



HK Stock Code: 1000

2023

INTERIM

REPORT

Beijing Media Corporation Limited

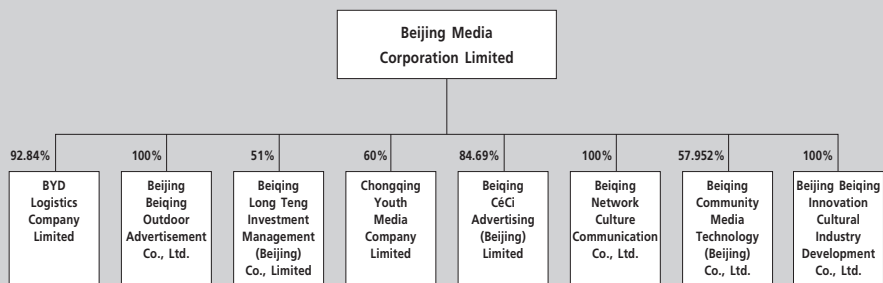
A joint stock company incorporated
in the People's Republic of China with limited liability

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COMPANY PROFILE

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

Company Structure (as at 30 June 2023)



COMPANY WEBSITE

www.bjmedia.com.cn

STOCK INFORMATION

Stock Code: 1000

Board Lot: 500 shares

Number of Shares Issued (as at 30 June 2023): 197,310,000 shares

Market Capitalisation (as at 30 June 2023): HK\$98.66 million

Financial Year End: 31 December

Bloomberg’s Stock Machine Search Code: 1000HKEquity

Reuters Stock Machine Search Code: 1000.HK

AS AT 30 JUNE 2023

EXECUTIVE DIRECTORS

Jing Enji (*President*)

Wu Min (*Vice President*)

NON-EXECUTIVE DIRECTORS

Sun Baojie (*Chairman*) ^{Note}

Cui Ping

Xu Jian

Wang Zechen

Zhang Lei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Shi Hongying

Chan Yee Ping, Michael

Du Guoqing

Kong Weiping

JOINT COMPANY SECRETARIES

Liu Jia

Yu Leung Fai

AUDIT COMMITTEE

Chan Yee Ping, Michael (*Chairman*)

Cui Ping

Kong Weiping

REMUNERATION COMMITTEE

Shi Hongying (*Chairman*)

Xu Jian

Du Guoqing

NOMINATION COMMITTEE

Sun Baojie (*Chairman*) ^{Note}

Shi Hongying

Du Guoqing

AUTHORISED REPRESENTATIVES

Sun Baojie

Jing Enji

ALTERNATIVE AUTHORIZED REPRESENTATIVE

Yu Leung Fai

REGISTERED OFFICE

Building A, No. 23 Baijiazhuang Dongli,
Chaoyang District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10/F, Guangdong Investment Tower,
148 Connaught Road Central,
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LEGAL ADVISER

as for Hong Kong Law

DLA Piper Hong Kong

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AUDITORS

WUYIGE Certified Public Accountants LLP
Room 2206,

Institute International Building,

No. 1 Zhichun Road,

Haidian District,
Beijing, the PRC

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited

Rooms 1712-1716,

17/F, Hopewell Centre,

183 Queen's Road East,

Wan Chai, Hong Kong

Note:

Upon the approval at the 2023 first extraordinary general meeting of the Company convened on 24 February 2023, Ms. Sun Baojie was appointed as a non-executive Director of the eighth session of the board ("Board") of directors ("Directors") of the Company. At the ninth meeting of the eighth session of the Board convened on the same day, Ms. Sun Baojie was appointed as the chairman of the eighth session of the Board of the Company, the chairman of the Nomination Committee of the Board and an authorised representative of the Company. On the same day, Mr. Su Zhaohui resigned as the chairman of the Board of the Company, a non-executive Director, the chairman of the Nomination Committee of the Board and an authorised representative of the Company. Please refer to the announcement of the Company dated 24 February 2023 for details.

Dear Shareholder,

On behalf of the Group, I hereby present the report on interim results of the Group for the six months ended 30 June 2023 (the "First Half of 2023").

