of the Company. Please refer to the announcement of the Company dated 19 June 2015 for details.

Dear Shareholders,

On behalf of the Group, I am pleased to present the report on interim results of the Group for the six months ended 30 June 2015 (the "First Half of 2015").

BUSINESS REVIEW OF THE GROUP

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 business of this part was mainly generated from the revenue of the printing of publications arranged by BYD Logistics; and (3) trading of print-related materials, the business of this part 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 the First Half of 2015 was RMB277,387 thousand (corresponding period of 2014: RMB341,453 thousand), representing a decrease of 18.76% as compared with that for the corresponding period of 2014. Net profit attributable to shareholders of the Company was RMB6,462 thousand (corresponding period of 2014: RMB8,331 thousand), representing a decrease of 22.43% as compared with that for the corresponding period of 2014.

BUSINESS REVIEW OF THE GROUP *(Continued)*

In the First Half of 2015, the general macro-economic condition experienced a downturn, driven a recession in various industries and resulted in a decrease in advertising expenditure. According to the market observation data provided by third parties, total advertising placement volume in the market of print media of Beijing metropolitan newspapers decreased by 38.67% as compared with the same period of last year. In addition, due to the increasingly fierce competition in print media of Beijing metropolitan newspapers, the total revenue of the Company decreased as compared to the corresponding period of last year as a result of the decrease in advertising income from several industries to different extent, although the advertising income from real estate industry increased by 16.31% as compared to the corresponding period last year.

During the reporting period, the net profit attributable to the shareholders of the Company decreased by 22.43% as compared to the corresponding period of last year, mainly due that: 1) operating income was decreased; 2) lots of subsidiaries only had comparatively short operating period. Although clear profit model and development strategy have been set up, those companies are still in an expansion and a business development stage as well as large amount of initial investment shall be made.

In the First Half of 2015, the PRC government, with an aim to stimulate economic development, implemented a series of macroeconomic control policies. As there is usually a lag period for the influence of the policies, it is expected that the relevant policies will have positive impacts on economic development in the second half of 2015. The Group will be proactively responded in hope of the business performance will be improved in line with the recovery of the macro economy.

In 2015, Beijing has been awarded the right to host 2022 Winter Olympics, and various preparatory works have been gradually carried out, which will effectively support the economic growth of Beijing, along with which the Group will grasp this opportunity to enhance its business performance.

During the end of 2014 and the First Half of 2015, following the market trend of "Internet plus" and emerging media development, the Group actively integrated the internet and emerging media in the capital level and business level, from which initial results will be obtained.

In the same time, as further expansion of the nationwide cultural development and the cultivation of film and television business made by the Group in recent years, the Group expects to get better return on investment in film and television business.

Facing the competition in the internet and media industry, the Group has adhered to the following two strategic goals in the First Half of 2015:

Firstly, the Group constantly consolidated and strengthened the advertising business and expanded the existing various business channels to tackle fierce market competition, such as the development of media resources supermarket of Beijing Youth Daily Agency Group ("**BYDA Group**");

BUSINESS REVIEW OF THE GROUP *(Continued)*

Secondly, the Group actively procured the integration of emerging media and developed innovative operation model. To facilitate the strategy implementation, on one hand, the Group strived for developing new business model while integrating the internal network and emerging media resources with the advertising businesses, including establishing the official Wechat public account in cooperation with Beiqing Wechat Matrix (北青微信矩陣) under the BYDA Group as a promotion channel, developing community offline resources through Beiqing Community Media and providing internet advertising service by operating online game platform. On the other hand, by cooperation in business and capital level, the Group cooperated with the first tier internet and emerging media enterprises in the PRC for establishing a platform for the cooperation of the existing business with internet and emerging media in order to integrate respective resources and form a win-win partnership, such as acquisition of equity interest in the Company made by Mr. Jia Yueting and Leshi Internet Information & Technology Corp., Beijing and the capital increase of Beiqing Community Media made by Hangzhou Xipan Investment Consulting Co., Ltd., etc..

Advertising Business

During the First Half of 2015, revenue from advertising business of the Group was RMB143,093 thousand (corresponding period of 2014: RMB181,171 thousand), representing a decrease of 21.02% as compared with the same period of 2014.

The advertising business in real estate sector was still the leading advertising business of the Company. In 2015, though local governments relaxed their restrictive policies on real estate to different degrees, however, restrictive policies in cities such as Beijing, Shanghai and Guangzhou were still strict, advertising business in real estate sector continued to depress. According to market observation data provided by third parties, in the First Half of 2015, the total advertising placement volume in real estate industry in Beijing on the print media of Beijing metropolitan newspapers decreased to some extent as compared with the same period of last year. In the First Half of 2015, the Company's real estate industry team actively developed marketing patterns for branding promotions, and promoted the direct communication between advertising clients and consumers by constructing a directional marketing platform. Meanwhile, through online and offline interactions, the Company deeply integrated the superior resources, provided total solutions on marketing planning for clients so as to increase more opportunities in advertising sales.

During the First Half of 2015, with the continuous effort of the Company, the revenue generated from the real estate advertising business increased by 16.31% as compared with the corresponding period of last year.

BUSINESS REVIEW OF THE GROUP *(Continued)*

Advertising Business *(Continued)*

According to the market observation data provided by third parties, in the First Half of 2015, the total advertising placement volume in automobile industry on the print media of Beijing metropolitan newspapers decreased to some extent, as compared with the same period of last year. Revenue of the Company from automobile advertising also decreased to some degree. Under the trend where the advertising budget in print media was cut significantly by automobile manufacturers, the advertisement income from automobile industry decreased and the Company actively adjusted the business model through: i) actively organising emerging media resources and explore market, providing the advertising customers with diversified marketing plan and promoting advertising campaign through a series of large scale on-site activities, which thereby enhanced the influence of Beijing Media brand and increased the advertising sales income; and ii) constructing an on-line auto sale platform "Beiqing Auto Benefits", to create a platform which combines advertising placement and media service of offline traditional media and online emerging media, in order to promote the interactions of auto companies, media and consumers.

Integration Between the Advertising Business and Emerging Media

Connection with emerging media resources of BYDA Group

The Company designed advertisement marketing mix for clients and developed emerging media promotion channels by cooperation with Beijing WeChat Matrix (北青微信矩陣) under the BYDA Group and with reliance on the strong influence and credibility of the official WeChat public accounts of the BYDA Group. At present, Beiqing WeChat Matrix has more than 20 official WeChat public accounts that cover various industries, among which, "Tuanjiehu Reference" (團結湖參考) is an influential politics commenter in the PRC, whose articles are usually viewed over 100,000 times, with over 260,000 fans; "Zhengzhiju" (政知局) is a high-end political official account with strong influence on original news and more than 210,000 fans. In addition, the series WeChat public accounts of "Zhengzhi" (including "Zhengzhiju" (政知局), "Zhengzhiquan" (政知圈) and "Zhengzhidao" (政知道) have over 340,000; "Education Roundtable" (教育圓桌), a public platform with material influence to the educational sector in Beijing, was jointly operated by Beijing Municipal Commission of Education and Beijing Youth Daily Agency with 130,000 fans. The branding effect of WeChat Matrix and the loyalty of fans are welcomed by the clients.

BUSINESS REVIEW OF THE GROUP *(Continued)*

Integration Between the Advertising Business and Emerging Media *(Continued)*

Integration with internal emerging media of the Group

Through the juncture between the online and offline practice of Beijing Community Media, the Company focused on big data, and grasped marketing channels which go deep into family, so as to cultivate a large number of clients with high loyalty. The Company also adhered to the media concept "closest to customers" and actively developed brand new businesses which were closer to consumers' needs, whereby community papers increased to 29, which covered over 800 residential areas in Beijing with approximately 5 million residents. Besides, through the release of "OK Home" APP, a mobile client terminal, the Company quickly obtained 0.5 million registered users, and successfully created a comprehensive service platform for the entrance of Beijing community O2O. The Company's advertisement team actively utilized offline community resources to carry out on-site activities, which relied on its credibility of mainstream media, went deeply into the customers and constructed an accurate marketing platforms for clients.

To operate online game platform, the Company made great efforts in the exploitation from web-page games to mobile games, strived to provide an interacting entertainment platform to the youth, and provided advertisement network service with accurate marketing for clients.

Cooperating with Leading Internet Enterprises

In the First Half of 2015, the Company continued the development strategy of emerging business, actively explored business direction which combined traditional media into the internet, and created an ultra-media layout which combined print media, network media (including news media and video media), outdoor media and smart end terminal by capital operation. With the advantage of authority and credibility of traditional media, and the interactivity as well as the dissemination strength of emerging media, the user experience was effectively enhanced, and the accurate advertising placement was realised.

On 6 July 2015, Mr. Jia Yueting and Leshi Internet Information & Technology Corp., Beijing entered into a share transfer agreement with MIH Print Media Holdings Limited to purchase 19,533,000 H shares of the Company held by MIH Print Media Holdings Limited, representing 35.58% of the total issued H shares of the Company, and 9.90% of the total share capital of the Company. The parties thereunder will utilize their resources and advantages, so as to cooperate in depth in the integration of the existing business of the Company and the business of Leshi, and continue exploring cooperation possibility in developing new business.

On 4 May 2015, Hangzhou Xipan Investment Consulting Co., Ltd. entered into a capital increase agreement, agreeing to contribute RMB30,000 thousand in cash to Beiqing Community Media. After the completion of the capital injection, the equity interest of the Company in Beiqing Community Media diluted from 76.14% to 60.91%. The shareholders of Beiqing Community Media committed that in the future, all parties will use their own resources and advantages, take Beiqing Community Media as platform, and carry out in-depth cooperation in the areas of logistics, O2O community domain, T-Mall supermarket dispatch, community station resources and advertising business, etc..

BUSINESS REVIEW OF THE GROUP *(Continued)*

Film and television business

In the First Half of 2015, the Company actively carried out diversified operation. The TV series "The Story of Zheng Yang Gate" (《正陽門下》), "All Quiet in Peking" (《北平無戰事》), and the film "Silent Witness" (《全民目擊》) were successfully invested and produced by the Company, and generated a stable income. Therefore, the Company continued to invest in film and television business. On 31 March 2015, the Board approved the co-investment on the production of the TV series, namely "38th Parallel" (《三八線》) (the first TV series in the PRC based on the background of Korean civil war) with Beijing Jiaren Culture Media Co., Ltd., and the development of script of the TV series, namely "Break the Ice" (《破冰》) (the storyline of which is about anti-corruption). The above new developments are expected to bring relative sound income in the future.

RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP

Beiqing CéCi is a 84.69%-owned subsidiary of the Company. In the First Half of 2015, the revenue from Beiqing CéCi amounted to RMB15,179 thousand, representing an increase of 10.99% as compared with the corresponding period of 2014. Beiqing CéCi focused on the agency of advertising business in CéCi (《茜茜姐妹CéCi》) magazine, a premium women's magazine for fashion mavens distributed across major cities of the PRC including Hong Kong. CéCi magazine is the first Korean-style trendy magazine introduced into the PRC. Its lively writing and easy-going style give the best annotation to the orient trendy life of Chinese professional women with its advocation of a modern culture combining innovation and pragmatism in Asia. Through over 7 years' operation, CéCi is a favourite magazine of urban white-collar women with a sound track record in sales since its launching. Starting from November 2014, Beiqing CéCi, as joint organizer, carried out the AIDS prevention propaganda educational event "I am the leader of my youth-Red Ribbon Campus Health Ambassador" ("美好青春我做主一紅絲帶健康大使青春校園行") with 16 universities in 14 provinces nationwide, and arranged series of activities successively in seven higher educational institutes such as Nankai University, Zhejiang University, Fudan University, Sichuan University during the First Half of 2015, which attracted over ten thousand university students to participate. Red Ribbon Campus Health Ambassadors such as Lang Lang, Pu Cunxin, Bai Yansong, Xu Wei and Zheng Jie and other popular celebrities in the entertainment and sports circle participated in the activities, which successfully established a healthy and progressive public image of CéCi magazine among the Chinese new generation of youth, and effectively enhanced the brand influence of the Company. In the second half of 2015, Beiqing CéCi will strive to offer three dimensional on-site promotion services to clients through new marketing initiatives, in order to cope with the increasingly fierce market competition and effectively increase revenue.

RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP *(Continued)*

Beiqing Outdoor is a wholly-owned subsidiary of the Company which principally engages in operation of urban outdoor single column billboards. In the First Half of 2015, Beiqing Outdoor obtained a more than two-years operation right once again on a single column billboard located Jingmi Road in Beijing as its agency, and sold out the advertisement thereon rapidly thereafter. At present, the Company and Beiqing Outdoor kept a leading position in the industry in retaining the number of single column billboards in the bidding market of Beijing urban area. Beiqing Outdoor operates a total of 20 single column billboards in advantageous locations in sections such as West 4th Ring Road and East 5th Ring Road in Beijing, Jingkai Highway and Beijing-Harbin Freeway etc..

Beiqing Community Media, a 60.91%-owned subsidiary of the Company, is dedicated to develop the largest comprehensive community service platform integrating online and offline resources in the PRC. At present, Beiqing Community Media has 29 community papers of Beiqing Community Daily, 29 WeChat public accounts, a" OK Home" APP, and 130 community relay stations. Relying on government advantages, Beiqing Community Daily entered into various communities. Major business areas and popular places were of first priority. Through interaction between newspapers and WeChat, APP and other emerging media, particularly the interactive offline activities conducted in specific areas, the cohesion of community users was enhanced and solid foundation for Big Data marketing was laid. In May 2015, Hangzhou Xipan Investment Consulting Co., Ltd. made a contribution of RMB30,000 thousands in cash to Beiqing Community Media. Further capital operation is currently in preparation by Beiqing Community Media and expected to be conducted early next year.

In the First Half of 2015, Beiqing Community Media produced 29 community papers of Beiqing Community Daily for Fangzhuang and other areas in urban Beijing, and set up their own community news agencies as well as secondary news agencies. The total publication amount was approximately 1.45 million copies for each issue which covered near 4.7 million readers. With 130 relay stations opened correspondingly, 5 million residents in 39 life circles in Beijing were covered, and the followers of WeChat platform exceeds 0.4 million. On 18 March 2015, Beiqing Community Media officially released the mobile client terminal "OK Home" APP, created a comprehensive service platform for entering into the O2O for all Beijing communities. After the platform was launched online, the large-scale community events which were monthly launched such as the "Nationwide Country-side Photo Competition", "China Super Football Game Kid Large Scale Evaluation Event", "Beijing Community Football Joint Competition", "Beijing Cute Kid and Baby Large Scale Evaluation Competition" drew great attention and participation from the public, and were recognized by the advertising customers. As at 1 July 2015, the registered users of the platform reached 0.5 million. At present, the number of registered users is continuously increasing, and is expected to exceed 1 million in the second half of 2015.

The company firmly believes that with the contribution to Beiqing Community Daily and the continuous accumulation of resources both online and offline, Beiqing Community Media will obtain a large market share in the classified channel of print media, and become another important profit growth point of the Group.

RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP *(Continued)*

LEP Media is a wholly-owned subsidiary of the Company. In 2013, LEP Media, as a limited partner, formed Beijing Runxin Dingtai Investment Centre (Limited Partnership) (the "**Fund**"). In the First Half of 2015, the first online game project invested by the Fund brought a 8.97 times return to the investors through the backdoor listing of its target company – Beijing Tianshenhudong Technology Co., Ltd. (北京天神互動科技有限公司). Besides, the Fund is actively promoting its exit from remaining investment projects by ways of listing, backdoor listing or acquisition by other listed companies etc., and higher investment return is expected to be realised.

Qingyou Information is a wholly-owned subsidiary of the Company. In order to explore emerging media business, the Company fully invested RMB30,000 thousand in the operation of the website game platform "Qingyou online". In the First Half of 2015, the registered users of that game platform reached approximately 2 million, the number of web page games was increased to 27. Meanwhile, Qingyou Information also introduced games through mobile terminal. In July 2015, Qingyou Information introduced a web game as its exclusive agency, which is under active preparation at present. It is expected that in the second half of 2015, Qingyou Information will actively expand the internet advertising business of the game platform, which is expected to be the new profit growth point of the Group.

Beiqing Long Teng is a 51%-owned subsidiary of the Company. In the First Half of 2015, Beiqing Long Teng, actively invested in film and television business, amounting to RMB20,000 thousand. Beiqing Long Teng, which is under the fostering period, is strengthening its foundation, and expanding its business in order to make profits as soon as possible.

Chongqing Media, a 60%-owned subsidiary of the Company, runs Chongqing Youth Daily(《重慶青年報》) which takes contents as its basis, and insists on in-depth and boutique news reports with relatively positive transmission effects. The current publication amount is over 80,000. In the First Half of 2015, the number of the followers of the official WeChat public account of Chongqing Youth Daily exceeded 650,000, with a ranking of top 25 in the national wide media ranking list for a long period of time, and a steady ranking of No.1 in terms of all the indicators in Chongqing region. At the same time, Chongqing Media strongly promoted the integration and transformation of media, in the First Half of 2015, the emerging media advertising business increased rapidly, the operating revenue of the Company increased by 65.12% as compared to the same period of last year, as the print media advertising business had no significant decrease as compared with the previous period of last year. At present, Chongqing Media is striving to shorten the fostering period in order to make profits as soon as possible.

RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP *(Continued)*

BYD Logistics is a 92.84%-owned subsidiary of the Company. In the First Half of 2015, operating revenue from printing and trading of print related materials business were RMB7,858 thousand and RMB114,446 thousand respectively, representing a decrease of 38.64% and 11.13% as compared with the corresponding period of 2014, respectively.

BQTM, an associate company owned as to 36.12% by the Company. BQTM is dedicated to operate the large LED screen media network in several domestic airports led by the Capital Airport. From 2014, since the Capital Airport developed various advertising spots in different forms around the original large LED screen operated by BQTM, the advertising income from large LED screen received by BQTM was adversely affected, which led to a fall in results and difficulties in operation. At present, BQTM is taking effective measures to raise its operating income. In the First Half of 2015, BQTM continued to expand the new business of the Ground Transportation Centre (GTC), collaborated with Raising Aerodrome Exhibition Co., Ltd. Beijing in the development of catering business for passengers in transit at the airport. At present, the promotion of the automobile exhibition space media resources in the GTC of Capital Airport was smooth, BQTM obtained a strategic cooperation with a famous Chinese electric car sales corporation. Besides, BQTM made efforts to optimize its national media resource network, which will retain airport resources with better profits and gradually reduce the media in airport locations with worse profits in order to raise its operating revenue. With the systematic introduction of new businesses and continuous optimization of the media resources, BQTM expects to make profits as soon as possible.

Hebei Jujingcai E-commerce Company Limited ("**Jujingcai**") is an associate company owned as to 44.50% by the Company. Based on the stable operation of agricultural product e-commerce website-CaiCai.cc, Jujingcai officially started the operation of the second e-commerce platform-"MINI Snack" in March 2015, which targets at white-collar workers. The platform set up the unique marketing model of "Spend less with more variety", and set up its own logistics sub-warehouse in areas with a concentration of offices. The delivery can be made within 2 hours to the areas covered by sub-warehouses, and the delivery to other areas will be made on the next day. The first logistics sub-warehouse of the "MINI Snack" was set up in the pan-CBD with the highest density of concentration of high-end offices in Beijing. For merely a launching period of three months, the users of a single warehouse already reached 20,000, and the sales amount doubled each month. Jujingcai plans to further open other sub-warehouses in Beijing upon the maturity of its business, and it will promote duplicates in large cities with suitable conditions in the PRC, in order to vigorously shortens the fostering period.

PROSPECTS AND FUTURE PLANS

For the second half of 2015, the Company will continue the two strategies of maintaining the traditional businesses and exploring emerging businesses. On the basis of consolidating internal resources of the Group, the Company will adequately improve the diversification business model, enrich the product mix, actively expand the emerging media and advertisement marketing mix services, community newspaper operation and life services, web game platform, outdoor advertising and film production etc..

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

In the second half of 2015, the Company will actively promote the operation of Beiqing Community Daily, foster further business expansion through capital operations. It is expected that by the end of this year it will complete the coverage of the whole life circles of Beijing city, set up a total of approximately 60 primary and secondary news sub-agencies, cover 1,500 communities with 2.25 million households and 10 million residents, realize over 1 million APP registered users of the mobile client terminal "OK Home" APP. Further capital operation is currently in preparation by Beiqing Community Media and expected to be conducted in early 2016.

In the second half of 2015, the Company will strive to explore emerging media business. Relying on the media advantage and influence of the Group, Qingyou Information will explore network advertising business of the platform while operating web game platform "Qingyou online" to create a new profit growth point on the basis of over 2 million users.

In the second half of 2015, the Group will continue to rely on Beiqing Outdoor to accelerate the development of outdoor advertising business. With the headquarters in Beijing, the Company will extend its business all over the country with focus on channel development and outdoor advertising business in emerging digital media form. Beiqing Outdoor planned to attend the public tender of single column billboard for the year 2015 hosted by the Beijing Municipal Commission of City Administration and Environment in July 2015. Beiqing Outdoor will also participate in the public tender for the year 2016 to increase retention of single column billboards and further increase market share.

In the second half of 2015, the Company will continue to invest in film and television production.

In the second half of 2015, while maintaining its existing core businesses, the Group intends to actively expand new businesses, make new profit growth points, bolster its ongoing relationship with Beijing Youth Daily Agency, in order to promote the development of the business of the Group and stand out from its peers as a leading cross-media group in the PRC.

PROSPECTS AND FUTURE PLANS *(Continued)*

The Group's performance is heavily dependent on the concerted efforts of our management and staff in each business unit. The acute insight of the management regarding market opportunities and the excellent quality of the staff are the keys to our success. On behalf of the shareholders of the Company and other members of the Board. I would like to take this opportunity to express my sincere gratitude to the management and staff of each business unit.

Zhang Yanping
Chairman

28 August 2015
Beijing, the PRC

FINANCIAL REVIEW

1. Total Operating Revenue

For the six months ended 30 June 2015, total operating revenue of the Group was RMB277,387 thousand (corresponding period of 2014: RMB341,453 thousand), representing a decrease of 18.76% as compared with that for the corresponding period of 2014. Of which, revenue from advertising sales decreased by RMB38,078 thousand, representing a decrease of 21.02% as compared with that for the corresponding period of 2014; revenue from printing decreased by RMB4,949 thousand, representing a decrease of 38.64% as compared with that for the corresponding period of 2014; and revenue from the trading of print-related materials decreased by RMB14,334 thousand, representing a decrease of 11.13% as compared with that for the corresponding period of 2014.

2. Operating Costs and Sales Tax and Surcharges

For the six months ended 30 June 2015, operating costs of the Group were RMB209,351 thousand (corresponding period of 2014: RMB268,232 thousand), representing a decrease of 21.95% as compared with that for the corresponding period of 2014. Of which, costs of advertising sales decreased by RMB33,615 thousand, representing a decrease of 28.34% as compared with that for the corresponding period of 2014; costs of printing decreased by RMB4,619 thousand, representing a decrease of 34.71% as compared with that for the corresponding period of 2014; and costs of the trading of print-related materials decreased by RMB11,064 thousand, representing a decrease of 9.27% as compared with that for the corresponding period of 2014. Sales tax and surcharges was RMB4,249 thousand (corresponding period of 2014: RMB5,577 thousand), representing a decrease of 23.81% as compared with that for the corresponding period of 2014.

3. Selling Expenses

For the six months ended 30 June 2015, selling expenses of the Group were RMB34,354 thousand (corresponding period of 2014: RMB12,211 thousand), representing an increase of 181.34% as compared with that for the corresponding period of 2014.

4. Administrative Expenses

For the six months ended 30 June 2015, administrative expenses of the Group were RMB29,491 thousand (corresponding period of 2014: RMB30,760 thousand), representing a decrease of 4.13% as compared with that for the corresponding period of 2014.

5. Financial Expenses

For the six months ended 30 June 2015, financial expenses of the Group were RMB-1,938 thousand (corresponding period of 2014: RMB-6,061 thousand), representing a decrease of 68.03% in absolute value as compared with that of absolute value for the corresponding period of 2014. Of which, interest income was RMB3,729 thousand (corresponding period of 2014: RMB6,530 thousand), representing a decrease of 42.89% as compared with that for the corresponding period of 2014.

FINANCIAL REVIEW *(Continued)*

6. Share of Profit of Associates

For the six months ended 30 June 2015, share of the profit of associates of the Group was RMB-3,534 thousand (corresponding period of 2014: RMB-14,408 thousand), representing an increase of 75.47% in absolute value as compared with that of absolute value for the corresponding period of 2014.

7. Operating Profit and Profit Margin

For the six months ended 30 June 2015, operating profit of the Group was RMB2,590 thousand (corresponding period of 2014: RMB10,920 thousand), representing a decrease of 76.28% as compared with that for the corresponding period of 2014; profit margin was 0.93% (corresponding period of 2014: 3.20%).

8. Income Tax Expenses

For the six months ended 30 June 2015, income tax expenses of the Group were RMB2,341 thousand (corresponding period of 2014: RMB4,207 thousand), representing a decrease of 44.35% as compared with that for the corresponding period of 2014. The income tax expenses of the Group mainly represent the income tax charged on the Company in 2015.

9. Net Profit Attributable to Shareholders of the Company

For the six months ended 30 June 2015, net profit attributable to shareholders of the Company was RMB6,462 thousand (corresponding period of 2014: RMB8,331 thousand), representing a decrease of 22.43% as compared with that for the corresponding period of 2014.

10. Financial Resources and Liquidity

As at 30 June 2015, current assets of the Group were RMB1,035,723 thousand (31 December 2014: RMB1,094,205 thousand), including bank balances and cash of RMB306,391 thousand (31 December 2014: RMB366,321 thousand). Non-current of the Group were RMB580,640 thousand (31 December 2014: RMB501,385 thousand).

As at 30 June 2015, current liabilities of the Group were RMB281,557 thousand (31 December 2014: RMB267,592 thousand) and non-current liabilities were RMB13,597 thousand (31 December 2014: RMB17,030 thousand).

As at 30 June 2015, shareholders' equity of the Group was RMB1,321,209 thousand (31 December 2014: RMB1,310,968 thousand).

As at 30 June 2015, the bank borrowings of the Group were RMB27,390 thousand (31 December 2014: RMB19,500 thousand).

As at 30 June 2015, the borrowings and bank balances and cash were mainly denominated in Renminbi.

FINANCIAL REVIEW *(Continued)*

11. Gearing Ratio

As at 30 June 2015, gearing ratio of the Group was 22.34% (31 December 2014: 21.71%) (the gearing ratio is derived from dividing the Group's total liabilities by its total equity).

USE OF PROCEEDS FROM LISTING

The Company raised a net proceed of HK$889.086 million in total 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 modified in the relevant announcements of the Company and the actual use of proceeds as at 30 June 2015:

Proposed use of proceeds	Amounts proposed *HK$*	Amounts used *HK$*
Developing a number of topic-focused magazines on personal wealth management, lifestyle and cultural activities	Approximately 23.59 million	Approximately 23.59 million
Investing in and acquisition of other media business (including but not limited to traditional media and emerging media businesses) and related businesses (including but not limited to the additional investment in the existing businesses of the Group)	Approximately 545.4960 million	Approximately 545.4960 million
General working capital of the Group	Approximately 320 million	Approximately 320 million

As at 30 June 2015, the Company utilized the proceeds of HK$136.4112 million, of which HK$46.4112 million was used for investment in production of TV series, including "Waves"（《巨浪》）, "38th Parallel"（《三八線》）and "Orient Diego"（《東方球王》）, and HK$90 million was used for supplement of general working capital of the Group.

All of the proceeds were used up as at 30 June 2015.

In order to capture more business opportunities arising from emerging media businesses, the Company believes that it will seek for varies of financing arrangements to support business development if it needs under mature conditions in the future.

SHARE STRUCTURE (AS AT 30 JUNE 2015)

	Number of shares	% of total share capital (%)
Holders 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
Domestic shares (subtotal)	142,409,000	72.18
H shares *(note)*	54,901,000	27.82
Total share capital	197,310,000	100

Note: The Company became aware that on 6 July 2015, Mr. Jia Yueting and Leshi Internet Information & Technology Corp., Beijing entered into a share transfer agreement with MIH Print Media Holdings Limited to purchase 19,533,000 H shares of the Company held by MIH Print Media Holdings Limited, representing 9.90% of the total share capital of the Company.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, so far as the directors of the Company (the "**Directors**"), the supervisors of the Company (the "**Supervisors**") and chief executive of the Company are aware, according to the register of interests and/or short positions in shares required to be kept pursuant to Section 336 of Part XV of the Securities and Futures Ordinance (the "**SFO**"), the persons in the following table had an interest and/or short position in the shares or underlying shares of the Company:

Name	Class of Shares	Nature of Interest	Number of Shares Held	% of Class Share Capital *(%)*	% of Total Share Capital *(%)*
Beijing Youth Daily Agency	Domestic	N/A	124,839,974	87.66	63.27
Beijing Zhijin Science and Technology Investment Co., Ltd.	Domestic	N/A	7,367,000	5.17	3.73
MIH (BVI) Limited *(note)*	H	Long	19,533,000	35.58	9.90
MIH Holdings Limited *(note)*	H	Long	19,533,000	35.58	9.90
MIH Investments (PTY) Limited *(note)*	H	Long	19,533,000	35.58	9.90
MIH Print Media Holdings Limited *(note)*	H	Long	19,533,000	35.58	9.90
MIH QQ (BVI) Limited *(note)*	H	Long	19,533,000	35.58	9.90
Naspers Limited *(note)*	H	Long	19,533,000	35.58	9.90
Beijing Beida Founder Group Corporation	H	Long	4,939,000	8.99	2.50
Beijing University	H	Long	4,939,000	8.99	2.50
Beijing University Founder Investment Co., Ltd.	H	Long	4,939,000	8.99	2.50
Beijing University New Technology Corporation	H	Long	4,939,000	8.99	2.50
CITICITI Ltd.	H	Long	4,939,000	8.99	2.50
Founder Investment (HK) Ltd.	H	Long	4,939,000	8.99	2.50
Yue Shan International Limited	H	Long	4,939,000	8.99	2.50
Xia Jie	H	Long	4,939,000	8.99	2.50
Cao Ya Wen	H	Long	4,939,000	8.99	2.50

Information disclosed above is based on the data published on the website of the Hong Kong Stock Exchange (www.hkex.com.hk).

Note: The Company became aware that on 6 July 2015, Mr. Jia Yueting and Leshi Internet Information & Technology Corp., Beijing entered into a share transfer agreement with MIH Print Media Holdings Limited to purchase 19,533,000 H shares of the Company held by MIH Print Media Holdings Limited, representing 35.58% of the issued of shared capital of H Shares and 9.90% of the total share capital of the Company, respectively.

Save as disclosed above, to the best knowledge of the Directors, Supervisors and chief executive of the Company, as at 30 June 2015, there was no other person with interests and/or short positions in shares or underlying shares of the Company which would fall to be recorded under section 336 of Part XV of the SFO.

CAPITAL EXPENDITURES

Capital expenditures (mainly including expenditures on office equipment) of the Group for the First Half of 2015 was RMB3,930 thousand (corresponding period of 2014: RMB2,630 thousand). The Group expects that capital expenditures for the second half of 2015 will mainly comprise expenditures in consistent with business strategies of the Group.

CONTINGENT LIABILITIES

For the six months ended 30 June 2015, the Group did not have any contingent liabilities, nor any plans relating to contingent liabilities.

PLEDGE OF ASSETS

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

Saved as disclosed above, the Group has no other pledge of assets arrangements for the six months ended 30 June 2015.

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 material exchange rate fluctuations.

EMPLOYEES

As at 30 June 2015, the Group had a total of 647 employees (as at 30 June 2014: 414 employees), and the increase in the number of employees was mainly due to the employment of staff upon the incorporation of Beiqing Community Media and Qingyou Information, subsidiaries of the Company, and the reasonable growth of the normal business needs of the Company. During the six months ended 30 June 2015, the total employees remuneration paid by the Group was approximately RMB44,626 thousand. The remuneration and benefits of the employees of the Group are determined in accordance with market rates, state policies and individual performance. The Group actively encouraged self-development of the employees, and carried out extensive staff training activities. In the First Half of 2015, the Group conducted staff trainings in respect of sales and marketing, financial system and administrative management system etc..

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

As at 30 June 2015, none of the Directors, Supervisors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded into the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), to be notified to the Company and the Hong Kong Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2015, none of the Company or any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

MATERIAL INVESTMENTS

For the six months ended 30 June 2015, the Group had no material investment, nor any plan relating to material investment or acquisition of assets.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

For the six months ended 30 June 2015, the Group had no material acquisition or disposal of assets.

MATERIAL LEGAL MATTERS

To the best knowledge of the Board, as at 30 June 2015, the Company was not involved in any material litigation or arbitration and there was no legal action or claim pending or threatened to be made against the Company.

The Company received a civil complaint in August 2015 related to the delayed payment under the LED Media Advertising Operation Agreement of Terminal 3 of Beijing International Capital Airport, the total amount in controversy is RMB50,084,576.25. Pursuant to the above agreement, the operating entity involved is an associate of the Company in which the Company holds 36.12% of its shares, therefore it should undertake all liability under the controversy. For details, please refer to the announcements made on 5 August 2015 on the websites of Hong Kong Stock Exchange and the Company.

CHANGES AND EFFECT IN THE INDUSTRY SEGMENTS OF THE GROUP SINCE 31 DECEMBER 2014

Save as disclosed above, the industry segments and the developments within the segments of the Group had not changed materially from the information disclosed in the most recent published annual report of the Group, neither had significant effect on the performance of each industry segment of the Group.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

For the six months ended 30 June 2015, the Company had fully complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report under Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by Directors and Supervisors. Having made sufficient enquiries of all Directors and Supervisors, all of whom confirmed that they had fully complied with the standards under the Model Code for the six months ended 30 June 2015.

AUDIT COMMITTEE

Pursuant to the requirements of the Listing Rules, the Company has set up an audit committee which is responsible for the review, supervision and adjustment of the financial reporting process and internal control of the Group. Members of the audit committee comprise 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 also discussed with the Directors on matters concerning the internal control and financial reporting of the Company, including the review of the financial statements of the Group for the First Half of 2015 with no dissenting opinions.

CONNECTED TRANSACTIONS MANAGEMENT

In order to standardise and strengthen the management of connected transactions, the Company has established the "Beijing Media Corporation Limited Connected Transactions Management System". The office of the Board is responsible for the management of connected transactions. In order to ensure that the Company's connected transactions are carried out in compliance with the relevant rules and systems, the Company has made sub-division as to the connected transaction caps that have already been disclosed, i.e. sub-dividing each connected transaction cap to each subsidiary, and each subsidiary is responsible for the control of its sub-divided caps of connected transactions. Pursuant to the requirements of the relevant system of the Company, the Company is required to comply with the reportings, announcements and independent shareholders' approval requirements (if applicable) under the Listing Rules before conducting any proposed connected transactions.

DISTRIBUTABLE RESERVE

As at 30 June 2015, the undistributed profits distributable to shareholders of the Company amounted to RMB34,688 thousand.

INTERIM DIVIDEND

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2015.

CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Li Yigeng has resigned from his position as a non-executive Director and Ms. Ma Chundan has resigned from her position as an employee representative Supervisor, with effect from 31 March 2015. For details, please refer to the announcements published by the Company on the websites of Hong Kong Stock Exchange and the Company.

Ms. Li Xin was elected as an employee representative Supervisor at the meeting of the employee representatives of the Company on 31 March 2015. For details, please refer to the announcements published by the Company on the websites of Hong Kong Stock Exchange and the Company.

Mr. Duan Gang was appointed as an executive Director, which had been approved at the annual general meeting of the Company on 19 June 2015. For details, please refer to the announcements published by the Company on the websites of Hong Kong Stock Exchange and the Company.

Mr. Xu Xun has resigned from his position as a director of Qianjin Pharmaceutical Company Limited (stock code: 600479), a listed company of A shares since April 2015, and has resigned from his position as the deputy general manager in Beijing Zhijin Science and Technology Investment Co., Ltd. since July 2015. Mr. Xu Xun was appointed as the chairman of the board of directors of Guojin Yongfu Assets Management Co., Ltd. in July 2015.

Mr. Shang Da, 53, is the vice president of the Company, the joint company secretary and the secretary to the Board. Mr. Shang graduated from Capital University of Economics and Business with a bachelor degree majoring in trade and economics in 1987. Mr. Shang studied master degree majoring in finance in Renmin University of China before he joined BYDA in 1999, and he served as the secretary to the Board since 28 May 2001. Mr. Shang was appointed as the vice president of the Company on 13 December 2011 and joint company secretary on 19 March 2012, respectively. Mr. Shang has also been an affiliated person of the Hong Kong Institute of Chartered Secretaries since 2005 (Mr. Shang is an affiliated person instead of an associate member of the Hong Kong Institute of Chartered Secretaries as disclosed in the annual reports of the Company for the year 2013 and 2014). Mr. Shang, by virtue of his relevant experiences, has been confirmed capable of discharging the functions of company secretary pursuant to the note 2 of Rule 3.28 of the Listing Rules and qualified for the position of company secretary under the Listing Rules by the Hong Kong Stock Exchange since March 2015.