BUSINESS REVIEW OF THE GROUP

The Group is principally engaged in three core businesses: (1) advertising business, which comprises the sales of convergence media advertising, event planning, and provision of comprehensive services; (2) printing, whose revenue is generated from printing publications undertaken by BYD Logistics Company Limited ("BYD Logistics"); and (3) trading of printing-related materials, which involves the supply and trading of, among other things, newsprint, ink, lubricants, films, presensitized plate and rubber sheets to customers including commercial printers.

In the First Half of 2023, the total operating revenue of the Group was RMB80,666 thousand, representing an increase of 11.71% as compared with that for the corresponding period of 2022 (first half of 2022: RMB72,207 thousand). Such increase was mainly due to the fact that Beijing Community Media Technology (Beijing) Co., Ltd. ("Beijing Community Media"), a subsidiary of the Company, achieved growth in operating revenue through expanding convergence media publicity and comprehensive services businesses. In the First Half of 2023, the operating revenue of Beijing Community Media was RMB26,758 thousand, representing an increase of 100.57% as compared with that for the corresponding period of 2022, and accounting for 33.17% of the Group's total operating revenue.

The Group's operating cost was RMB68,649 thousand, representing an increase of 2.82% as compared with that for the corresponding period of 2022 (first half of 2022: RMB66,763 thousand). In the First Half of 2023, net loss attributable to shareholders of the Company was RMB4,155 thousand, representing a decrease of 65.07% as compared with that for the corresponding period of 2022 (net loss attributable to shareholders of the Company for the first half of 2022: RMB11,896 thousand).

The Group continued to record a significant decrease in loss, thanks to (1) total operating revenue increased by RMB8,459 thousand as compared with that for the corresponding period of 2022; (2) the investment income of RMB8,057 thousand for the First Half of 2023, representing an increase of RMB7,962 thousand as compared with that for the corresponding period of 2022, which mainly included dividend incomes of RMB6,816 thousand and RMB729 thousand from the Company's investment in Beiyang Publishing & Media Co., Ltd. and Beijing Keyin Media Culture Co., Ltd., respectively, as well as the consideration of RMB526 thousand from the withdrawal of Shanghai Beijing Printing Machinery Limited by BYD Logistics, a subsidiary of the Company, through target capital reduction; and (3) the Company effectively used its idle funds, and realised a gain of RMB4,594 thousand on the changes in fair value through the assets management business of the single asset management scheme.

BUSINESS REVIEW OF THE GROUP *(Continued)*

In the First Half of 2023, adhering to the strategy of “maintaining stability and trying amid stability”, the Group focused on its principal businesses and implemented various measures, with an emphasis on the operation transformation and upgrading and the enhancement of its core capability:

I. Improving quality and efficiency to continuously promote management

The Company conducted the reform on the remuneration system, improved performance appraisal and optimised personnel structure to improve quality and efficiency. Also, the Company customised and developed its CRM customer management system and started to operate to realise the lean management of advertising business processes; enhanced the state-owned assets management system, and strengthened internal control and risk management, so as to consolidate its operational foundation.

II. Enhancing capacity development to facilitate the exploration of business transformation

Firstly, the Company enriched the types of advertising products, actively developed outdoor advertising resources, carried out full-project agency for advertising business and planned special brand activities, and explored closed-loop solutions for marketing services.

Secondly, through its subsidiary, Beijing Community Media, the Company focused on comprehensive services of new media operation and maintenance, and actively expanded corporate customer resources on the basis of consolidating its existing quality customers. It also created channel brands such as “Beiqing Community HUI (北青社區HUI)” and set foot in community cultural space operation.

Thirdly, through its subsidiary, Beijing Beiqing Innovative Cultural Industry Development Co., Ltd., the Company focused on youth quality education, provided diversified science popularization study, camp education practice and other characteristic services for teenagers. The Company has developed 75 study products this year, and currently owns many outdoor camps resources in Huairou district, Shunyi district and Miyun district, Beijing. By actively integrating internal and external high-quality resources, the Company collaborates on the cultivation of new businesses.

Fourthly, the Company has created IPs for cultural and sports activities, and successfully organized the “2023 FILA KIDS Diamond Cup Junior Tennis Challenger (Chongqing)”, forming a replicable tournament model. It explored the potential of the “Ride on the Earth” brand to create the cycling-based integrated media platform, and implemented a number of cycling projects.