As at 30 June 2015

RMB'000

Item	*Notes*	**As at 30 June 2015**	As at 31 December 2014
Current assets:			
Bank balances and cash		**306,391**	366,321
Accounts receivable	*VIII.1*	**416,955**	410,679
Prepayments	*VIII.2*	**74,572**	103,651
Interest receivable		**2,115**	1,461
Other receivables	*VIII.3*	**158,863**	144,836
Inventories		**53,821**	54,768
Non-current assets due within one year		**2,006**	1,489
Other current assets	*VIII.4*	**21,000**	11,000
Total current assets		**1,035,723**	1,094,205
Non-current assets:			
Financial assets available-for-sale	*VIII.5*	**169,418**	145,560
Long-term equity investment	*VIII.6*	**180,171**	183,705
Investment properties		**65,570**	53,159
Fixed assets	*VIII.7*	**11,974**	12,725
Intangible assets	*VIII.8*	**37,052**	37,788
Goodwill	*VIII.9*	**47,377**	47,377
Long-term prepaid expenses		**2,362**	1,721
Deferred income tax assets		**4,540**	4,534
Other non-current assets	*VIII.10*	**62,176**	14,816
Total non-current assets		**580,640**	501,385
Total assets		**1,616,363**	1,595,590

RMB'000

Item	*Notes*	As at 30 June 2015	As at 31 December 2014
Current liabilities:			
Short-term borrowings	*VIII.12*	**14,390**	–
Notes payable		**43,584**	81,545
Accounts payable	*VIII.13*	**104,023**	107,721
Receipts in advance		**28,483**	47,643
Employee benefit payables		**5,947**	7,416
Tax payables		**(16,607)**	(16,418)
Interest payables		**40**	40
Dividend payable		**19,731**	–
Other payables	*VIII.14*	**70,319**	26,998
Non-current liabilities due within one year		**6,500**	7,500
Other current liabilities	*VIII.15*	**5,147**	5,147
Total current liabilities		**281,557**	267,592
Non-current liabilities:			
Long-term loans	*VIII.16*	**6,500**	12,000
Deferred income tax liabilities		**7,097**	5,030
Total non-current liabilities		**13,597**	17,030
Total liabilities		**295,154**	284,622
Shareholders' equity:			
Share capital		**197,310**	197,310
Capital reserves		**907,985**	887,794
Other comprehensive income	*VIII.28*	**(4)**	(4)
Surplus reserves		**130,931**	130,931
Undistributed profits		**52,432**	65,701
Total equity attributable to shareholders of the Company		**1,288,654**	1,281,732
Non-controlling interests		**32,555**	29,236
Total shareholders' equity		**1,321,209**	1,310,968
Total liabilities and shareholders' equity		**1,616,363**	1,595,590
Net current assets		**754,166**	826,613
Total assets less current liabilities		**1,334,806**	1,327,998

		RMB'000	
		For the six months ended 30 June	
Item	*Notes*	**2015**	2014
Total operating revenue	*VIII.17*	**277,387**	341,453
Total operating costs		**280,750**	316,123
Operating costs	*VIII.17*	**209,351**	268,232
Sales tax and surcharges	*VIII.18*	**4,249**	5,577
Selling expenses		**34,354**	12,211
Administrative expenses		**29,491**	30,760
Financial expenses	*VIII.19*	**(1,938)**	(6,061)
Impairment loss of assets	*VIII.20*	**5,243**	5,404
Gain and loss on the changes in fair value	*VIII.21*	**8,258**	(3)
Share of profit/(loss) of associates	*VIII.22*	**(3,534)**	(14,408)
Other investment gains/(loss)	*VIII.22*	**1,229**	1
Operating profit		**2,590**	10,920
Add: non-operating income	*VIII.23*	**19**	120
Less: non-operating expenses	*VIII.24*	**69**	20
Total profit		**2,540**	11,020
Less: Income tax expenses	*VIII.25*	**2,341**	4,207
Net profit		**199**	6,813
Other net comprehensive income after tax		**–**	27
Other comprehensive income subsequently reclassified into profit or loss: exchange differences from retranslation of financial statements		**–**	27
Total comprehensive income		**199**	6,840
Net profit attributable to:			
Shareholders of the Company		**6,462**	8,331
Non-controlling shareholders		**(6,263)**	(1,518)
		199	6,813
Total comprehensive income attributable to:			
Shareholders of the Company		**6,462**	8,358
Non-controlling shareholders		**(6,263)**	(1,518)
		199	6,840
Earnings per share			
Basic earnings per share (RMB per share)	*XVII.1*	**0.03**	0.04
Diluted earnings per share (RMB per share)	*XVII.1*	**0.03**	0.04
Dividends	*VIII.26*	**19,731**	27,623

RMB'000

Item	Notes	For the six months ended 30 June 2015	2014
I. Cash flows from operating activities:			
Cash received from the sales of goods and the rendering of services		**245,379**	255,537
Other cash receipts relating to operating activities		**39,776**	10,924
Sub-total of cash inflows from operating activities		**285,155**	266,461
Cash paid for goods purchased and services received		**208,403**	206,930
Cash paid to and on behalf of employees		**44,626**	28,803
Payments of taxes and surcharges		**8,983**	10,092
Other cash payments relating to operating activities		**38,978**	47,350
Sub-total of cash outflows from operating activities		**300,990**	293,175
Net cash flows from operating activities		**(15,835)**	(26,714)
II. Cash flows from investing activities:			
Cash received from investments		**1,142**	–
Cash received from returns on investment		**1,162**	1
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**6**	25
Other cash receipts relating to investing activities		**25,003**	113,520
Sub-total of cash inflows from investing activities		**27,313**	113,546
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**2,555**	8,992
Cash paid on investment		**25,000**	17,000
Other cash payments relating to investing activities		**100,155**	56,040
Sub-total of cash outflows from investing activities		**127,710**	82,032
Net cash flows from investing activities		**(100,397)**	31,514

RMB'000

Item	Notes	For the six months ended 30 June 2015	2014
III. Cash flows from financing activities:			
Cash received from investments		**30,000**	4,700
Including: cash received from non-controlling shareholders by subsidiaries		**30,000**	4,700
Cash received from borrowings obtained		**14,390**	–
Other cash receipts relating to financing activities		**8,340**	–
Sub-total of cash inflows from financing activities		**52,730**	4,700
Cash payments for borrowings repayment		**6,500**	–
Cash payments for distribution of dividends or profits or interest expense		**1,179**	–
Including: Dividends or profits paid to non-controlling shareholders by subsidiaries		**–**	–
Other cash payment relating to financing activities		**20**	–
Sub-total of cash outflows from financing activities		**7,699**	–
Net cash flows from financing activities		**45,031**	4,700
IV. Effect of exchange rate changes on cash and cash equivalents		**–**	(25)
V. Net increase (decrease) in cash and cash equivalents		**(71,201)**	9,475
Add: balance of cash and cash equivalents at the beginning of the period		**228,526**	160,139
VI. Balance of cash and cash equivalents at the end of the period	*VIII.29*	**157,325**	169,614

Unit: RMB'000

Items	Share capital	Capital reserves	Other comprehensive income	Surplus reserves	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity
	For the six months ended 30 June 2015							
	Attributable to shareholders of the Company							
Balance as at 1 January 2015	197,310	887,794	(4)	130,931	65,701	1,281,732	29,236	1,310,968
Net profits	–	–	–	–	6,462	6,462	(6,263)	199
Other comprehensive income	–	–	–	–	–	–	–	–
Shareholder's investment	–	15,273	–	–	–	15,273	14,727	30,000
Disposal of interests in subsidiaries	–	5,145	–	–	–	5,145	(5,145)	–
Impact due to change in fair value	–	(227)	–	–	–	(227)	–	(227)
Appropriation to shareholders	–	–	–	–	(19,731)	(19,731)	–	(19,731)
Sub-total of the changes for the period	–	20,191	–	–	(13,269)	6,922	3,319	10,241
Balance as at 30 June 2015	197,310	907,985	(4)	130,931	52,432	1,288,654	32,555	1,321,209

Items	Share capital	Capital reserves	Other comprehensive income	Surplus reserves	Undistributed profits	Subtotal	Non-controlling interests	Total shareholders' equity
	For the six months ended 30 June 2014							
	Attributable to shareholders of the Company							
Balance as at 1 January 2014	197,310	891,179	–	130,931	82,818	1,302,238	31,276	1,333,514
Net profits	–	–	–	–	8,331	8,331	(1,518)	6,813
Other comprehensive income	–	–	27	–	–	27	–	27
Shareholder's investment	–	–	–	–	–	–	4,700	4,700
Disposal of interests in subsidiaries	–	1,128	–	–	–	1,128	(1,128)	–
Appropriation to shareholders	–	–	–	–	(27,623)	(27,623)	–	(27,623)
Sub-total of the changes for the period	–	1,128	27	–	(19,292)	(18,137)	2,054	(16,083)
Balance as at 30 June 2014	197,310	892,307	27	130,931	63,526	1,284,101	33,330	1,317,431

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

I. GENERAL INFORMATION

Beijing Media Corporation Limited (hereinafter referred to as the "Company") was incorporated in the PRC on 28 May 2001 as a joint stock company with limited liability under the PRC Company Law. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange").

The Company's parent company and ultimate holding company is Beijing Youth Daily Agency ("BYDA") which is a state-owned entity established in the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section in the annual report. The consolidated financial statements are presented in Renminbi ("RMB") which is the functional currency of the Company as well.

The Company and its subsidiaries (hereinafter referred to as the Group ("Group")) are principally engaged in the provision of newspaper, magazine and outdoor advertising services, printing and trading of print-related materials in the PRC.

II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

The subsidiaries which are included in the scope of consolidated financial statements for the year ended 30 June 2015 of the Group are as follows:

Name of units	Shareholdings (%) Direct	Indirect
Beijing Beiqing Outdoor Advertisement Co., Ltd. (Beiqing Outdoor)	100.00	–
Legal Evening Post Media Company Limited (LEP Media)	100.00	–
Beijing Qingyou Information Technology Co., Ltd. (Qingyou Information)	100.00	–
BYD Logistics Company Limited (BYD Logistics)	92.84	–
Beiqing CéCi Advertising (Beijing) Limited (Beiqing CéCi)	84.69	–
Beiqing Long Teng Investment Management (Beijing) Co., Limited (Beiqing Long Teng)	80.84	–
Beiqing Community Cultural Media (Beijing) Limited (Beiqing Community Media)	60.91	–
Chongqing Youth Media Company Limited (Chongqing Media)	60.00	–
Chongqing Pu Lantian Western Food Co. (Chongqing Pu Lantian)	–	100.00
CHONGQING YOUTH (AMERICA) LLC. (Chong Qing America)	–	100.00

III. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

1. BASIS FOR PREPARATION

The Group's financial statements for the year ended 30 June 2015 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 financial year and disclosed in accordance with the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in Note V "Principal accounting policies and accounting estimates and basis of preparation of consolidated financial statements".

2. ON A GOING CONCERN BASIS

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

IV. STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's financial statements have been prepared in conformity with the Accounting Standards for Business Enterprises and the relevant regulations, and present truly and completely the consolidated financial position as at 30 June 2015 and their consolidated operating results, cash flows and other relevant information for the six months then ended.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting period

The accounting period of the Group is from 1 January to 31 December of each calendar year.

The period of this interim financial report is from 1 January 2015 to 30 June 2015.

2. Reporting currency

The reporting currency of the Group is RMB. The financial statements of the Group are expressed in RMB.

3. Basis of preparation and principle of measurement

The Group's financial statements have been prepared on an accrual basis. Except for financial assets held for trading and investment properties which are measured at fair value, the financial statements are prepared under the historical cost convention.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

4. Business combination

A business combination is a transaction or event that brings together two or more separate enterprises into one reporting entity. The Group recognises assets and liabilities obtained through a business combination at the combination date or acquisition date. The combination date or acquisition date is the date on which the absorbing party or acquirer effectively obtains control of the party being absorbed or acquired.

(1) Business combination involving entities under common control

Assets and liabilities that are obtained through a business combination involving entities under common control are measured at their carrying amounts at the combination date as recorded by the party being absorbed. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid is adjusted to capital reserve in capital reserve and with any excess over capital reserve being adjusted against undistributed profits.

Direct costs that are directly incurred during business combination by the absorbing party are charged to profit or loss in the period in which they are incurred.

(2) Business combination involving entities not under common control

For a business combination involving entities not under common control, the cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree (where the business combination is realized through various transactions, the cost of combination shall be the sum of the cost of each transaction). Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the period after re-assessment.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. Preparation of consolidated financial statements

(1) Determination of the scope of consolidation

The scope of consolidated financial statements is determined on the basis of control. Control is achieved when the Company has power over the investee; is exposed, or has rights to achieve returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Group consolidates all subsidiaries under control in the financial statements. The date of acquisition or disposal shall be the day on which the Group obtains or loses the controlling right over its subsidiaries.

(2) Accounting method for consolidated financial statements

The consolidated financial statements are prepared in accordance with the ASBE No. 33 – Consolidated financial statements and relevant requirements. On consolidation, all the significant intra-group transactions, balances and unrealized profits are eliminated in the preparation of the consolidated financial statements. The shareholders' equity of the subsidiaries, which is not attributable to the parent company, is separately presented as non-controlling interests in the shareholders' equity in the consolidated financial statements. Current net profits or loss, other comprehensive income and share belonging to non-controlling interests in the total comprehensive incomes are respectively listed in the "Non-controlling interests, profit and loss of non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests".

When there is any inconsistency on the accounting policies or accounting period adopted between subsidiaries and the Company, the financial statements of subsidiaries are adjusted according to the accounting policies or accounting period adopted by the Company when preparing the consolidated financial statement.

For subsidiaries acquired under business combinations not under common control, when preparing consolidated financial statements, adjustments are made on the financial statements of subsidiaries based on the fair value of the net identifiable assets acquired on the acquisition date. For subsidiaries acquired from business combinations under common control, when preparing consolidated financial statements, the consolidated financial statements include the assets, liabilities, operating results and cash flows of such subsidiaries at the original carrying value from the beginning of the period presented as if reporting entities had been existed since the ultimate controlling party began to control.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. Preparation of consolidated financial statements *(Continued)*

(2) Accounting method for consolidated financial statements (Continued)

For transactions purchasing non-controlling interests or not loss of its control over the subsidiary as a result of disposal of part equity investment, it will be accounted for as equity transactions and adjusted the book value of shareholders' equity of the Company and non-controlling interests to reflect changes in related equity in the subsidiary. The differences between the adjustments of non-controlling interests and fair value of consideration received are made adjustment to capital reserve. When the capital reserve is not sufficient to be written-off, adjusted the retained income.

For the disposed subsidiary, operating results and cash flows before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; for the disposed subsidiary during the reporting period, the opening balances of the consolidated balance sheet shall not be adjusted.

When the Group lost its control over the investee as a result of disposal of part of equity investment, when preparing consolidated financial statement, for the remaining equity, it will be re-measured at the fair value as at date of loss of control. The sum of consideration obtained from disposal of equity and remaining equity fair value, less share of net assets calculated from purchase date or consolidation date entitled according to original shareholding percentage, the differences are credited into investment income for the period losing of control and meanwhile wrote off the goodwill. Other comprehensive income related to equity investment in original subsidiary is converted into current investment income when losing the control.

6. Classification for joint venture arrangement and accounting methods for joint operation

Joint venture represents the contract agreement which the Group and other parties perform together a jointly controlled economic activities. The financial and operation strategies related to joint venture required Unanimously agreement to be made by sub-line control. Joint arrangements are classified as joint ventures and jointly controlled.

Joint venture is the joint arrangement in which the Group and other investors have rights in respect of the net assets, and it is accounted as stated in Note V.12 using the principles of joint ventures accounted for long-term equity investments.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Classification for joint venture arrangement and accounting methods for joint operation *(Continued)*

Joint control represents a contractual agreed common control over an economic activity. Joint control exists when either party does not have individual power to control the operating activities and the decisions relating to the operating activities of the jointly controlled entity require unanimous consent of the parties. The Group enjoy the future economic benefits brought by the assets share from its controlled entity, according to the contract or agreement with the recognition of revenue and costs relating to jointly controlled operations. For the purchase in or sale from joint operation which does not constitute a business in asset transaction, only recognize the portion attributable to other participants of joint operation in the profits or loss incurred as a result of this transaction.

7. Cash and cash equivalents

Cash in the cash flow statement of the Group represents cash on hand and deposits held at call with banks. Cash equivalents in the cash flow statement represent short-term (3 months or less) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

8. Foreign currency

(1) Foreign currency transactions

Foreign currency transactions of the Group are translated into RMB at the spot exchange rate of the date of transaction. On balance sheet date, foreign currency monetary items are translated into RMB at the spot exchange rate of that date. Exchange differences arising thereon are directly expensed in the profit and loss for the current period unless they arise from foreign currency borrowings for the purchase or construction of qualifying assets which are eligible for capitalization. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into RMB at the rates prevailing on the date when the fair value was determined. And exchange differences arising thereon are directly expensed in the profit and loss for the current period. Non-monetary items denominated in foreign currency measured at historical cost shall continue to be translated at the spot exchange rate at the date of transaction, the translated amount in RMB should not be changed.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

8. Foreign currency *(Continued)*

(2) Translation of foreign currency financial statement

Items such as assets and liabilities in the foreign currency balance sheet are translated at the spot exchange rate on balance sheet date; shareholders' equity, except for "undistributed profits", is translated at the spot exchange rate at the time when the business incurred; income and expenses items in the income statement are translated at the spot exchange rate at the date when transaction occurres. Exchange differences from above translation are listed in the other comprehensive income. Foreign currency cash flow are translated at the spot exchange rate at the date when cashflow are incurred. Effects of changes in exchange rate over the cash is separately listed in the cashflow statement.

9. Financial Assets and Financial Liabilities

(1) Financial Assets

1) Classification, recognization basis and measurement methods for the financial assets

Financial assets of the Group are classified into four categories, namely financial assets at fair value through profit or loss for the current period, held-to-maturity investments, loans and receivables, and available-for-sale financial assets according to the purposes of investments and the economic substance of the assets.

Financial assets are measured initially at fair value. Transaction costs for financial assets measured at fair value through profit or loss for the current period are directly charged to profit or loss as incurred. Transaction costs for other class of financial assets are included in the initially recognized amount.

Financial assets at fair value through profit or loss for the current period are those financial assets that have been acquired principally for the purpose of selling in short terms. Assets in this category are subsequently measured at fair value and changes in fair value is charged into profit or loss; interest or cash dividends acquired in the period of holding the assets is recognized into investment income; on disposal, the differences between the fair value and initial recorded amounts is recognized as investment return, meanwhile adjusted the profit or loss in changes in fair value.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Financial Assets and Financial Liabilities *(Continued)*

(1) Financial Assets (Continued)

1) Classification, recognization basis and measurement methods for the financial assets *(Continued)*

Held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable recoverable amounts that the management intends and is able to hold to maturity. It adopts effective interest rate method to subsequently measure it at amortized cost and the amortization or impairment and profit or loss after de-recognization are all charged into profit or loss in which period it occurred.

Loans and receivables are non-derivative financial assets with fixed or determinable recoverable amounts that are not quoted in an active market. They adopted effective interest rate method to subsequently measure it at amortized cost and the amortization or impairment and profit or loss after de-recognization are all charged into profit or loss in which period it occurred.

Available-for-sale financial assets are non-derivative financial assets that are designated in this category and not classified as financial assets of any other class upon initial recognition. In this category of assets, equity instrument investment which are not quoted in an active market and its fair value is unable to reliably measured and derivative financial assets that are linked with this equity instrument and settled through delivery of this instrument, are subsequently measured at cost; other that there are quoted in an active market or there are not quoted in an active market but it can be reliably measured, are measured at fair value and changes in fair value in charged into other comprehensive income. For this category financial assets, it is subsequently measured at fair value, except for impairment loss and exchange differences from foreign currency financial assets, changes in fair value of financial assets are directly charged into shareholders' equity, and upon de-recognization of this financial assets, the changes in fair value originally charged into equity is transferred into profit or loss in the current period. The interest calculated according to effective interest rate during the period when the debt instrument investment available for sale and cash dividend declared by investee unit and related to equity instrument available for sale are taken as investment income and credited into profits or loss in the current period. For the equity instrument investment which are not quoted in an active market and its fair value can not be reliably measured, it is measured at cost.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Financial Assets and Financial Liabilities *(Continued)*

(1) Financial Assets (Continued)

2) Recognization basis and measurement methods for transferring financial assets

Financial assets are derecognized when it meets one of the following conditions: (1) the contract right to receive cashflow of this financial assets is terminated; (2) the financial assets has been transferred, and substantially all risk and rewards on the ownership of the financial assets have been transferred to the transferee; (3) the financial assets has been transferred, although the Group has not transferred nor retained substantially all risks and rewards on the ownership of the financial assets, but abandoned its control over the financial assets.

When the enterprises have not transferred nor retained substantially all risks and rewards on the ownership of the financial assets, and does not abandon its control over the financial assets, then recognize the related financial assets according to extent of continuing to be involved into the transferred financial assets, and correspondingly recognize the relevant liabilities.

When financial assets transfer meets its derecognization conditions, the carrying amount of financial assets transferred and difference between the consideration received as a result of transfer and accumulated sum of changes in fair value originally credited into other comprehensive income are charged into profit or loss for the current period.

Partial transfer in financial assets meets derecognization conditions, the carrying amount of entire financial assets transferred are apportioned between derecognization and unterminated recognization according to each relative fair value and the consideration received from transfer and originally apportioned to derecognized portion and accumulated sum of changes in fair value originally credited into other comprehensive income and the differences between the previously said carrying amount are charged into profit or loss for the current period.

3) Financial assets impairment testing methods and accounting methods

Except for financial assets at fair value through profit or loss, on the balance sheet date, the Group reviewed the book value of other financial assets, if there is objective evidences indicating that some financial assets are impaired, then made provision for impairment. If the fair value of financial assets available for sale decreased significantly or non-temporarily, the accumulated losses arising from decreasing in fair value originally credited into shareholders' equity is charged into impairment loss.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Financial Assets and Financial Liabilities *(Continued)*

(2) Financial liabilities

1) Classification, recognization basis and measurement methods for financial liabilities

Financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss for the current period and other financial liabilities at initial recognition.

Financial liabilities at fair value through profit or loss for the current period include financial liabilities held for trading and those designated at fair value through profit or loss for the current period on initial recognition. They are subsequently measured at fair value. The net gain or loss arising from changes in fair value, and dividends and interest paid are recorded in profit or loss for the current period in which they are incurred.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the underlying present obligations (or part of it) are discharged. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss for the current period.

2) Derecognisation conditions for financial liability

A financial liability is derecognised when the underlying present obligations (or part of it) are discharged. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss for the current period.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Financial Assets and Financial Liabilities *(Continued)*

(3) Fair value measurement for financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, whether the price is directly observable or appraising its fair value using valuing techniques. Valuing technology includes the price used in the recent conducted market transactions by the Voluntary transaction parties referenced to familiar situations, referenced to the current fair value of substantially same other financial instrument, discounted cashflow based general price model to determine or confirm adopting observable prevailing market price.

For the purposes of financial reporting fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

10. Provision for bad debts on receivables

Criteria for provision for bad debts: Provision for bad debts on receivable is made when the debtors are dissolved, bankrupt, insolvent, in significant financial difficulty, or suspended its business due to natural disaster and unable to settle the debts in the foreseeable period; or the receivable are defaulted for more than 5 years; or when there are objective evidences indicating the debts are not recovered or not likely to be recoverable.

Provision for bad debts is made using allowance account method. At the end of the period, receivables are assessed for impairment on individual or group basis and the provision for bad debts is recognised in the profit or loss for the current period. When there are objective evidences indicating the receivable cannot be collected, it is written off against the provision for bad debts as a loss of bad debts according to the required procedures of approval of the Group.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

10. Provision for bad debts on receivables *(Continued)*

(1) Receivables that are individually significant and are provided for bad debts on individual basis

Judgement basis or value standard of individually significant receivable	Receivables of more than RMB5 million are regarded as individually significant receivable
Method of provision for individually significant receivables on individual basis	Provision for bad debts is made as the excess of the bad debts for carrying amount over the present value of the future cash flows

(2) Receivables that are provided for bad debts on group basis

Basis for determination of groups	
Aged group	Determine the credit risk characteristics by aging of the receivables
Related party group	Determine the credit risk characteristics by the relationships with the parties of transaction
Non-risk group	Determine the credit risk characteristics by nature of receivables

Method of provision for bad debts on group basis	
Aged group	Provision is made for bad debts according to aging analysis
Related party group	No provision is made in general
Non-risk group	No provision is made in general

1) Proportion of provision for bad debts of receivables by aging analysis basis:

Aged	**Proportion to accounts receivable** *(%)*	**Proportion to other receivables** *(%)*
Within 1 year	–	–
1-2 years	10.00	10.00
2-3 years	30.00	30.00
3-4 years	50.00	50.00
Over 4 years	80.00	80.00

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

10. Provision for bad debts on receivables *(Continued)*

(2) Receivables that are provided for bad debts on group basis (Continued)

2) Proportion of provision for bad debts by other basis:

Related party group	Provision for bad debts are generally not made for related parties of the Group (such as jointly controlled entities and associates) where the difference between the present value of future cash flows and their carrying amount is expected to be minimal
Non-risk group	Including items such as rental deposits, purchase deposits, petty cash and amount subsequently received. Provision for bad debts is generally not made for these items where the difference between their present value of future cash flows and carrying amount is expected to be minimal

(3) Receivables that are individually insignificant but are provided for bad debts individually

Reason for providing for bad debts individually	Receivables with individually insignificant amount and provision for bad debts made on group basis cannot reflect its credit risk characteristics
Method of provision for bad debts	Provision for bad debts is made for the excess of its carrying amount over the present value of the future cash flows

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

11. Inventories

Inventories mainly include raw materials and low-value consumables.

The Group maintains a perpetual inventory system. Inventories are recorded at actual cost of purchase when received. Actual cost is calculated using weighted average method when the inventories are consumed or issued. Low value consumables are amortised in full when received for use.

At the end of the period, inventories are stated at the lower of costs and net realisable value. Where the inventories are expected not to be recoverable as they become damaged, partially or wholly obsolete or whose selling price is lower than its cost, provision for inventory impairment is made for the excess of its cost and net realisable value.

Net realisable value of the available-for-sale finished goods is determined by its estimated selling price less estimated selling expenses and related taxes.

12. Long-term equity investments

Long-term equity investments mainly include the equity investments in the invested company over which the Group has control, or significant influence and the equity investments in joint ventures.

Significant influence exists when a party has the power to influence the decision making of the invested company's financial and operating policies, but is not able to have control or have joint control with other parties over the formulation of these policies. Significant influence exists when the Group directly or indirectly (through its subsidiary) owns 20% (inclusive) or more but less than 50% of shares with voting rights in the invested company. Significant influence cannot be established where there is explicit evidence indicating that the Group is unable to participate in the decision-making of the operating policy in the invested company.

The investment cost for long-term equity investment acquired through a business combination under common control is the carrying value of the share of equity in the absorbing company at the date of combination. The combination cost for long-term equity investment acquired through business combination not under common control is the fair value as at date of combination (acquisition) of the assets given, liabilities incurred or assumed and equity securities issued for the control of the party being absorbed (acquired) at the date of combination (acquisition).

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

12. Long-term equity investments *(Continued)*

Apart from the long-term equity investments acquired through business combination mentioned above, the long-term equity investments acquired by cash payment, the investment cost is based on the actual amount of cash paid for the acquisition. For long-term equity investment acquired by issuing equity securities, the investment cost is the fair value of the equity securities issued. For long-term equity investment invested in the Group by the investor, the investment cost is the agreed consideration as specified in the contract or agreement. For long-term equity investment acquired through transactions such as debts restructuring and exchange of non-monetary assets, the investment cost is determined according to the relevant accounting standards.

Investments in subsidiaries are accounted for by the Group using cost method and adjusted for by equity method when preparing consolidated financial statements. Investments in jointly controlled entities and associates are accounted for using equity method, when there is any inconsistency on the accounting policies or accounting period adopted between jointly controlled entities and associates and the Group, the financial statements of jointly controlled entities and associates are adjusted according to the accounting policies or accounting period adopted by the Group when preparing the consolidated financial statement, then recognize the Group's gain or loss on this basis.

Under the cost method, long-term equity investments are measured at its investment cost, and its cost is adjusted by the amount of additional investment or the amount recovered. Under the equity method, investment gain or loss represents the Group's share of the net profits or losses made by the invested company for the current period. The share of the net profits or losses of the invested company is recognised based on the fair value of each of the identifiable assets of the invested company at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Group and the gain or loss on transactions entered into between the Group and its associates and jointly controlled entities is eliminated for those attributable to the Group based on its share in the invested company.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

12. Long-term equity investments *(Continued)*

The long-term equity investment will be accounted for by using cost method where the Group reduces the investment in the invested company so that the Group no longer has common control or significant influence over the invested company. The remaining investment after investment reduction will be accounted using equity method in accordance with financial assets and financial liabilities in this Note V.9; or where the Group has control over the invested company shall be accounted for using equity method, in accordance with the value of equity investment of financial assets and financial liabilities determined in notes V.9, and plus the new investment cost, which is the initial investment cost of such equity-accounting method. The original equity investment held was classified as financial assets available-for-sale, the difference between its fair value and it's the carrying value and its accumulated fair value change which is originally included into other consolidated income shall be accounted for using equity method and included in the profit or loss, due to such reasons as making additional investment in the invested company or where the Group no longer has control but remain to have joint control or significant influence over the invested company due to reasons such as disposal of the investment. In respect of such remaining equity it shall be accounted using equity method once it is obtained.

On disposal of long-term equity investments, the difference between the carrying value of a long-term equity investments and the actual consideration received is recognised as investment income for the current period. For long-term equity investments accounted for using equity method, the movements of shareholder's equity, other than the net profit or loss, of the invested company, previously recorded in the shareholder's equity will be transferred and expensed as investment income for the current period on disposal.

13. Investment properties

The investment properties of the Group are buildings leased for rental income.

Investment property is measured at cost. The cost for investment properties purchased from outsiders includes purchase price, related taxes and other expenses directly related to the assets. The cost of investment properties constructed by the Group includes the required construction expenses incurred to bring the assets to the condition of intended use.

Investment properties of the Group are subsequently measured using fair value model. Gain or loss on changes in fair value of investment properties is recognised directly in profit or loss for the current period.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

13. Investment properties *(Continued)*

The fair value of the investment properties of the Group are determined by the management of the Group on an open market basis by reference to properties of the same location and similar usage.

Where an investment property is changed for owner-occupied purpose, it is transferred to a fixed asset or intangible asset at the date of the change. Where the owner-occupied property is changed for earning rentals or for capital appreciation, the fixed asset or intangible asset is transferred to an investment property at the date of the change. On conversion, the carrying amount immediate before conversion is taken as the cost of the asset.

An investment property is derecognised on disposal or retirement when it is expected that there shall be no economic benefit through disposal. Where the investment properties are sold, transferred, retired or damaged, the proceeds from disposal after deducting the carrying amount and related taxes are recognized in profit or loss for the current period.

14. Fixed assets

Fixed assets of the Group are tangible assets that are held for the purpose of producing goods, rending services, leasing or operation and management. The useful lives of fixed assets are more than one year.

Fixed assets consist of buildings, plant and machinery, motor vehicles, office equipment and others. The cost for fixed asset is measured at cost at the time when it is acquired. The cost of fixed asset purchased from outsiders includes purchase prices, import tax and other related taxes and other expenses incurred to bring the assets to the condition of intended use. The cost of fixed asset constructed by the Group includes the required expenses incurred to bring the assets to the condition of intended use. The fixed asset acquired by an investor is measured at the agreed considerations as specified in the investment contracts or agreements, or the fair value where the agreed consideration as specified in the contracts or agreements is not justified. The fixed asset acquired under a finance lease is measured at the lower of their fair values and the present value of the minimum lease payment at the date of inception of the leases.

Subsequent expenditures incurred for a fixed asset, such as maintenance expenses and renovation and improvement expenses, are included in the cost of fixed asset when they meet the recognition criteria of a fixed asset, and the carrying amount of the replaced parts is derecognised. The subsequent expenditures incurred for a fixed asset are recognised in profit or loss for the current period in which they are incurred when they do not meet the criteria of a fixed asset.

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

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

14. Fixed assets *(Continued)*

Depreciation is provided for all fixed assets, except for the assets that are fully depreciated and remain in use. Fixed assets are depreciated using the straight-line method to measure the cost or expenses of the assets for the current period based on the usage of the assets. The useful lives, estimated residual values and depreciation rate of each type of the fixed asset of the Group are as follows:

Category	Useful lives (years)	Estimated residual value rate (%)	Annual depreciation (%)
Buildings	20	0.00	5.00
Plant and Machinery	10	0.00	10.00
Motor vehicles	5	0.00	20.00
Office equipment	5	0.00	20.00
Electronic equipment	3	0.00	33.00

The Group re-assesses the estimated useful life and estimated net residual value of a fixed asset and the depreciation method at the end of each financial year. Any changes will be dealt with as changes on accounting estimates.

A fixed asset is derecognised on disposal or it is expected that there shall be no economic benefit arising from using or after disposal. Where the fixed assets are sold, transferred, retired or damaged, the income received after disposal after deducting the carrying amount and related taxes are recognised in profit or loss for the current period.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

15. Borrowing costs

Borrowing costs include borrowing interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings. When expenditures for the asset and borrowing costs are being incurred, activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced, borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying asset, shall be capitalized. Capitalisation of borrowing costs shall cease when the asset under acquisition, construction or product is ready for its intended use or sale. Other borrowing costs shall be recognised as costs for the current period.

The amount of interest of specific borrowings occurred for the period shall be capitalized after deducting any interest earned from depositing the unused specific borrowings in the bank or any investment income arising on the temporary investment of those borrowings during the capitalization period. The capitalized amount of general borrowings shall to be determined at the basis that the weighted average (of the excess amounts of cumulative assets expenditures over the specific borrowings) times capitalization rate (of used general borrowings). The rate of capitalization is determined by the weighted average interest rate of general borrowing.

Assets eligible for capitalization represent the fixed assets, investment property and inventories, etc., which shall take a long time (generally over one year) for acquisition, construction or production to be ready for its intended uses or sales.

When an asset eligible for capitalization is interrupted abnormally and the suspending period lasts more than 3 months during acquisition, construction or production, the capitalisation of borrowing costs shall be suspended until the acquisition, construction or production of such assets resume.

16. Intangible assets

Intangible assets of the Group, including land use rights operation rights and software, are recognised at actual cost at the time of acquisition. The actual cost of the purchased intangible assets is measured at the actual payment and other related expenses. The actual cost of intangible asset acquired by an investor is measured at the agreed considerations as specified in the investment contracts or agreements. In case where the agreed consideration of the contracts or agreements is not justified, the assets are measured at fair value.

Land use rights are evenly amortised over their lease terms from the date of transfer. Other intangible assets are evenly amortised on the basis of the shortest of their estimated useful lives, the number of beneficial years as stipulated by contract and by law.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

16. Intangible assets *(Continued)*

Amortisation amount is included in the cost of related assets and profit or loss for the current period based on the beneficiary of the assets.

The estimated useful lives and amortization method of intangible assets with finite useful lives are re-assessed at the end of each financial year. Any changes will be dealt with as changes on accounting estimates. The estimated useful lives of intangible assets with indefinite infinite useful lives are reviewed in each accounting period. Where there is objective evidence to prove that the useful life of an intangible asset is finite, the Company shall estimate the useful life and amortise that intangible asset over its estimated useful life.

17. Impairment of long-term non-financial assets

As at each balance sheet date, the Group assesses whether there is any sign indicating that the long-term equity investments, fixed assets, construction in progress and intangible assets with definite useful lives may be impaired. If there is any sign indicating that an asset may be impaired, the asset will be tested for impairment. Goodwill arising in a business combination and an intangible asset with infinite useful lives are tested for impairment annually, irrespective of whether there is any sign to indicating that the asset may be impaired. When it is impossible to make the impairment test on the recoverable amount of an individual asset, the impairment test should be made on the basis of the corresponding assets group or the combination of group assets belongs to.