BUSINESS REVIEW OF THE GROUP *(Continued)***III. Revitalizing the idle assets to continuously increase investment income**

In the First Half of 2023, Capital Securities Co., Ltd. was entrusted to manage cash for the Company, achieving a gain on the changes in fair value of RMB4,594 thousand with an annualised return rate of 4.64% (without deduction for performance fee). Meanwhile, the Company entered into the supplemental agreement to the asset management agreement for single asset management plan with Capital Securities Co., Ltd. to extend the term of the contract for three years and upgrade the credit rating of the investment portfolio, in order to continuously and effectively utilize idle funds under controllable risks. The Company also obtained rental income of RMB3,269 thousand by leasing out the Company's idle office buildings and barter properties, and recorded a sales revenue of RMB128 thousand by accelerating the sales and disposal of commodities for replacement of advertising to relieve inventory management pressure.

IV. Tracing the source and resolving systemic risks

In the First Half of 2023, the Group continued to resolve previous issues and eliminated systemic hidden dangers: actively promote the liquidation of inferior companies by implementing policies varied from different enterprises and taking the leadership. By classifying and focusing on the collection of the Company's historical accounts receivable, a total amount of RMB204 thousand in arrears was recovered during the First Half of 2023.

Advertising Business

In the First Half of 2023, amid the fluctuation in the macroeconomic recovery, the advertising market recovered less than expected. In the First Half of 2023, revenue from advertising business of the Group was RMB37,091 thousand (first half of 2022: RMB25,451 thousand), representing an increase of 45.73% as compared with that for the corresponding period of 2022, of which, the revenue from advertising business of Beiqing Community Media, a subsidiary of the Company, increased by RMB13,336 thousand as compared with that for the corresponding period of 2022.

BUSINESS REVIEW OF THE GROUP (Continued)**Advertising Business (Continued)**

In terms of business model, aiming at developing integrated media, the Company continued to improve content construction, stabilize its teams and businesses, and accelerate the upgrade of advertising products and capabilities. The Company continued to promote business transformation through empowering management by taking actions from three strategies as follows:

1. Focusing on products to construct multi-media product matrix

Firstly, on the basis of integrating traditional media and new media resources such as client terminal, websites, Weibo and WeChat, we further enriched our advertising product library, actively explored outdoor advertising resources by seeking subway advertising and outdoor large-screen advertising projects, enhanced the stickiness of existing customers and broadened income sources.

Secondly, in response to the market trend of growing demand for video marketing, we have made efforts to develop short-video we-media accounts by creating short-video accounts of “青TIME” series on new media platforms such as WeChat, TikTok (抖音), Little Red Book (小紅書), and actively built self-run media positions to expand our video marketing business through multiple channels.

2. Focusing on services to consolidate the ability of advertising full-project agency

The Group conducted full-project agency business to enhance the marketing services and project execution capabilities of its advertising center team, and gradually weakened the business's in-depth reliance on media resources. Firstly, by coordinating the resources of Capital Group and leveraging the advantages of media content production, the Group provided online plus offline integrated full-project communication planning for the “Heyuan Starry (和園繁星)” Project of Beijing Capital City Development Group Co., Ltd (首創城發集團). Secondly, the Group broke the original customer cooperation model and explored industry resources through brand activity planning to develop core competitiveness. In particular, the real estate business division of the advertising center planned and executed project offline forums and video viewing activities for customers. The automobile business division cooperated in resources with Beijing Traffic Radio to plan offline marketing and promotion for customers. The education business division successfully hosted the “Youth Education Ceremony (青教育盛典)” for the year of 2023, and invited a total of 160 well-known primary and middle schools and 985 colleges and universities in Beijing to participate in the ceremony, which demonstrated the brand's influence and credibility, and gained the affirmation of its customers.

BUSINESS REVIEW OF THE GROUP (Continued)**Advertising Business** (Continued)**3. Focusing on management to promote operation by upgrading information technology**

The Group launched CRM system to standardize the processes of business such as customer management, sales management, product management and to effectively enhance internal control and management efficiency. It carried out the monitoring of advertising publication on multimedia platforms to provide data analysis and information support, and adjust in a prompt manner according to the needs of various industries in the advertising center. In addition, the Group optimized performance assessment in line with structural adjustment to fully mobilize the enthusiasm of the team.

Results of Major Subsidiaries of the Group

BYD Logistics is a 92.84%-owned subsidiary of the Company and is principally engaged in the businesses of printing and trading of printing-related materials. In the First Half of 2023, the net profit of BYD Logistics was RMB599 thousand, representing an increase of 46.12% as compared with that for the corresponding period of 2022. In terms of the printing business, BYD Logistics maintained stable operations, and successfully completed the printing of special issue of Beijing Examination News (《北京考試報》) for the middle school entrance examination and college entrance examination on the basis of ensuring the supply of self-used paper for "Beijing Youth Daily" as well as the printing and publishing during major reporting periods such as the Spring Festival and National Two Sessions, demonstrating its social responsibility. In terms of printing-related materials trading business in light of the less-than-expected recovery of paper demand and the unfavorable situation of market downturn, BYD Logistics continued to consolidate its advantageous business, deeply explore the cultural paper market, and actively explore the transformation of its products. On the one hand, it deeply explored the demands of existing high-quality customers, while expanding new customers through the upgrading exclusive agency of its advantageous products, achieving sales in other cities; on the other hand, it focused on the business of book paper in the publishing industry, and currently, BYD Logistics has become the paper supplier of two central-level publishing units and obtained the agent right of imported high-end writing paper in April 2023, which have realized the sales of corresponding paper.

BUSINESS REVIEW OF THE GROUP (Continued)**Results of Major Subsidiaries of the Group** (Continued)

Beiqing Community Media is a 57.952%-owned subsidiary of the Company. Beiqing Community Media has transformed from original traditional media newspaper business model to a government-affiliated convergence media service business model, digging deeper into the needs of government and enterprises customers and improving its activity planning and organising capabilities to build information dissemination platform and service platform for customers through the organic combination of online operation and maintenance with offline activities. Beiqing Community Media's intensive cultivation of community media has been highly recognized by community residents, government agencies at all levels and cooperative businesses, which has greatly increased its influence. Up to now, Beiqing Community Media has 11 branches, including Shunyi, Sub-city Centre, Chaoyang, Daxing, Changping, Dongcheng and Xicheng, Fangshan, Miyun, Haidian, Shijingshan, and Sanjianfang, and has published newspapers of "Beijing Community Daily" across the whole urban area of Beijing. In addition to newspapers, the branches and the operating departments of Beiqing Community Media operate a total of more than 70 new media accounts on various media platforms such as WeChat, TikTok (抖音), Kuaishou (快手) and Today Headlines (今日頭條), and distributed news products on these new media platforms, forming a strong publicity matrix, and presenting good performance in the coverage and spread of convergence media publicity.

In the First Half of 2023, the operating revenue of Beiqing Community Media was RMB26,758 thousand, representing an increase of 100.57% as compared with that for the corresponding period of 2022, achieving a turnaround from loss to profit, with a net profit of RMB1,687 thousand. Beiqing Community Media actively optimised its business structure, continued to improve its management and implemented cost reduction and efficiency enhancement. First, focusing on government services, cooperation of social organization procurement, and corporate and product publicity needs, Beiqing Community Media undertook comprehensive services of publicity, promotion, operation, development and maintenance and developed new customers by expanding its business channels and types to increase its operating revenue. Meanwhile, it also strengthened resource integration and business synergies, providing services of WeChat service account operation, video shooting, publicity and offline activity planning for Beijing Agriculture Guaranty Co., Ltd.* (北京市農業融資擔保有限公司), while actively exploring the cooperation of new media account operation with Beijing Capital Eco-Environment Protection Group Co., Ltd.* (北京首創生態環保集團股份有限公司) and Beijing Capital Grand Limited. Second, it actively created activity IPs, building the channel brand of "Beiqing Community HUI (北青社區HUI)" on multimedia platforms such as TikTok (抖音) and Kuaishou (快手) and carrying out the pilot of community cultural space operation business through branding. Beiqing Community Media also cooperated with the Beijing Municipal Bureau of Culture and Tourism, Beijing Municipal Bureau of Sports, Beijing Football Association, Beijing Society for the Protection of Small Animals (北京市小動物保護協會) as well as other government institutions and social organizations to build the annual activity IPs, including the football in communities activity (足球進社區活動) and proper dog-raising activity (文明養犬活動). In addition, Beiqing Community Media practiced public welfare, organizing a public welfare bazaar for proper pet raising and establishing the volunteer teams of Beiqing Community Media to carry out volunteer activities, to build a sound corporate image.