After the test of impairment, if the recoverable amount of an asset is less than its carrying amount, the difference is recognised as an impairment loss. Once an impairment loss on the assets is recognised, it will not be reversed in a subsequent accounting period. The recoverable amount of an asset is the higher of the net of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

The signs of impairment are as follows:

(1) The current market price of an asset declines substantially, exceeding obviously the expected decline caused by time changes or normal application;

(2) There are significant changes in the economic, technical or legal environment in which the enterprise operates and in the market where the asset is located in the current period or near future, resulting in adverse impacts on the enterprise;

(3) The market interest rate or rate of return of other market investment has stood high in the period, affecting the discount rate used by an enterprise for the calculation of the present value of the asset estimated future cash flow which results in a substantial decline in the recoverable amount of the assets;

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

17. Impairment of long-term non-financial assets *(Continued)*

(4) There is evidence to demonstrate that the asset has already gone obsolete or its entity has already been damaged;

(5) The asset has already been or will be left idle, ceased to be used, or planned to be disposed in advance;

(6) There is evidence from the internal reports demonstrating that the economic returns of asset, such as the net cash flows generated by asset or operating profit (or loss) realized by asset, are much lowered (higher) than that as expected;

(7) Any other sign indicates that the value of an asset may have already been impaired.

18. Goodwill

Goodwill is the amount at the acquisition date or purchasing date, of the equity investment cost or cost of business combination not involving enterprises under common control, that exceeds the acquirer's interest in the fair value of the investees' or acquiree's identifiable net assets.

Goodwill relating to subsidiaries is presented in consolidated financial statements as a separate item. Goodwill relating to associates and jointly controlled entities is included in the carrying amount of the long-term equity investment.

19. Long-term prepaid expenses

Long-term deferred expenses of the Group are expenditures such as property renovation cost, which have incurred but shall be undertaken in more than 1 year of amortization period (not including 1 year) of the current and future periods. They are amortized evenly over the estimated benefit period. If the long-term deferred expenses are no longer beneficial to the subsequent accounting periods, the unamortized balance is then fully transferred to profit or loss for the period.

20. Employee benefits

The Group recognises employee remuneration as liabilities during the accounting period in which employees render their services and allocates it to related cost of assets and expenses based on the beneficiaries. Compensation for termination of employment with any employee is recognised in the profit or loss for the period.

Employee remuneration comprises salaries, bonus, allowances and subsidies, staff benefits, social security insurance, housing fund, union fund and staff education fund and expenditure incurred in connection with the services rendered by employees.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

20. Employee benefits *(Continued)*

When the Group terminates the employment with an employee before the expiry of the employment contract or provides compensation for acceptance of voluntary redundancy, if the Group has developed a formal plan for termination of employment or has made an offer for voluntary redundancy, which will be implemented immediately, and the Group is not allowed to unilaterally withdraw the termination plan or the redundancy offer, the estimated liability for compensation arising from the termination of employment with employees should be charged to the profit or loss for the current period.

21. Recognition of revenue

The business revenues of the Group are mainly generated from sale of advertising spaces and incomes from printing, trading of print-related materials and distribution of newspapers and magazines and consultation service and rental income. The principles of revenue recognition are as follows:

(1) Revenue from sale of advertising spaces

Revenue from advertising spaces is generally recognized pro rata over the period in which the advertisement is cancelled (net of VAT). Sales of advertising spaces, with award credits generating from customers, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the advertising spaces sold and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value, which is the fair value of the award credits exchangeable of advertising space. Such consideration is not recognised as revenue at the time of the commencement of the sale transaction, but is deferred and recognised as revenue when such award credits are redeemed and the Group's obligations have been fulfilled.

(2) Revenue from printing

Revenue from printing, net of VAT is recognised when the service is provided.

(3) Revenue from trading of print-related materials and distribution of newspapers and magazines

Revenue from trading of print-related materials and distribution of newspapers and magazines, net of VAT, is recognised upon the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

21. Recognition of revenue *(Continued)*

(4) Revenue from consultation service

Consultation service income is recognised when the services are provided.

(5) Revenue from rental income

Rental income is recognised in accordance with the Group's accounting policy for operating lease (see Note V.24).

22. Government grants

A government grant is recognised when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a monetary asset, it is measured at the actually amount received. For a fixed quota for the allocation of the grant, it is measured at the amount receivable.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised directly in profit or loss for the current period.

23. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities of the Group are recognised based on the differences between tax bases of assets and liabilities and respective book value (temporary differences). For deductible tax losses or tax credit that can be brought forward in accordance with tax law for deduction of taxable income in subsequent years, it is considered as temporary differences and related deferred income tax assets are recognised. On the balance sheet date, deferred income tax assets and liabilities are measured at the applicable tax rates that are expected to apply to the period in which the asset is realized or liability is settled.

The deferred income tax assets arising from the deductible temporary difference are recognised to the extent that it is probable that taxable profit will be available to the Group to offset such deductible temporary difference. If it is anticipated that no future taxable profits will be available to offset the deferred income tax assets, the carrying value of the deferred income tax assets will be reduced. If it is very likely that sufficient taxable profits will be available, the amount so reduced will be reversed.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

24. Lease

Leases are classified as finance leases and operating leases at the date of inception.

Finance lease is a lease that substantially transfers all the risks and rewards of ownership of the assets. The Group, as a lessee, recognised the assets under finance lease at the inception of the leases at the lower of their fair value and the present value of minimum lease payments. The corresponding liability is recorded as "Longterm payable" at the amount of minimum lease payments. Their difference is recorded as unrecognised finance lease charge.

Operating leases are leases other than finance leases. The Group, as a lessee, recognised lease payments as a cost of an assets or an expense on a straight-line basis over the terms of the relevant lease. The Group, as a lessor, recognised lease payments as rental income on a straight-line basis over the terms of the relevant lease.

25. Accounting for income tax

Income tax is accounted for using liability method. Income tax expenses represent the sum of current tax and deferred tax. Current tax and deferred tax relating to the transactions and matters that are directly recorded in shareholders' equity are dealt with in shareholders' equity. Deferred tax arising from business combination is adjusted to the carrying value of goodwill. Expenses or income of all other current tax and deferred tax are recognised in the profit or loss for the period.

The current income tax payable is the amount of tax payable to taxation authority by the enterprises in respect of the transactions and matters of the current period calculated according to the taxation regulations. The deferred income tax is the difference between the balances of the deferred income tax assets and deferred income tax liabilities that should be recognised using the balance sheet liabilities approach at the end of the period and their balances originally recognised.

26. Segment information

Operating segments of the Group are identified on the basis of internal organization structure, management requirements and internal reporting policies. The reporting segments are determined on the basis of operating segments. An operating segment represents a component of the Group that satisfied the following criteria simultaneously: (1) the component engages in business activities from which it may earn revenues and incur expenses; and (2) whose operating results are regularly reviewed by the Company's management to make decisions on resources to be allocated to the segments and assess its performance; (3) Financial information of the segments such as financial position, operating results and cash flow is available to the Company.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

26. Segment information *(Continued)*

The price of intra-segment transactions is determined on market rates. Expenses, other than those which are unable to allocate reasonably, are allocated between segments in proportion with their revenue.

27. Key accounting estimates and judgments

In the application of the Group's accounting policies, which are described in Note III, the Directors of the Company are required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised for the period in which the estimate is revised if the revision affects only that period or for the current and future periods if the revision affects both periods.

The following are the key assumptions on the future, and other key sources of estimation uncertainty at the end of the reporting period, that are probable to cause a material adjustment to the carrying amounts of assets and liabilities of the next financial year.

(1) Buildings

Certain buildings of the Group have not been granted with Building Ownership Certificates by relevant government authorities. In the opinion of the directors of the Company, the absence of Building Ownership Certificates of these buildings will not impair the value of the buildings and investment properties of the Group.

(2) Depreciation of fixed assets

Fixed assets are depreciated on a straight-line basis over their estimated useful lives and estimated residual values. The determination of the useful lives and residual values involve the estimates of the management. The Group assesses annually the residual value and useful life of the fixed asset and if the expectation differs from the original estimate, such a difference may affect the depreciation charge in the interim of the year and in the future period.

(3) Fair value of investment properties

Investment properties are measured at fair values estimated by the management. The management will determine the fair values on an open market basis by reference to properties of the same location and condition. Should there are any changes in assumptions due to the change in market condition, the fair value of the investment properties will be adjusted accordingly.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

27. Key accounting estimates and judgments *(Continued)*

(4) Allowances for bad debts of accounts receivable and other receivables

The policy for allowance of bad debts of accounts receivable and other receivables of the Group is based on the evaluation of collectability and aging analysis of accounts receivable and the management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and past collection history of each customer. If the financial condition of debtors of the Group are deteriorating which impair their ability to make payments, additional allowances are required to be made.

(5) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(6) Fair value of customer loyalty program

The Group has a customer loyalty program for certain advertising customers. Accordingly, if the accumulated advertisement fee spent by such customers on the Group's publications reaches a certain level over a specified period of time, they will be given a discount coupon or an advertising space free of charge. A portion of customers' revenue attributable to the award credits is deferred and recognized when the coupons or advertising spaces have been redeemed or have expired. The deferment of revenue is estimated based on historical redemptions, which is then used to project the expected utilization of these rewards. Any remaining unutilized rewards are recognized as deferred revenues.

(7) Impairment of interests in jointly controlled entities and associates

The Group tests annually whether the interests in jointly controlled entities and associates have suffered any impairment in accordance with the Group's accounting policy. The entire carrying amount of the investment (including goodwill) is tested as a single asset by comparing the difference of its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. The values in use calculation requires the use of estimates and judgments including estimation of the future cash flows, determination of applicable discount rate, estimation of exchange rate and future industry trends and market condition and makes other assumptions. Changes in these estimates and assumptions could affect the determination of recoverable amount.

V. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

27. Key accounting estimates and judgments *(Continued)*

(8) Impairment loss for inventories

The management of the Group reviews the aging of the inventories at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use or saleable in the market. The management estimates the net realisable value for such items based primarily on the latest invoice prices and current market condition. The Group carries out an inventory review on a product basis at the end of each reporting period and makes allowance for obsolete items. Where the actual future cash flows are less than expected, a material impairment loss may arise.

VI. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND CORRECTION OF ERRORS OF PRIOR PERIODS

1. Changes in accounting policies and their effect

Relevant change in accounting policies has no material effect on the financial statements of the Group.

2. Changes in accounting estimates and their effect

There were no changes in accounting estimates during the period.

3. Correction of errors of prior periods and their effect

No correction of accounting errors of prior periods was made during the period.

VII. TAX

1. Enterprise Income Tax ("EIT")

According to the tax regulation of the State, the Group is subject to EIT at the tax rate of 25% on the assessable income.

In accordance with Beijing Municipal Finance Bureau, Beijing Municipal State Administration of Taxation, the Beijing Local Taxation Bureau, Beijing Municipal Committee of the Chinese Communist Party Propaganda Department forwarded Ministry of Finance, State Administration of Taxation, the Central Propaganda Department on the continued implementation of the cultural system in managing cultural institutions transformed into enterprises several tax policy notice (Jing Cai Shui[2014] No.2907), the Company is exempted from EIT from 1 January 2014 to 31 December 2018.

No provision for Hong Kong Profits Tax has been made in the financial statements, as the Group did not have any profit arising or derived from Hong Kong.

VII. TAX *(Continued)*

2. Value added tax ("VAT")

For the Group, being a general VAT taxpayer, the rates of output VAT on income from sales of goods is 17%.

VAT credited in form of purchase of raw materials and advertising fees by the companies of the Group which are general VAT taxpayers can offset sales tax, tax rates are 17% and 6% respectively.

The VAT payable shall be the balance of the output tax for the period after deducting the input tax for the period.

3. Business Tax

According to the tax regulation of the State, the Group is subject to the business tax at the rate of 5% on income from the rental income and interest income.

4. Other principal taxes and tax rates

Type	Basis of calculation	Tax rate
Cultural construction fee	Taxable revenue from advertising	3%
Urban maintenance and construction tax	Turnover tax payable	7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounts receivable

Item	As at 30 June 2015	As at 31 December 2014
Accounts receivable	**446,448**	434,929
Less: Provision for bad debts	**29,493**	24,250
Net accounts receivable	**416,955**	410,679

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

Item	As at 30 June 2015	As at 31 December 2014
0-90 days	**161,216**	87,324
91-180 days	**61,261**	54,897
181-365 days	**42,691**	114,938
1-2 years	**95,904**	124,393
Over 2 years	**55,883**	29,127
Total	**416,955**	410,679

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).

The top five accounts receivable as at 30 June 2015 represented 39.61% of the total accounts receivable.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. Prepayments

Item	As at 30 June 2015	As at 31 December 2014
Prepayments	**74,572**	103,651
Less: provision for bad debts	**–**	–
Net prepayments	**74,572**	103,651

(1) The following is an aging analysis of prepayments:

Item	As at 30 June 2015	As at 31 December 2014
Within 1 year	**37,079**	80,781
1-2 years	**35,586**	17,444
2-3 years	**249**	5,098
Over 3 years	**1,658**	328
Total	**74,572**	103,651

The top five prepayments as at 30 June 2015 represented 65.05% of the total prepayments.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. Other receivables

Item	As at 30 June 2015	As at 31 December 2014
Other receivables	**161,854**	147,827
Less: provision for bad debts	**2,991**	2,991
Net other receivables	**158,863**	144,836

(1) The following is an aging analysis of other receivables (net of provision for bad debts):

Item	As at 30 June 2015	As at 31 December 2014
Within 1 year	**150,762**	119,018
1-2 years	**5,678**	24,618
2-3 years	**1,206**	65
Over 3 years	**1,217**	1,135
Total	**158,863**	144,836

(2) Other receivables by nature analysis:

Nature	As at 30 June 2015	As at 31 December 2014
Related party current account	**88,621**	74,726
Government grant	**55,000**	55,000
External unit current	**5,568**	9,065
Deposit and margin	**5,835**	5,648
Reserve funds	**5,435**	3,137
Other	**1,395**	251
Total	**161,854**	147,827

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. Other receivables *(Continued)*

(3) The top five other receivables as at 30 June 2015 represented 89.21% of the total other receivables.

4. Other current assets

Item	As at 30 June 2015	As at 31 December 2014
Held-to-maturity investment (Note 1)	**11,000**	11,000
External borrowings (Note 2)	**10,000**	–
Total	**21,000**	11,000

Note 1: As at 30 June 2015, the held-to-maturity investment including:

The Company had entered a fixed-income investment agreement with the Beijing Spring Integration Film Limited (北京春天融和影視文化有限責任公司) to which the Company will invest RMB10,000 thousand for the TV drama project "All Quiet in Peking" (《北平無戰事》), and the investment term will be one year and carry a fixed interest rate of 16.60% per annum. However, the company will not participate into the production process and will not take up any risks or losses derived from the said TV drama project. As at 14 August 2015, the Company recovered a total of RMB11,660 thousand of principal and gain for the project.

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

Note 2: As at 30 June 2015, BYD Logistics, a subsidiary of the Company, directly provided a loan of RMB10,000 thousand to Beiqing Top, an associate of the Company. The term of the borrowing is from 11 June 2015 to 10 June 2016.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. Financial assets available-for-sale

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

Item	As at 30 June 2015 Carrying amount	As at 30 June 2015 Provision for impairment	As at 30 June 2015 Carrying value	As at 31 December 2014 Carrying amount	As at 31 December 2014 Provision for impairment	As at 31 December 2014 Carrying value
Available-for-sale equity instrument	**174,487**	**5,069**	**169,418**	150,629	5,069	145,560
Measured at cost	**174,487**	**5,069**	**169,418**	150,629	5,069	145,560
Total	**174,487**	**5,069**	**169,418**	150,629	5,069	145,560

(2) Available-for-sale financial assets are analyzed as follows:

Type	**As at 30 June 2015**	As at 31 December 2014
Unlisted equity investments, China	**174,487**	150,629
Provision for impairment of unlisted equity investments	**5,069**	5,069
Total	**169,418**	145,560

The unlisted equity investment and equity investment fund held by the Group have no quoted price in active market and their fair value can not be reliably measured, therefore, they were measured at cost.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. Financial assets available-for-sale *(Continued)*

(3) Available-for-sale financial assets measured at cost

	Carrying balance			
Investee	As at 1 January 2015	Increase in this period	Decrease in this period	As at 30 June 2015
Suzhou Huaying Culture Industry Investment Enterprise	4,500	–	1,142	3,358
Beijing Keyin Media Culture Co., Ltd.	6,560	–	–	6,560
Beiyang Publishing & Media AG	103,000	–	–	103,000
Beijing Gehua Sunshine Advertising Company	3,000	–	–	3,000
BYD Internet Media Ltd	500	–	–	500
Flint (Ink) Beijing Co., Ltd.	2,069	–	–	2,069
Beijing Runxin Dingtai Investment Center (limited partnership)	25,000	25,000	–	50,000
Beijing 3D Investment Fund Management Ltd.	6,000	–	–	6,000
Total	150,629	25,000	1,142	174,487

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. Financial assets available-for-sale *(Continued)*

(3) Available-for-sale financial assets measured at cost

Investee	Provision for impairment As at 1 January 2015	Increase in this period	Decrease in this period	As at 30 June 2015	Shareholding percentage (%)	Cash bonus for the six months ended 30 June 2015
Suzhou Huaying Culture Industry Investment Enterprise	–	–	–	–	2.25	1,162
Beijing Keyin Media Culture Co., Ltd.	–	–	–	–	16.00	67
Beiyang Publishing & Media AG	–	–	–	–	2.58	–
Beijing Gehua Sunshine Advertising Company	3,000	–	–	3,000	30.00	–
BYD Internet Media Ltd	–	–	–	–	5.00	–
Flint (Ink) Beijing Co., Ltd.	2,069	–	–	2,069	5.00	–
Beijing Runxin Dingtai Investment Center (limited partnership)	–	–	–	–	11.79	–
Beijing 3D Investment Fund Management Ltd.	–	–	–	–	14.29	–
Total	**5,069**			**5,069**		**1,229**

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

Classification of available for sale financial assets	Available-for-sale equity instrument	total
Provided for impairment as at 1 January 2015	5,069	5,069
Provided in the current period	–	–
Including: transferred in from other comprehensive income	–	–
Decrease in this period	–	–
Including: subsequent reverse from increase in fair value	–	–
Provided for impairment as at 30 June 2015	5,069	5,069

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Long-term equity investment

(1) Types for long-term equity investment

Type	**As at 30 June 2015**	As at 31 December 2014
Investments in associates – under equity method	**205,792**	209,326
Less: provision for impairment for investments in associate	**25,621**	25,621
Total	**180,171**	183,705

(2) Investments in associates

Associates	Balance as at 1 January 2015	Changes in the current period								Balance as at 30 June 2015	Balance of impairment provision as at 30 June 2015
		Additional investment	Decrease in investment	Investment gain or loss recognized under equity methods	Other comprehensive income adjustment	Changes in other equity	Declaration of cash dividend or profit	Provision for impairment	Others		
Beijing Leisure Trend Advertising Company Limited ("Leisure Trend")	-	-	-	-	-	-	-	-	-	-	-
Beijing Beiqing Shengda Automobile Service Company Limited ("Beiqing Shengda")	-	-	-	-	-	-	-	-	-	-	-
Beijing Beisheng United Insurance Agency Co. Limited ("Beisheng United")	52	-	-	187	-	-	-	-	-	239	-
BY Time Consulting Co., Ltd. ("BY Time")	371	-	-	(9)	-	-	-	-	-	362	-
Beiqing Transmedia Co. Limited ("BQTM")	168,268	-	-	(157)	-	-	-	-	-	168,111	25,621
Beijing Beiqing Top Advertising Limited ("Beiqing Top")	11,115	-	-	(1,595)	-	-	-	-	-	9,520	-
Hebei Jujingcai E-commerce Company Limited ("Jujingcai")	2,318	-	-	(1,631)	-	-	-	-	-	687	-
Chongqing Soyang Internet Technology Co., Ltd. ("Chongqing Soyang")	1,581	-	-	(329)	-	-	-	-	-	1,252	-
Total	**183,705**	**-**	**-**	**(3,534)**	**-**	**-**	**-**	**-**	**-**	**180,171**	**25,621**

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Long-term equity investment *(Continued)*

(2) Investments in associates *(Continued)*

Item	As at 30 June 2015	As at 31 December 2014
Unlisted investments, at cost	**190,532**	190,532
Share of post-acquisition profit	**14,935**	18,469
Share of capital reserves of associates	**325**	325
Total	**205,792**	209,326

As at 30 June 2015, details for the Group's associates, please see the Note "X. Disclosure of Interests in other entities".