BUSINESS REVIEW OF THE GROUP *(Continued)***Results of Major Subsidiaries of the Group** *(Continued)*

Beiqing Innovation Cultural, a wholly-owned subsidiary of the Company, was established in April 2022, and principally engages in camping education and youth cultural activities, which aims to develop into a leading camping education operation service provider across the nation. In the First Half of 2023, Beiqing Innovation Cultural steadily promoted the youth study and camping business. First, seizing the opportunity of the post-pandemic recovery of study market, it focused on the development of special study course products and expanded multi-channel customer resources, as well as customised a full set of study activities according to the customer's needs, actively building its core competitiveness. In this year, Beiqing Innovation Cultural has developed 75 study products in total, with the study routes covering more than 10 popular cities, including Beijing, Xi'an, Qingdao, Luoyang, Dunhuang and Wenchang, the course content of which covers a series of topics, such as history and culture, patriotism education and technology. Second, it upgraded the Stream Camp (雲夢星空營地), building a new media promotion matrix of the camp, and improving the service quality and customer acquisition ability. Meanwhile, Beiqing Innovation Cultural actively expanded excellent camping resources and explored replicable projects.

Beiqing Network Culture Communication Co., Ltd. ("Beiqing Network Culture") is a wholly-owned subsidiary of the Company. Beijing Runxin Dingtai Investment Centre (Limited Partnership) (the "Fund"), in which Beiqing Network Culture invested in as a limited partner in 2013, has been in the process of liquidation by the agreement, and the withdrawal of projects was implemented mainly by mergers and acquisitions and restructuring, legal proceedings and share transfers.

Chongqing Media is a 60%-owned subsidiary of the Company. Its current business are advertising and newspaper distribution. The advertising is mainly on online platforms, supplemented by newspaper promotion. In the First Half of 2023, Chongqing Media completed the upgrading and revision of its newspapers, planned a series of special topics and original articles and established youth branded columns leveraging on its convergence media publicity matrix of newspapers, magazines, internet and WeChat to boost its advertising operations. Meanwhile, Chongqing Media explored the integration of its advantageous resources and actively developed e-commerce, government-affiliated new media service as well as the youth study business to increase its revenues. In addition, Chongqing Media successfully held the "2023 FILA KIDS Diamond Cup Junior Tennis Challenger (Chongqing Station)" in June 2023, and actively created a replicable event model through resource interaction and business synergy between Beijing and Chongqing.

PROSPECTS AND FUTURE PLANS

In the second half of 2023, the Group will endeavour to play the role of “Capital Group’s market-oriented business exploration platform for the cultural and sports industry”, to strengthen product and capacity construction. Based on its own resource endowment, we will explore new growth drivers through internal and external business synergies in a way that builds the core competitiveness of the Company.

In the second half of 2023, the Group will actively explore business transformation with a focus on comprehensive services of new media operation and maintenance and community cultural space operation, innovate IP operation and maintenance and brand activity planning, build the full industry chain of youth study, and expand asset-light operation models such as camping education, so as to form benign industrial linkages to respond to industry risks through diversified revenue models.

In the second half of 2023, the Group will continue to deepen its management to strengthen talent development and performance assessment, improve internal risk control, accelerate resolving previous issues, as well as consolidate its operation foundation by improving quality and efficiency.

The Group’s business in the First Half of 2023 was based on the concerted efforts of the entire management teams and staff in each of our business units. The Group’s key success factors were the keen insights to market opportunities and the excellent quality of our management teams and staff. On behalf of the shareholders of the Company and other members of the Board, I would like to express my heartfelt and sincere gratitude to the entire management teams and staff in each of our business units.

Sun Baojie

Chairman

25 August 2023

Beijing, the PRC

FINANCIAL REVIEW

1. Total Operating Revenue

For the six months ended 30 June 2023, total operating revenue of the Group was RMB80,666 thousand (corresponding period of 2022: RMB72,207 thousand), representing an increase of 11.71% as compared with that for the corresponding period of 2022, of which, revenue from advertising was RMB37,091 thousand (corresponding period of 2022: RMB25,451 thousand), representing an increase of RMB11,640 thousand or 45.73% as compared with that for the corresponding period of 2022; revenue from printing was RMB613 thousand (corresponding period of 2022: RMB2,186 thousand), representing a decrease of RMB1,573 thousand or 71.96% as compared with that for the corresponding period of 2022; and revenue from the trading of printing-related materials was RMB30,564 thousand (corresponding period of 2022: RMB41,888 thousand), representing a decrease of RMB11,324 thousand or 27.03% as compared with that for the corresponding period of 2022.

2. Operating Costs and Tax and Surcharges

For the six months ended 30 June 2023, operating costs of the Group were RMB68,649 thousand (corresponding period of 2022: RMB66,763 thousand), representing an increase of 2.82% as compared with those for the corresponding period of 2022, of which, costs of advertising were RMB32,679 thousand (corresponding period of 2022: RMB23,548 thousand), representing an increase of RMB9,131 thousand or 38.78% compared with those for the corresponding period of 2022; costs of printing were RMB545 thousand (corresponding period of 2022: RMB2,063 thousand), representing a decrease of RMB1,518 thousand or 73.58% as compared with those for the corresponding period of 2022; costs of the trading of printing-related materials were RMB28,882 thousand (corresponding period of 2022: RMB40,234 thousand), representing a decrease of RMB11,352 thousand or 28.21% as compared with those for the corresponding period of 2022. Tax and surcharges were RMB1,117 thousand (corresponding period of 2022: RMB1,038 thousand), representing an increase of 7.61% as compared with those for the corresponding period of 2022.

3. Selling Expenses

For the six months ended 30 June 2023, selling expenses of the Group were RMB7,320 thousand (corresponding period of 2022: RMB7,659 thousand), representing a decrease of 4.43% as compared with those for the corresponding period of 2022.

4. Administrative Expenses

For the six months ended 30 June 2023, administrative expenses of the Group were RMB15,845 thousand (corresponding period of 2022: RMB12,339 thousand), representing an increase of 28.41% as compared with those for the corresponding period of 2022.

FINANCIAL REVIEW (Continued)

5. Financial Expenses

For the six months ended 30 June 2023, financial expenses of the Group were RMB-228 thousand (corresponding period of 2022: RMB-2,341 thousand), representing a decrease of 90.26% in absolute value as compared with those for the corresponding period of 2022, of which, interest income was RMB268 thousand (corresponding period of 2022: RMB2,422 thousand), representing a decrease of 88.93% as compared with that for the corresponding period of 2022.

6. Share of Loss of Associates

For the six months ended 30 June 2023, share of loss of associates of the Group was RMB0 thousand (corresponding period of 2022: RMB249 thousand), representing a decrease in loss of 100.00% as compared with that for the corresponding period of 2022.

7. Operating Profit

For the six months ended 30 June 2023, operating profit of the Group was RMB-4,282 thousand (corresponding period of 2022: RMB-15,802 thousand), representing a decrease in loss of 72.9% as compared with that for the corresponding period of 2022.

8. Income Tax Expenses

For the six months ended 30 June 2023, income tax expenses of the Group for the current period were RMB-31 thousand (corresponding period of 2022: RMB-1,786 thousand), representing an increase of 98.26% as compared with those for the corresponding period of 2022.

9. Net Profit/Loss Attributable to Shareholders of the Company

For the six months ended 30 June 2023, net loss attributable to shareholders of the Company was RMB4,155 thousand (corresponding period of 2022: net loss of RMB11,896 thousand), representing a decrease in net loss of 65.07% as compared with that for the corresponding period of 2022.

10. Financial Resources and Liquidity

For the six months ended 30 June 2023, the Group's funds are mainly derived from the fund generated from operating business and deposits balance. The Group's funds are mainly used as the working capital and general recurrent expenses of the Group.

As at 30 June 2023, current assets of the Group were RMB304,990 thousand (31 December 2022: RMB310,393 thousand), including bank balances and cash of RMB74,542 thousand (31 December 2022: RMB82,948 thousand). Non-current assets of the Group were RMB388,043 thousand (31 December 2022: RMB394,716 thousand).