7. Fixed assets

For the six months ended 30 June 2015, the fixed assets of the Group increased by RMB1,035 thousand (same period of 2014: RMB1,580 thousand).

For the six months ended 30 June 2015, the Group disposed the fixed assets with net carrying amount of RMB67 thousand (same period of 2014: RMB277 thousand), resulting in net loss on disposal of fixed assets of RMB62 thousand (same period of 2014: net profit of RMB97 thousand).

For the six months ended 30 June 2015, the depreciation of fixed assets recognized in the income statement is RMB1,719 thousand (same period of 2014: RMB1,330 thousand).

8. Intangible assets

For the six months ended 30 June 2015, the intangible assets of the Group increased by RMB0 thousand (same period of 2014: RMB303 thousand).

For the six months ended 30 June 2015, the amortization of intangible assets recognized in the income statement is RMB736 thousand (same period of 2014: RMB718 thousand).

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Goodwill

Item	As at 30 June 2015	As at 31 December 2014
Goodwill arising from the acquisition of Beiqing CéCi	**47,377**	47,377
Less: provision for impairment loss	**–**	–
Total	**47,377**	47,377

10. Other non-current assets

Item	As at 30 June 2015	As at 31 December 2014
Entrustment loan (Note 1)	**3,000**	3,000
Film project prepaid expenses (Note 2)	**59,176**	11,816
Total	**62,176**	14,816

Note 1: As at 30 June 2015, the Company provided entrusted loan in aggregate of RMB3,000 thousand to Chongqing Youth Industrial Co., Ltd. (one of the shareholders of Chongqing Media) on 29 October 2013 via bank for a term of three years and carry fixed interest rates of 6.15% per anum.

Note 2: Film project prepaid expenses related to the Company's participation in film and television production of "The Story of Zheng Yang Gate" (《正陽門下》), "38th Parallel" (《生死三八線》), "Oriental King of Soccer" (《東方球王》), "Heart of Ice" (《破冰》) and "Billow" (《巨浪》). The settlement period of the project exceeds one year. The Company entered into agreements with Daqianmen (Beijing) Media Co. Ltd., pursuant to which the Company participated in the production of TV series "The Story of Zheng Yang Gate" and "Oriental King of Soccer"; with Beijing Jiaren Culture Media Co., Ltd., pursuant to which the Company involved in production of TV series "38th Parallel"; and with Beijing Forest Movies Culture Media Co., Ltd., pursuant to which the Company involved in production of TV series "Billow" and "Heart of Ice". As at 30 June 2015, the balances of prepaid expenses related to the remaining television projects "The Story of Zheng Yang Gate", "Billow", "38th Parallel", "Oriental King of Soccer" and "Heart of Ice" are RMB1,286 thousand, RMB11,400 thousand, RMB30,000 thousand, RMB12,000 thousand and RMB4,490 thousand respectively.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

11. Breakdown of impairment provision of assets

Item	As at 1 January 2015	Increase during the period: Provision	Increase during the period: Other transfer-in	Decrease during the period: Reversal	Decrease during the period: Other transfer-out	As at 30 June 2015
Provision for bad debts	27,241	5,243	–	–	–	32,484
Provision for impairment of inventories	3,495	–	–	–	–	3,495
Provision for impairment of financial assets available-for-sale	5,069	–	–	–	–	5,069
Provision for impairment of investments in associate	25,621	–	–	–	–	25,621
Total	**61,426**	**5,243**	**–**	**–**	**–**	**66,669**

12. Short-term borrowings

Category	As at 30 June 2015	As at 31 December 2014
Bank loan	**14,390**	–
Total	**14,390**	–

As at 30 June 2015, BYDA provided guarantee to a bank for bank facilities granted to BYD Logistics with a maximum amount of RMB30,000 thousand and the guarantee term from 15 January 2014 to 14 January 2016. As at 30 June 2015, the utilised amount of the banking facilities was RMB14,390 thousand.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

13. Accounts payable

The following is an aging analysis of accounts payable as at 30 June 2015 presented based on the invoice date:

Item	As at 30 June 2015	As at 31 December 2014
0-90 days	**24,014**	29,059
91-180 days	**32,464**	13,874
181-365 days	**23,333**	27,674
Over one year	**24,212**	37,114
Total	**104,023**	107,721

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 time frame.

14. Other payables

Item	As at 30 June 2015	As at 31 December 2014
Other payables	**70,319**	26,998
Total	**70,319**	26,998

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

15. Other current liabilities

Item	As at 30 June 2015	As at 31 December 2014
Deferred income of customer loyalty program (advertising incentives)	**5,147**	5,147
Total	**5,147**	5,147

The deferred income is arisen from the Group's customer loyalty program. The award credits are normally expired within one year.

16. Long-term loans

(1) Borrowings classification

Type	As at 30 June 2015	As at 31 December 2014
Bank loans – secured	**13,000**	19,500
Less: Borrowings due within one year	**6,500**	7,500
Total	**6,500**	12,000

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

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

16. Long-term loans *(Continued)*

(2) Maturity analysis for long-term loans

Maturity date	As at 30 June 2015	As at 31 December 2014
1 to 2 years	**6,500**	6,500
2 to 5 years	**–**	5,500
Total	**6,500**	12,000

17. Total operating revenue and operating costs

	For the six months ended 30 June	
Item	**2015**	2014
Principal operating revenue	**269,949**	325,734
Other operating revenue	**7,438**	15,719
Total operating revenue	**277,387**	341,453
Principal operating costs	**206,346**	253,841
Other operating costs	**3,005**	14,391
Total operating costs	**209,351**	268,232
Gross Profit	**68,036**	73,221

Total operating revenue, which is the turnover of the Group, represents the net amounts received and receivable from sales of advertising layout and goods and rendering of services by the Group to external customers, less trade discounts during the current period.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

17. Total operating revenue, operating costs *(Continued)*

(1) Principal operations – by business segment

	For the six months ended 30 June			
	2015		2014	
Item	**Principal operatings revenue**	**Principal operatings costs**	Principal operatings revenue	Principal operatings costs
Advertising	**143,093**	**85,008**	181,171	118,623
Printing	**7,858**	**8,690**	12,807	13,309
Trading of print-related materials	**114,446**	**108,262**	128,780	119,326
Distribution	**2,204**	**2,618**	2,976	2,583
Other	**2,348**	**1,768**	–	–
Total	**269,949**	**206,346**	325,734	253,841

(2) The sum of operating revenue from the top five customers is RMB57,791 thousand representing 21.41% of principal operating revenue for the six months ended 30 June 2015.

(3) Other operating revenue mainly includes rental income of 2,918 thousand, sales income of other inventory of 1,226 thousand and venue rental income of 1,625 thousand.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

18. Sales Tax and Surcharges

Item	For the six months ended 30 June 2015	2014
Business tax	**202**	274
Cultural Construction Fee	**3,772**	5,005
Urban maintenance and construction tax	**142**	172
Education surcharge	**61**	74
Local Education surcharge	**41**	49
Other	**31**	3
Total	**4,249**	5,577

19. Financial expenses

Item	For the six months ended 30 June 2015	2014
Interest expenses – on bank loans wholly repayable within 5 years	**1,179**	–
Less: Interest income	**3,729**	6,530
Add: Exchange loss (gains)	**–**	12
Add: Other expenses	**612**	457
Total	**(1,938)**	(6,061)

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

20. Impairment loss of assets

	For the six months ended 30 June	
Item	**2015**	2014
Provision for bad debts	**5,243**	5,404
Total	**5,243**	5,404

21. Gain and loss on the changes in fair value

	For the six months ended 30 June	
Item	**2015**	2014
Loss on changes in fair value of transactional financial assets	**–**	(3)
Gain on changes in fair value of investment properties	**8,258**	–
Total	**8,258**	(3)

22. Investment income

	For the six months ended 30 June	
Item	**2015**	2014
Share of loss of associates	**(3,534)**	(14,408)
Other investment income:		
Gain on disposal of partial interests in an associate	**–**	–
Other investment income	**1,229**	1
Sub-total of other investment income	**1,229**	1
Total	**(2,305)**	(14,407)

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

23. Non-operating income

	For the six months ended 30 June	
Item	**2015**	2014
Gain on disposal of fixed assets	**–**	106
Government grants	**5**	3
Compensation benefit	**3**	–
Others	**11**	11
Total	**19**	120

24. Non-operating expenses

	For the six months ended 30 June	
Item	**2015**	2014
Loss on disposal of fixed assets	**62**	9
Public donations expenses	**–**	10
Others	**7**	1
Total	**69**	20

25. Income tax expenses

(1) Income tax expenses

	For the six months ended 30 June	
Item	**2015**	2014
Current income tax expenses	**281**	3,198
Deferred income tax expenses	**2,060**	1,009
Total	**2,341**	4,207

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

25. Income tax expenses *(Continued)*

(2) Current income tax expenses

	For the six months ended 30 June	
Item	**2015**	2014
Current income tax – PRC	**–**	3,198
Under-provision in prior years – PRC	**281**	–
Total	**281**	3,198

There was no provisions for Hong Kong profits tax of the Group during the periods of the six months ended 30 June 2015, because no profits was generated from Hong Kong.

26. Dividends

(1) The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: NIL).

(2) For the period, the Company recognized the profits were distributed as dividends as follows:

	For the six months ended 30 June	
Item	**2015**	2014
Final dividend of RMB0.10 per share for the year ended 31 December 2014 (2014: 2013 final dividend of RMB0.14 per share) *(Note)*	**19,731**	27,623
Total	**19,731**	27,623

Note: The Company is processing the dividend payment. The final dividend of 2014 to the shareholders of the Company is expected to be paid before 31 August 2015.

H share individual shareholders on the register of shareholders on 29 June 2015 have been withheld 10% individual income tax according to the requirements of the State Taxation Administration upon receiving their final dividends.

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

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

27. Distributable reserve

As at 30 June 2015, the Company's undistributed profits available for distribution to the shareholders was RMB34,688 thousand (as at 31 December 2014: RMB35,422 thousand).

28. Other comprehensive income

Item	As at 30 June 2015	As at 31 December 2014
Other comprehensive income to be reclassified to gains or loss:		
Exchange differences from retranslation of financial statements	**(4)**	(4)
Subtotal	**(4)**	(4)
Total	**(4)**	(4)

29. Cash and cash equivalents

Item	As at 30 June 2015	As at 30 June 2014
Bank balances and cash	**306,391**	534,671
Less: short-term bank deposits with maturity more than 3 months	**144,565**	358,661
Less: Restricted bank deposits	**4,501**	6,396
Cash and cash equivalents at the end of the period	**157,325**	169,614

30. Major non-cash transactions

During the year, certain advertising customers settled the obligation payable to the Group of RMB2,056 thousand through transferring other inventory at fair value of RMB2,056 thousand.

IX. CHANGES IN CONSOLIDATED SCOPE

1. Business combination

For the First Half of 2015, the Group had no changes in consolidated scope as a result of business combination.

2. Disposal of subsidiaries

For the First Half of 2015, the Group had no changes in consolidated scope as a result of disposal of subsidiaries.

3. Changes in consolidated scope for other reasons.

For the First Half of 2015, the Group had no changes in consolidated scope as a result of other reasons.

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

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES

1. Disclosure of interests in subsidiaries

(1) Constitutions for enterprise group

Name of subsidiary	Primary operation place	Registered place	Business nature	Shareholding percentage (%) direct	Shareholding percentage (%) indirect	Acquisition methods
BYD Logistics Company Limited	Beijing, PRC	Beijing, PRC	Logistics and warehousing	92.84	–	Establishment
Beiqing CéCi Advertising (Beijing) Limited	Beijing, PRC	Beijing, PRC	Advertising Services	84.69	–	Business combination involving entities not under common control
Beijing Beiqing Outdoor Advertisement Co., Ltd. (formerly Beijing Today Sunshine Advertising Co., Ltd.)	Beijing, PRC	Beijing, PRC	Advertising Services	100.00	–	Business combination involving entities under common control
Legal Evening Post Media Company Limited	Beijing, PRC	Beijing, PRC	Advertising Services	100.00	–	Establishment
Beiqing Long Teng Investment Management (Beijing) Co., Limited (Note)	Beijing, PRC	Beijing, PRC	Investment management	80.84	–	Establishment
Chongqing Youth Media Company Limited	Chongqing, PRC	Chongqing, PRC	Newspaper distribution, advertising services	60.00	–	Establishment
Beijing Qingyou Information Technology Co., Ltd.	Beijing, PRC	Beijing, PRC	Game development	100.00	–	Establishment
Beiqing Community Culture Media (Beijing) Limited	Beijing, PRC	Beijing, PRC	Advertising Services	60.91	–	Establishment
Chongqing Youth (America) LLC.	California, United States	California, United States	Travel Rental	–	100.00	Establishment
Chongqing Pu Lantian Western Food Co.	Chongqing, PRC	Chongqing, PRC	Catering Services	–	100.00	Establishment

Note: Beijing Zhong Wang Shi Tong Technologies Co. Ltd. applied for procedures of registration of change with the industrial and commercial administration authorities on 30 August 2012. After the change, its name was changed to Beiqing Long Teng Investment Management (Beijing) Company Limited. The business scope was changed to investment management, asset management, corporate image planning, organizing cultural and artistic exchanges, advertising, publishing, economic and trade consulting, while the registered capital remains unchanged.

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

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES *(Continued)*

1. Disclosure of interests in subsidiaries *(Continued)*

(1) Constitutions for enterprise group (Continued)

Note: According to the Capital Injection Agreement entered into between the Company and Beijing Longteng Ruixiang Culture Development Co., Ltd, pursuant to which the Company jointly injected capital RMB30,000 thousand to Beiqing Long Teng. The first phase of capital injection was completed on 13 November 2013. Beijing Longteng Ruixiang Culture Development Co., Ltd. contributed RMB5,000 thousand, while Beijing Media contributed RMB1,100 thousand. Beiqing Long Teng completed the procedures of registration of change with the industrial and commercial administration authorities on 19 November 2013, and registered capital of RMB50,000 thousand. The shareholding of the Company was 51%. As of the end of the reporting period, the paid-up capital of Beiqing Long Teng was RMB26,100 thousand. Among which, the shareholding of the Company was 80.84%.

The second phase of capital injection will be paid before 12 November 2015. The shareholding of the Company in Beiqing Long Teng will decreased to 51% after the completion of capital injection.

(2) Significant not wholly-owned subsidiaries

Name of subsidiary	Percentage of minority interest	Gains or loss for the period attributable to minority interest	Dividends declared to the minority interest for the period	Balance of minority interest as at 30 June 2015
BYD Logistics Company Limited	7.16%	(115)	–	5,366
Beiqing CéCi Advertising (Beijing) Limited	15.31%	42	–	13,779
Beiqing Long Teng Investment Management (Beijing) Co., Limited	19.16%	(149)	–	3,277
Chongqing Youth Media Company Limited	40.00%	(1,066)	–	5,140
Beiqing Community Culture Media (Beijing) Limited	39.09%	(4,973)	–	4,994

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

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES *(Continued)*

1. Disclosure of interests in subsidiaries *(Continued)*

(3) Significant financial information for significant not wholly-owned subsidiaries

Name of subsidiaries	As at 30 June 2015 Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	As at 31 December 2014 Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
BYD Logistics Company Limited	225,725	6,594	232,319	157,359	-	157,359	258,725	7,031	265,756	189,191	-	189,191
Beiqing CéCi Advertising (Beijing) Limited	46,197	97	46,294	3,686	-	3,686	45,369	71	45,440	3,104	-	3,104
Beiqing Long Teng Investment Management (Beijing) Co., Limited	6,969	6,265	13,234	93	-	93	8,975	6,314	15,289	1,368	-	1,368
Chongqing Youth Media Company Limited	8,399	12,273	20,672	7,822	-	7,822	9,571	12,353	21,924	6,408	-	6,408
Beiqing Community Culture Media (Beijing) Limited	35,719	2,675	38,394	25,620	-	25,620	7,155	2,034	9,189	7,575	-	7,575

Name of subsidiaries	For the six months ended 30 June 2015 Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	For the six months ended 30 June 2014 Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
BYD Logistics Company Limited	149,734	(1,605)	(1,605)	(5,065)	203,657	(159)	(159)	10,791
Beiqing CéCi Advertising (Beijing) Limited	15,179	272	272	(5,040)	13,676	2,473	2,473	(1,846)
Beiqing Long Teng Investment Management (Beijing) Co., Limited	2,348	(778)	(778)	(2,676)	-	(4,097)	(4,097)	(2,853)
Chongqing Youth Media Company Limited	6,524	(2,666)	(2,666)	(1,120)	3,951	(2,750)	(2,723)	(5,437)
Beiqing Community Culture Media (Beijing) Limited	9,246	(18,839)	(18,839)	(21,705)	2,547	(4,372)	(4,372)	(508)

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

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES *(Continued)*

2. Changes in share of shareholders' equity of the subsidiary and still control over the subsidiary

(1) Changes in share of shareholders' equity of the subsidiary

Beiqing Community Culture Media held its 2015 annual general meeting on 4 May 2015, approving Beiqing Community Culture Media to add 1 nature shareholder and increase the Company's registered capital of RMB4,925 thousand. Hangzhou Xipan Investment Advisory Co. Ltd., the newly added shareholders, completed its actual contribution of RMB30,000 thousand on 29 May 2015, of which the premium of RMB25,075 thousand were attributable to the capital reserve of the Company. Upon increasing the capital, the registered capital of Beiqing Community Culture Media is RMB24,625 thousand. The Company contributed RMB15,000 thousand with its shareholding percentage decreased from 76.14% to 60.91%, 38 nature persons contributed RMB4,700 thousand with shareholding percentage decreased from 23.86% to 19.09%. Hangzhou Xipan Investment Advisory Co. Ltd. contributed RMB4,925 thousand with shareholding percentage of 20.00%. Beiqing Community Culture Media had completed its registration with industrial and commercial administration on 29 May 2015.