FINANCIAL REVIEW (Continued)**10. Financial Resources and Liquidity** (Continued)

As at 30 June 2023, current liabilities of the Group were RMB65,605 thousand (31 December 2022: RMB73,547 thousand) and non-current liabilities were RMB3,901 thousand (31 December 2022: RMB3,901 thousand).

As at 30 June 2023, shareholders' equity of the Group was RMB623,527 thousand (31 December 2022: RMB627,661 thousand).

11. Bank Borrowings, Overdrafts and Other Borrowings

As at 30 June 2023, the bank borrowings of the Group were Nil (31 December 2022: Nil). Most of cash and cash equivalent held by the Group was denominated in Renminbi.

12. Gearing Ratio

As at 30 June 2023, gearing ratio of the Group was 11.15% (31 December 2022: 12.34%) (the gearing ratio is derived from dividing the Group's total liabilities by its total equity).

SHARE STRUCTURE (AS AT 30 JUNE 2023)

	Number of Shares	Proportion to total share capital (%)
Holders of domestic shares — Beijing Youth Daily Agency ("BYDA")	124,839,974	63.27
— Beijing Chengshang Cultural Communication Co., Ltd.	7,367,000	3.73
— China Telecommunication Broadcast Satellite Co., Ltd.	4,263,117	2.16
— Beijing Development Area Ltd.	2,986,109	1.52
— Sino Television Co., Ltd.	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:

Including 19,533,000 outstanding H shares of the Company held by Leshi Internet Information & Technology Corp., Beijing, representing 9.90% of the total share capital of the Company.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, so far as the Directors, supervisors (“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 (“SFO”), the persons in the following table had an interest and/or short position in the shares or underlying shares of the Company:

Name of shareholders	Class of shares	Nature of shares	Nature of interest	Number of Shares interested in	Percentage in total issued Shares of the same class (%)	Percentage in total share capital of the Company (%)
BYDA Capital Group ^{Note 1}	Beneficial owner Other	Domestic Shares	N/A	124,839,974	87.66	63.27
Beijing Chengshang Cultural Communication Co., Ltd. ^{Note 2}	Beneficial owner	Domestic Shares	N/A	7,367,000	5.17	3.73
Guofu Shangtong Information and Technology Development Co., Ltd. ^{Note 2}	Interest of controlled corporation	Domestic Shares	N/A	7,367,000	5.17	3.73
Leshi Internet Information & Technology Corp., Beijing ^{Note 3}	Beneficial owner	H Shares	Long position	19,533,000	35.58	9.90
Founder Investment (HK) Ltd. ^{Note 4 & Note 5}	Beneficial owner	H Shares	Long position	4,939,000	8.99	2.50
Beijing University Founder Investment Co., Ltd. ^{Note 4}	Interest of controlled corporation	H Shares	Long position	4,939,000	8.99	2.50
Beijing University New Technology Corporation ^{Note 4}	Interest of controlled corporation	H Shares	Long position	4,939,000	8.99	2.50
Beijing University ^{Note 4}	Interest of controlled corporation	H Shares	Long position	4,939,000	8.99	2.50
CITI CITI Ltd. ^{Note 5}	Interest of controlled corporation	H Shares	Long position	4,939,000	8.99	2.50
Xia Jie ^{Note 5}	Interest of controlled corporation	H Shares	Long position	4,939,000	8.99	2.50
Yue Shan International Limited ^{Note 6}	Interest of controlled corporation	H Shares	Long position	4,939,000	8.99	2.50
Cao Yawen ^{Note 6}	Interest of controlled corporation	H Shares	Long position	4,939,000	8.99	2.50