(2) Effects of changes in shareholders' equity share of owners of subsidiary over the equity

Item	Beiqing Community Culture Media (Beijing) Limited
Cash	22,843
Disposal consideration of equity	22,843
Less: net assets share of subsidiary according to disposal equity percentage calculation	2,425
Differences	20,418
Including: adjustment to capital reserves	20,418

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

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES *(Continued)*

3. Interests in associates

(1) Composition of associates

Name of or associates	Registered place	Primary operation place	Business nature	Shareholding percentage (%) direct	Shareholding percentage (%) indirect	Voting percentage (%)	Business structure
Beijing Leisure Trend Advertising Company Limited	PRC	Beijing	Design, production, agency advertising	49.00%	-	49.00%	Limited liability Company
Beijing Beiqing Shengda Automobile Service Company Limited	Beijing	Beijing	Car decoration services, market research, marketing planning	20.00%	-	20.00%	Limited liability Company
Beijing Beisheng United Insurance Agency Co. Limited	Beijing	Beijing	Car insurance agency services	20.00%	-	20.00%	Limited liability Company
BY Time Consulting Co. Ltd	Beijing	Beijing	Economic information consulting, organizing cultural activities	30.00%	–	30.00%	Limited liability Company
Beiqing Transmedia Co. Limited	Beijing	Beijing	Provide advertising design, production, publish and related agency services	36.12%	–	36.12%	Limited liability Company
Beijing Beiqing Top Advertising Limited	Beijing	Beijing	Design, production, agency advertising	41.60%	18.78%	41.60%	Limited liability Company
Hebei Jujingcai E-commerce Company Limited	Shijiazhuang	Beijing	Primary agricultural products and other goods sale	44.50%	–	44.50%	Limited liability Company
Chongqing Soyang Internet Technology Co., Ltd.,	Chongqing	Chongqing	Network E-Commerce	35.00%	–	35.00%	Limited liability Company

The accounting method for associates adopted by the Group is equity method.

Chongqing Soyang Internet Technology Co., Ltd. is 35% owned as to Chongqing Youth Media Company Limited, a subsidiary of Beijing Media.

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

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES *(Continued)*

3. Interests in associates *(Continued)*

(2) Major financial information for Significant associates

	Beiqing Transmedia Co. Limited (consolidated)	
Item	**As at 30 June 2015/for the six months ended 30 June 2015**	As at 31 December 2014/for the six months ended 30 June 2014
Current assets:	**711,325**	663,895
Including: cash and cash equivalents	**1,197**	8,859
Non-current assets	**132,207**	142,562
Total assets	**843,532**	806,457
Current liabilities:	**367,122**	327,770
Non-current liabilities	**–**	–
Total liabilities	**367,122**	327,770
Minority interest	**10,984**	12,825
Attributable to shareholder's equity of the Company	**465,426**	465,861
Net assets share calculated on shareholding	**168,111**	168,269
percentages adjustments		
– goodwill	**25,621**	25,621
– unrealized profit in internal transactions	**–**	–
– other	**–**	–
Book value for investment in associates	**193,732**	193,890
Fair value of investment in associates with open quoted prices operating revenue	**–**	–
Operating income	**157,664**	108,562
Financial expenses	**3,972**	2,815
Income tax expenses	**–**	(3,146)
Net profits	**(436)**	(26,616)
Net profit from discontinued operation	**–**	–
Other comprehensive income	**–**	–
Total comprehensive income	**(436)**	(26,616)
Dividend from associates received in the year	**–**	–

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

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES *(Continued)*

3. Interests in associates *(Continued)*

(3) Associates's insignificant aggregated financial information

Item	As at 30 June 2015/for the six months ended 30 June 2015	As at 31 December 2014/for the six months ended 30 June 2014
Associates:		
Total book value in investment	**12,059**	15,436
Aggregated amounts per shareholding percentage for the followings:		
– net profits	**(6,838)**	(8,594)
– other comprehensive income	**–**	–
– total comprehensive income	**(6,838)**	(8,594)

(4) Associates incurred excess losses

Name of associates	Accumulated and unrecognized losses in the previous years on 31 December 2014	Unrecognized loss for the period (or net profits shared in the period)	Accumulated and unrecognized losses on 30 June 2015
Beijing Leisure Trend Advertising Company Limited	(3,719)	(3,441)	**(7,160)**
Beijing Beiqing Shengda Automobile Service Company Limited	(176)	(20)	**(196)**
Total	(3,895)	(3,461)	**(7,356)**

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES *(Continued)*

3. Interests in associates *(Continued)*

(5) Unrecognized commitments in relation to associate investment

nil.

(6) Contingent liabilities in relation to associate investment

nil.

XI. DISCLOSURE OF FAIR VALUES

1. At period end assets and liability at fair value and fair value measure level

	Fair value as at 30 June 2015			
Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
1. Fair value measurement on recurred basis				
(1) Investment property				
1. Leased building	65,570	–	–	65,570
Total assets at fair value on recurred basis	65,570	–	–	65,570

The Group's fair value of investment property as at 30 June 2015 is achieved by reference to the recent market price of a similar property in the same location and condition.

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS

1. Relationships of related parties

Related parties that had transaction with the Group during the year are as follows:

Relationship	Name of related party
Parent company and Ultimate controlling company	BYDA
Subsidiary of BYDA	XiaoHongMao Corporation
Subsidiary of BYDA	Beijing XiaoHongMao Logistics Co. Ltd.
Subsidiary of BYDA	Beiqing International Investment Consultancy (Beijing) Co. Limited
Subsidiary of BYDA	Beijing Beiqing Advertising Co. Limited
Subsidiary of BYDA	Beijing Youth Journal Agency
Subsidiary of BYDA	Legal Evening Agency
Subsidiary of BYDA	Beijing Science and Technology News Agency
Subsidiary of BYDA	Beijing Education Media Co. Limited
Subsidiary of BYDA	Beijing Youth Weekend Media Co. Limited
Subsidiary of BYDA	Beijing Beiqing Culture and Arts Company
Subsidiary of BYDA	Beijing China Open Promotion Co., Ltd.
Subsidiary of BYDA	Beijing Youth Daily Network Communication Technology Co., Ltd.
Subsidiary of BYDA	Beijing Evening Education Consultancy Co., Ltd.
Associate of the Company	Beiqing Transmedia Co. Limited
Associate of the Company	Beijing Beiqing Top Advertising Limited
Associate of the Company	Beijing Leisure Trend Advertising Company Limited
Associate of the Company	Beijing Beisheng United Insurance Agency Co., Limited
Associate of the Company	Beijing Beiqing Shengda Automobile Service Company Limited
Associate of the Company	Hebei Jujingcai E-commerce Company Limited
Associate of the Company	BY Time Consultanting Co., Ltd.
Associate of the Company	Chongqing Sou Yang Internet Technology Company Limited
Other related parties	Shanghai China Business News Company Limited *(Note 1)*
Other related parties	Chongqing Youth Industrial Co., Ltd. *(Note 2)*
Other related parties	Chongqing Youth Daily

Note 1: Shanghai China Business News Company Limited is a associate of BYDA.
Note 2: Chongqing Youth Industrial Co., Ltd. is one of the shareholders of Chongqing Media.

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

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

2. Parent company and Ultimate controlling company

(1) Parent company and Ultimate controlling company

Name of parent company and Ultimate controlling company	Type of enterprise	Registration place	Business nature	Legal representative	Code of organization
BYDA	State-owned	Beijing	Media and publishing	Zhang Yanping	400755568

BYDA, the company's parent and ultimate controlling company, is a state-owned enterprise established in PRC and mainly engaged in publishing and distribution of "Beijing Youth Daily", "Beijing Teenager Daily", "Middle School Newsletter News", "Beijing Today" and etc.

(2) Parent company's registered capital and its changes

Parent company	As at 1 January 2015	Increasing during the period	Decreasing during the period	As at 30 June 2015
BYDA	22,439	–	–	22,439

(3) Parent company held shares or equity and their changes

	Shareholding amounts		Shareholding percentage (%)	
Parent company	As at 30 June 2015	As at 1 January 2015	As at 30 June 2015	As at 1 January 2015
BYDA	124,840	124,840	63.27	63.27

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

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions

(1) Purchase of goods/receipt of services

Related Parties	Pricing policy of related Party transaction	For the six months ended 30 June 2015	2014
BYDA (Note 1)	Contracted price	**13,778**	23,341
Associates of the Company	Contracted price	**210**	40
Subsidiaries of BYDA (Note 2)	Contracted price	**675**	1,219
Other related parties	Contracted price	**776**	–
Total		**15,439**	24,600

Pursuant to the advertising space operating rights and options subscription agreement entered into between the Company and BYDA on 7 December 2004, the Company agreed to pay 16.5% of the advertising revenue to BYDA for the period from 1 October 2004 to 30 September 2033.

(2) Sale of goods/rendering services

Related Parties	Pricing policy of related Party transaction	For the six months ended 30 June 2015	2014
BYDA (Note 3)	Contracted price	**86**	–
Associates of the Company	Contracted price	**8,952**	13,521
Subsidiaries of BYDA (Note 4)	Contracted price	**11,989**	24,599
Other related parties	Contracted price	**3,249**	942
Total		**24,276**	39,062

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

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions *(Continued)*

(3) Leasing – The Group as lessor

Lessee	Nature of assets leased	Date of commencement	Date of termination	Basis for rental income	Rental income recognized for the period
BYDA (Note 5)	Building	2013-1-1	2015-12-31	Contracted price	1,906

(4) Leasing – The Group as lessee

Lessor	Nature of Assets leased	Date of commencement	Date of termination	Basis for rental income	Rental expenses recognized for the period
BYDA (Note 6)	Building	2013-1-1	2015-12-31	Contracted price	676

(5) Entrusted loan

As at 30 June 2015, the Company provided entrusted loan in aggregate of RMB3,000 thousand to Chongqing Youth Industrial Co., Ltd. (one of the shareholders of Chongqing Media) on 29 October 2013 via bank for a term of three years and carry fixed interest rates of 6.15% per anum.

(6) Other liquidity assets

For the six months ended 30 June 2015, BYD Logistic Company Limited directly provided four batches of short term loan to Beijing Beiqing Top Advertising Limited, an associate of the Company, amounts of which were RMB8,000 thousand, RMB12,000 thousand, RMB1,000 thousand and RMB10,000 thousand respectively. Except for the first batch of loan, which bears interest of 8% per annum and produces total interest rate of RMB30 thousand, all other three batches of loan do not bear interest rate. As at 30 June 2015, the outstanding balance of the loans amounted to RMB10,000 thousand.

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

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions *(Continued)*

(7) Remuneration for key management personnel

	For the six months ended 30 June	
	2015	2014
Remuneration for key management personnel	**2,654**	2,963

(8) Financial guarantee from related parties

As at 30 June 2015, BYDA provided guarantees for an aggregate of he RMB30,000 thousand of bank credit line granted to BYD Logistics by China Guangfa Bank (Guomao branch). The guarantee periods commenced from 15 January 2014 and terminated on 14 January 2016. As at 30 June 2015, the utilized bank credit line is RMB14,390 thousand.

Save as the connected transactions and continuing connected transactions disclosed in the chairman's statement of the 2014 annual report of the Company, there is no related party transaction or continuing related party transaction included in this note that constitutes a disclosable connected transaction or continuing connected transaction under the Listing Rules. The Company has complied with the Chapter 14A of the Listing Rules in respect of the disclosure of its connected transactions and continuing connected transactions.

For the year ended 31 December 2014 and for the six months ended 30 June 2015, the following continuing related party transactions of the Company constitute continuing connected transactions under the Chapter 14A of the Listing Rules.

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions *(Continued)*

(8) Financial guarantee from related parties (Continued)

Note 1: **Advertising Business Agreement**

The Company and BYDA entered into an agreement in relation to the exclusive right to sell the advertising space and the call option of certain business granted by the Parent and the supplemental agreement on 7 December 2004 and 9 April 2010, respectively. Pursuant to the agreements, BYDA agreed to grant exclusive rights to the Company to operate the advertising business in respect of the Beijing Youth Daily for a duration of 30 years from 1 October 2004 to 30 September 2033, which will automatically be renewable upon expiry. The rights granted include the right to sell all of the advertising space in Beijing Youth Daily, and the Company is entitled to all revenue from such sales. In consideration, the Company will (a) be responsible for the printing, including printing costs and the choice of newsprint of Beijing Youth Daily; (b) pay BYDA a fee representing 16.5% of the total advertising revenue generated from Beijing Youth Daily or such figure or formula as agreed by parties in the future and (c) allocate to BYDA with up to 360 pages per year of advertising space in Beijing Youth Daily for advertisements of public services or for marketing purposes (provided that the advertising space allocated will not exceed 9% of the total advertising space of the paper in each issuance), for which no extra fee will be paid by BYDA. On 31 October 2012, the Company renewed the annual caps of the transactions for the three years ending 31 December 2015. The details are set out in the Company's announcement dated 31 October 2012.

BYDA is the controlling Shareholder of the Company, and therefore a connected person of the Company under the Listing Rules.

During 2014, the annual cap for fees payable by the Company to the Parent was RMB100,000,000.

Note 2: **Distribution Services Framework Agreement, Advertising Agency Framework Agreement**

Distribution Services Framework Agreement

The Company entered into the distribution services framework agreement with BYDA on 31 October 2012 for a term of three years from 1 January 2013 to 31 December 2015, pursuant to which BYDA and its subsidiaries were engaged by the Company to distribute its direct mail advertisements and its wrap-around advertisements to the subscribers of Beijing Youth Daily. The distribution fee for the direct mail advertisement should be RMB0.08 per page, and the distribution fee for the wrap-around advertisements shall be determined according to the market conditions, but in any event shall fall within the range from RMB0.08 to RMB0.50 per page. The distribution fee shall be payable by the Company on a monthly basis. The pricing mechanism under the distribution services framework agreement is comparable to the fees charged by the PRC public postal services. The details are set out in the Company's announcement dated 31 October 2012.

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions *(Continued)*

(8) Financial guarantee from related parties (Continued)

The Parent is the controlling Shareholder of the Company, and therefore the Parent and its subsidiaries are connected persons of the Company under the Listing Rules.

During 2014, the annual cap for fees payable by the Company to BYDA and its subsidiaries was RMB9,000,000.

Advertising Agency Framework Agreement

The Company and LEPA entered into the advertising agency framework agreement on 27 February 2013 for a term from 27 February 2013 until 31 December 2015, pursuant to which, (i) LEPA shall authorize the Group to act as its advertising agent to sell advertising space in the Legal Evening Post; and (ii) the Company shall authorize the LEPA to act as its advertising agent to sell advertising space in the Beijing Youth Daily.

On 2 December 2014, the Company entered into a supplemental advertising agency framework agreement with LEPA to expand the scope of continuing connected transaction contemplated under the advertising agency framework agreement. Pursuant to the supplemental advertising agency framework agreement, (i) LEPA shall authorize the Group to act as the advertising agent of the LEPA Group to sell advertising space in the Legal Evening Post and other journals or media in the possession of or represented by the LEPA Group and to provide related services; (ii) the Company shall authorize the LEPA Group to act as the advertising agent of the Group to sell advertising space in the Beijing Youth Daily and other journals or media in the possession of or represented by the Group and to provide related services.

The details are set out in the Company's announcements dated 27 February 2013 and 2 December 2014.

LEPA is a subsidiary of BYDA, and therefore a connected person of the Company under the Listing Rules.

During 2014, the annual cap of advertising placement fee payable by LEPA to the Company was RMB32,000,000, the annual cap of advertising placement fee payable by the Company to LEPA was RMB32,000,000.

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions *(Continued)*

(8) Financial guarantee from related parties (Continued)

Note 3: **Printing Framework Agreement**

On 31 October 2012, BYD Logistics and BYDA renewed the a printing framework agreement for a term of three years from 1 January 2013 to 31 December 2015, pursuant to which BYD Logistics has agreed to provide printing services and printing materials to the Parent in respect of the relevant newspapers and magazines of the Parent (excluding Beijing Youth Daily) and other newspapers and magazines of the Parent which may be introduced by it from time to time.The consideration for the transactions contemplated under the printing framework agreement (i) shall be settled by the Parent from its internal resources by cash in a lump sum or by installments according to the specific and separate implementation agreements; (ii) shall be conducted on normal commercial terms, being on terms which a party could obtain if the transactions were on arm's length basis and on terms no less favorable than the terms available to third parties for providing such services by BYD Logistics; and (iii) shall be calculated based on the actual volume of the newsprint printed and the quality of the printing services and printing materials. The details are set out in the Company's announcement dated 31 October 2012.

BYDA is the controlling Shareholder of the Company, and therefore a connected person of the Company under the Listing Rules.

During 2014, the annual cap for fees payable by the Parent to BYD Logistics was RMB100,000,000.

Note 4: **Advertising Agency Framework Agreement, Printing Framework Agreement**

Advertising Agency Framework Agreement

The Company and LEPA entered into the advertising agency framework agreement on 27 February 2013 for a term from 27 February 2013 until 31 December 2015, pursuant to which, (i) LEPA shall authorize the Group to act as its advertising agent to sell advertising space in the Legal Evening Post; and (ii) the Company shall authorize the LEPA to act as its advertising agent to sell advertising space in the Beijing Youth Daily.

On 2 December 2014, the Company entered into a supplemental advertising agency framework agreement with LEPA to expand the scope of continuing connected transaction contemplated under the advertising agency framework agreement. Pursuant to the supplemental advertising agency framework agreement, (i) LEPA shall authorize the Group to act as the advertising agent of the LEPA Group to sell advertising space in the Legal Evening Post and other journals or media in the possession of or represented by the LEPA Group and to provide related services; (ii) the Company shall authorize the LEPA Group to act as the advertising agent of the Group to sell advertising space in the Beijing Youth Daily and other journals or media in the possession of or represented by the Group and to provide related services.

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions *(Continued)*

(8) Financial guarantee from related parties (Continued)

The details are set out in the Company's announcements dated 27 February 2013 and 2 December 2014.

LEPA is a subsidiary of BYDA, and therefore a connected person of the Company under the Listing Rules.

During 2014, the annual cap of advertising placement fee payable by LEPA to the Company was RMB32,000,000, the annual cap of advertising placement fee payable by the Company to LEPA was RMB32,000,000.

Printing Framework Agreement

On 31 October 2012, BYD Logistics and BYDA renewed the a printing framework agreement for a term of three years from 1 January 2013 to 31 December 2015, pursuant to which BYD Logistics has agreed to provide printing services and printing materials to the Parent in respect of the relevant newspapers and magazines of the Parent (excluding Beijing Youth Daily) and other newspapers and magazines of the Parent which may be introduced by it from time to time.The consideration for the transactions contemplated under the printing framework agreement (i) shall be settled by the Parent from its internal resources by cash in a lump sum or by installments according to the specific and separate implementation agreements; (ii) shall be conducted on normal commercial terms, being on terms which a party could obtain if the transactions were on arm's length basis and on terms no less favorable than the terms available to third parties for providing such services by BYD Logistics; and (iii) shall be calculated based on the actual volume of the newsprint printed and the quality of the printing services and printing materials. The details are set out in the Company's announcement dated 31 October 2012.

BYDA is the controlling Shareholder of the Company, and therefore a connected person of the Company under the Listing Rules.

During 2014, the annual cap for fees payable by the Parent to BYD Logistics was RMB100,000,000.

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

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

3. Related party transactions *(Continued)*

(8) Financial guarantee from related parties (Continued)

Note 5, 6: **Mutual Property Tenancy Agreement**

The Company entered into the mutual property tenancy agreement with BYDA on 31 October 2012 for a term of three years from 1 January 2013 to 31 December 2015. Each party under the mutual property tenancy agreement was granted the right to extend their tenancies by giving a written notice to the counterparty two months before the expiration. Pursuant to the mutual property tenancy agreement, the Parent agreed to lease from the Company the whole of 8th, 19th and 23rd floors of the Beijing Youth Daily Agency Building amounting to a total floor area of 2,340 square meters; whereas the Company agreed to lease from the Parent the whole of 7th floor of the Beijing Youth Daily Agency Building amounting to a total floor area of 830 square meters. The annual rental of RMB3,843,450 payable by the Parent and the annual rental of RMB1,363,275 payable by the Company during the tenancy period are calculated based on a daily rental of RMB4.50 per square meter. The details are set out in the Company's announcement dated 31 October 2012.

BYDA is the controlling Shareholder of the Company, and therefore a connected person of the Company under the Listing Rules.

During 2014, the annual cap for rental payable by the Parent to the Company was RMB3,843,450, the annual cap for rental payable by the Company to the Parent was RMB1,363,275.

4. The balances of related parties

(1) Accounts receivable due from related parties

	As at 30 June 2015		As at 31 December 2014	
Related parties	**Carrying amount**	**Provision for bad debts**	Carrying amount	Provision for bad debts
BYDA	**28**	**–**	86	–
Associates of the Company	**49,853**	**–**	48,420	–
Subsidiaries of BYDA	**98,575**	**–**	100,906	–
Other related parties	**3,801**	**–**	3,296	–
Total	**152,257**	**–**	152,708	–

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

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

4. The balances of related parties *(Continued)*

(2) Other receivables due from related parties

Related parties	As at 30 June 2015 Carrying amount	As at 30 June 2015 Provision for bad debts	As at 31 December 2014 Carrying amount	As at 31 December 2014 Provision for bad debts
BYDA	**5,767**	**–**	3,849	–
Associates of the Company	**81,368**	**–**	69,587	–
Subsidiaries of BYDA	**1,486**	**–**	1,290	–
Total	**88,621**	**–**	74,726	–

(3) Accounts payable due to related parties

Related parties	As at 30 June 2015	As at 31 December 2014
BYDA	**9,141**	10,130
Subsidiaries of BYDA	**294**	462
Total	**9,435**	10,592

(4) Other payables due to related parties

Related parties	As at 30 June 2015	As at 31 December 2014
BYDA	**5,473**	6,837
Associate of the Company	**320**	–
Subsidiaries of BYDA	**586**	470
Total	**6,379**	7,307

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

XII. RELATED PARTY AND RELATED PARTY TRANSACTIONS *(Continued)*

4. The balances of related parties *(Continued)*

(5) *Receipts in advance due from related parties*

Related parties	As at 30 June 2015	As at 31 December 2014
Subsidiaries of BYDA	–	9
Total	–	9

(6) *Prepayment to related parties*

Related parties	As at 30 June 2015	As at 31 December 2014
Subsidiaries of BYDA	**761**	761
Total	**761**	761

(7) *Entrusted loans*

Related parties	As at 30 June 2015	As at 31 December 2014
Other related parties	**3,000**	3,000
Total	**3,000**	3,000

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

XIV. COMMITMENTS

In addition to the commitments disclosed in the other notes to the financial statements, the Group had the following commitments:

1. The Group as Lessee

At 30 June 2015, the Group had contracted for the minimum lease payments under non-cancelable operating leases during following periods:

Period	As at 30 June 2015	As at 31 December 2014
Within one year	**14,656**	17,870
1-2 years	**9,946**	10,520
2-3 years	**4,670**	6,633
After 3 years	**241**	2,896
Total	**29,513**	37,919

2. The Group as Lessor

At 30 June 2015, the Group had contracted with tenants for the following future minimum lease payments:

Period	As at 30 June 2015	As at 31 December 2014
Within one year	**3,710**	7,268
1-2 years	**1,500**	1,814
2-3 years	**125**	827
After 3 years	**–**	–
Total	**5,335**	9,909

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

XIV. COMMITMENTS *(Continued)*

3. Use rights of advertising boards

As at 30 June 2015, the Group made the following minimum lease payments for the following periods for being granted the use rights of outdoor advertising facilities:

Period	As at 30 June 2015	As at 31 December 2014
Within one year	**45,316**	–
1-2 years	**30,399**	31,557
2-3 years	**1,106**	–
3-4 years	**15**	–
4-5 years	**7**	–
Total	**76,843**	31,557

XIV. POST-BALANCE SHEET EVENTS

1. Legal litigation:

As at 5 August 2015, the Company received a writ of summons, a notice of adducing evidence and a civil complaint (collectively, the "Litigation Documents") served by the people's court of Shunyi District, Beijing (the "Court"). Pursuant to the Litigation Documents, Beijing Capital Airport Advertising Co., Ltd., ("Capital Airport Advertising") as plaintiff, claimed that its legitimate rights and interests suffered a violation due to the Company's refusal to timely pay Capital Airport Advertising advertising fees since the second half in 2014 pursuant to the LED Media Advertising Operation Agreement of Terminal 3 of Beijing International Capital Airport entered into by the Company and Capital Airport Advertising dated 30 October 2012, and so far the total amount of the outstanding advertising fees together with the liquidated damages (temporarily counted till 31 May 2015) is RMB50,084,576.25. Therefore, Capital Airport Advertising filed a legal action (the "Case") to the Court and the claims were as follows: (i) requesting the Court for ruling that the Company shall pay Capital Airport Advertising the amount of advertising fee of RMB44,713,500; (ii) requesting the Court for ruling that the Company shall pay Capital Airport Advertising the liquidated damages amount to RMB5,371,076.25 (temporarily counted till 31 May 2015) calculated at the rate of 0.05% of the debts amount per day; and (iii) requesting the Court for ruling that all the legal costs of the Case shall be borne by the Company. According to the Litigation Documents, the Court will hold the first hearing regarding the case at 8:30 a.m. on 18 September 2015.

XIV. POST-BALANCE SHEET EVENTS *(Continued)*

1. Legal litigation: *(Continued)*

The Company's initial assessment is that the case is without merit and the Company will vigorously contest the allegations made under the Litigation Documents or seek to resolve the contract disputes related to the case through other legal actions.

Pursuant to the cooperation agreement entered into between the Company and Beiqing Transmedia Co., Ltd. ("BQTM") (an associate of the Company in which the Company holds 36.12% of its shares), BQTM shall be the exclusive agent of the Company in relation to the LED media advertising operation project of the Terminal 3 of Beijing International Capital Airport. BQTM shall undertake all the expenses in respect of advertising facilities and related responsibilities, and pay contract deposit as well as advertising agency fees and management fees to the Company. Accordingly, BQTM issued a letter of undertaking to the Company on 4 August 2015, pursuant to which, in the event that the Court rules the Company to bear any legal liability, BQTM will undertake all the payable advertising fees and liquidated damages, all the legal costs of the Case and other related expenses. Therefore, the Company does not envisage that the case and the related judgment and order would have a material adverse impact on the business and operation of the Group. The Company will continue to follow the development of the events and will further timely announce relevant updates accordingly.

2. In addition to the event stated above, the Group had no material post-balance sheet events required to be disclosed.

XV. SEGMENT INFORMATION

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

Segment	Principal activities
Advertising:	Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA, Chongqing Youth Daily, Beiqing Community Newspaper and CéCi magazine.
Printing:	Provision of printing services.
Trading of print-related material:	Sales of paper, ink, lubricant, film, pre-coating photosensitive liquid plate and rubber plate used for printing and other print-related materials.
Distribution:	Distribution of newspaper that are mainly published by Chongqing Youth Daily.

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

XV. SEGMENT INFORMATION *(Continued)*

(1) For the six months ended 30 June 2015

Item	Advertising	Printing	Trading of print-related materials	Distribution	Unallocated amount and others	Elimination	Total
Revenue from external transactions	143,093	7,858	114,446	2,204	9,786	–	277,387
Revenue from intra-segment transactions	13,047	12,414	14,973	–	802	(41,236)	–
Operating revenue	156,140	20,272	129,419	2,204	10,588	(41,236)	277,387
Operating profit (loss)	(2,464)	(572)	(721)	(1,893)	8,240	–	2,590

(2) For the six months ended 30 June 2014

Item	Advertising	Printing	Trading of print-related materials	Distribution	Unallocated amount and others	Elimination	Total
Revenue from external transactions	181,171	12,807	128,780	2,976	15,719	–	341,453
Revenue from intra-segment transactions	3,006	28,021	34,050	–	46	(65,123)	–
Operating revenue	184,177	40,828	162,830	2,976	15,765	(65,123)	341,453
Operating profit (loss)	25,722	(2,570)	1,212	(1,520)	(11,924)	–	10,920

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

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

XVI. OTHER SIGNIFICANT EVENTS

1. Leasing

(1) Carrying amount of assets leased out under operating leases

Category of assets leased out under operating leases	As at 30 June 2015	As at 31 December 2014
Investment properties and fixed assets	**68,315**	56,965
Total	**68,315**	56,965

XVII. SUPPLEMENTARY INFORMATION

1. Earnings per share

Item	For the six months ended 30 June 2015	2014
Net profit for the half-year attributable to the shareholders of the Company	**6,462**	8,331
Weighted average number of ordinary shares in issue (0'000 shares)	**197,310**	197,310
Earnings per share (RMB)	**0.03**	0.04

The basic earnings and diluted earnings per share for the six months ended 30 June 2014 and 2015 are the same as there was no dilution incurred during the periods.

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

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

2. Balance sheet of the company (unaudited)

RMB'000

Item	As at 30 June 2015	As at 31 December 2014
Current assets:		
Bank balances and cash	**177,778**	223,205
Accounts receivable	**293,030**	284,220
Prepayments	**50,022**	74,779
Interest receivable	**1,567**	1,138
Other receivables	**145,208**	133,905
Inventories	**22,134**	21,270
Non-current assets due within one year	**–**	7
Other current assets	**31,000**	11,000
Total current assets	**720,739**	749,524
Non-current assets:		
Investment in subsidiaries	**274,304**	274,304
Investment in associates	**178,919**	182,125
Financial assets available-for-sale	**112,918**	114,060
Investment properties	**15,547**	11,395
Fixed assets	**6,685**	7,425
Intangible assets	**36,712**	37,391
Other non-current assets	**62,176**	14,816
Total non-current assets	**687,261**	641,516
Total assets	**1,408,000**	1,391,040

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

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

2. Balance sheet of the company (unaudited) *(Continued)*

RMB'000

Item	As at 30 June 2015	As at 31 December 2014
Current liabilities:		
Accounts payable	**59,786**	96,926
Receipts in advance	**15,765**	26,505
Employee benefit payables	**4,119**	4,809
Tax payables	**(17,260)**	(16,936)
Dividends payable	**19,731**	–
Other payables	**61,797**	14,713
Other current liabilities	**5,147**	5,147
Total current liabilities	**149,085**	131,164
Non-current liabilities:	**–**	–
Total non-current liabilities	**–**	–
Total liabilities	**149,085**	131,164
Shareholders' equity:		
Share capital	**197,310**	197,310
Capital reserves	**895,986**	896,213
Surplus reserves	**130,931**	130,931
Undistributed profits	**34,688**	35,422
Total shareholders' equity	**1,258,915**	1,259,876
Total liabilities and shareholders' equity	**1,408,000**	1,391,040

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

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

3. Income statement of the company (unaudited)

RMB'000

	For the six months ended 30 June	
Item	**2015**	2014
Total operating revenue	**112,554**	177,621
Total operating costs	**91,579**	150,009
Operating costs	**71,922**	127,418
Sales tax and surcharges	**3,292**	4,601
Administrative expenses	**14,756**	14,289
Financial expenses	**(2,398)**	(337)
Impairment loss of assets	**4,007**	4,038
Share of profit/(loss) of associates	**(3,206)**	(14,408)
Other investment gains/(loss)	**1,229**	–
Operating profit	**18,998**	13,204
Add: non-operating income	**–**	–
Less: non-operating expenses	**–**	–
Including: Loss on disposal of non-current assets	**–**	–
Total profit	**18,998**	13,204
Less: Income tax expenses	**–**	2,678
Net profit	**18,998**	10,526
Other net comprehensive income after tax	**–**	–
Total comprehensive income	**18,998**	10,526

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

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

4. Cash flow statement of the company (unaudited)

RMB'000

Item	For the six months ended 30 June 2015	2014
I. Cash flows from operating activities:		
Cash received from the sales of goods and the rendering of services	**88,796**	109,386
Other cash receipts relating to operating activities	**38,106**	5,268
Sub-total of cash inflows from operating activities	**126,902**	114,654
Cash paid for goods purchased and services received	**81,047**	101,117
Cash paid to and on behalf of employees	**15,438**	14,911
Payments of taxes and surcharges	**4,233**	5,075
Other cash payments relating to operating activities	**8,140**	20,962
Sub-total of cash outflows from operating activities	**108,858**	142,065
Net cash flows from operating activities	**18,044**	(27,411)
II. Cash flows from investing activities:		
Cash received from investments	**1,142**	178,260
Cash received from returns on investment	**1,162**	–
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**–**	–
Net cash received from disposal of subsidiaries and other business units	**–**	–
Other cash receipts relating to investing activities	**1,888**	14,167
Sub-total of cash inflows from investing activities	**4,192**	192,427
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**33**	59
Cash paid on investment	**–**	10,000
Net cash paid to acquire subsidiaries and other business units	**–**	–
Other cash payments relating to investing activities	**89,154**	59,040
Sub-total of cash outflows from investing activities	**89,187**	69,099
Net cash flows from investing activities	**(84,995)**	123,328

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

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

4. Cash flow statement of the company (unaudited) *(Continued)*

RMB'000

Item	*Note*	**For the six months ended 30 June 2015**	For the six months ended 30 June 2014
III. Cash flows from financing activities:			
Cash received from investments		**–**	–
Cash received from borrowings obtained		**–**	–
Other cash receipts relating to financing activities		**–**	–
Sub-total of cash inflows from financing activities		**–**	–
Cash payments for borrowings repayment		**–**	80,000
Cash payments for distribution of dividends or profits or interest expense		**–**	1,512
Other cash payment relating to financing activities		**–**	–
Sub-total of cash outflows from financing activities		**–**	81,512
Net cash flows from financing activities		**–**	(81,512)
IV. Effect of exchange rate changes on cash and cash equivalents		**–**	–
V. Net increase (decrease) in cash and cash equivalents		**(66,951)**	14,405
Add: balance of cash and cash equivalents at the beginning of the period		**123,205**	87,614
VI. Balance of cash and cash equivalents at the end of the period		**56,254**	102,019

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

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

5. Statement of changes in shareholders' equity of the company (unaudited)

RMB'000

Item	Share capital	Capital reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
	For the six months ended 30 June 2015				
As at 1 January 2015	**197,310**	**896,213**	**130,931**	**35,422**	**1,259,876**
Net profit	–	–	–	18,997	18,997
Changes in fair value	–	(227)	–	–	(227)
Appropriation to shareholders	–	–	–	(19,731)	(19,731)
Sub-total of the changes for the period	–	(227)	–	(734)	(961)
As at 30 June 2015	**197,310**	**895,986**	**130,931**	**34,688**	**1,258,915**

Item	Share capital	Capital reserve	Surplus reserve	Undistributed profits	Total shareholders' equity
	For the six months ended 30 June 2014				
As at 1 January 2014	197,310	896,213	130,931	29,381	1,253,835
Net profits	–	–	–	10,526	10,526
Appropriation to shareholders	–	–	–	(27,622)	(27,622)
Sub-total of the changes for the period	–	–	–	(17,096)	(17,096)
As at 30 June 2014	197,310	896,213	130,931	12,285	1,236,739

XVIII. APPROVAL OF INTERIM FINANCIAL REPORT

This financial report was approved by the Board of the Company on 28 August 2015.

Beijing Media Corporation Limited
28 August 2015