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

1. Entrusted by the China Communist Youth League Beijing Committee, Capital Group has taken over the subsidiaries of BYDA (excluding the Company) since 18 June 2020 with a term of five years. The Company has been included in such entrustment scope since 20 May 2021, pursuant to which, Capital Group will exercise the powers of investors/shareholders stipulated in the Company's articles of association during the term of the entrustment, including but not limited to obtaining the Company's control, voting, operating and profit rights. Therefore, Capital Group has an interest in the 124,839,974 domestic shares held by BYDA.
2. Beijing Chengshang Cultural Communication Co., Ltd. owns 7,367,000 domestic shares of the Company, approximately amounting to 3.73% of the total issued share capital (5.17% of the total issued domestic shares) of the Company. Guofu Shangtong Information and Technology Development Co., Ltd. directly owns 42.86% of Beijing Chengshang Cultural Communication Co., Ltd. and is therefore deemed to have an interest in the 7,367,000 domestic shares registered in the name of Beijing Chengshang Cultural Communication Co., Ltd. under the SFO. On 22 March 2021, the interests of such shares were provided to persons other than qualified lenders as guarantees, which led to the change in the nature of the equity interests held by Beijing Chengshang Cultural Communication Co., Ltd. and Guofu Shangtong Information and Technology Development Co., Ltd. in such shares.
3. Leshi Internet Information & Technology Corp., Beijing owns 19,533,000 H shares of the Company, representing approximately 9.9% of the total issued share capital (35.58% of the total issued H shares) of the Company.
4. Founder Investment (HK) Ltd. owns 4,939,000 H shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H shares) of the Company. Beijing University directly owns 100% equity interest in Beijing University New Technology Corporation, which directly owns 80% equity interest in Beijing Beida Founder Group, which in turn owns 51% equity interest in Founder Investment (HK) Ltd. Therefore, Beijing University, Beijing University New Technology Corporation, Beijing Beida Founder Group and Beijing University Founder Investment Co., Ltd. are deemed under the SFO to have an interest in the 4,939,000 H shares registered in the name of Founder Investment (HK) Ltd.
5. Founder Investment (HK) Ltd. owns 4,939,000 H shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H shares) of the Company. Xia Jie indirectly owns 49% equity interest in Founder Investment (HK) Ltd. through CITI CITI Ltd., which is directly 100% owned by Xia Jie. Therefore, Xia Jie is deemed under the SFO to have an interest in the 4,939,000 H shares registered in the name of Founder Investment (HK) Ltd.
6. Yue Shan International Limited, as a trust beneficiary, owns 4,939,000 H shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H shares) of the Company. Cao Yawen directly owns 100% equity interest in Yue Shan International Limited and is therefore deemed under the SFO to have an interest in the 4,939,000 H Shares registered in the name of Founder Investment (HK) Ltd.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES *(Continued)*

Information disclosed above is based on the information published on the website of HKEXnews (<http://www.hkexnews.hk>).

Save as disclosed above, to the best knowledge of the Directors, Supervisors and chief executives of the Company, as at 30 June 2023, there was no other person with interests and/or short positions in shares or underlying shares of the Company which should be recorded under section 336 of the SFO.

CAPITAL EXPENDITURE

Capital expenditure, including purchase of electronic equipment, of the Group for the First Half of 2023 was RMB1,166 thousand (corresponding period of 2022: RMB95 thousand). The Group expects that its capital expenditure for the second half of 2023 will be mainly comprised of expenditures consistent with business strategies.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 30 June 2023, the Group did not have any contingent liabilities or any pledge of assets.

FOREIGN EXCHANGE RISKS

Renminbi is the functional currency of the Company. The Company's operations conducted in the PRC are mainly settled in Renminbi. However, certain payables are settled in foreign currency (mainly USD and 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 subject to very limited effect from exchange rate fluctuations.

EMPLOYEES

As at 30 June 2023, the Group had a total of 329 employees (as at 30 June 2022: a total of 310 employees), and the increase in the number of employees as compared with the corresponding period of last year was mainly due to the reasonable increase of the normal business needs of some subsidiaries of the Company. During the six months ended 30 June 2023, the total employees remuneration paid by the Group was approximately RMB34,770 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 the self-development of the employees. In the First Half of 2023, the Group carried out staff trainings in respect of the responsibility of Directors, Supervisors and senior management, corporate governance, connected transactions and compliance management, legal practice, new media expertise, advertising business management, and new employee orientation, etc.

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

As at 30 June 2023, 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 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

MATERIAL INVESTMENTS

The Company entered into the single asset management contract with Capital Securities and the Beijing Branch of Bank of Communications Co., Ltd. on 19 April 2022, pursuant to which, the Company entrusted Capital Securities to provide asset management and investment services, with a term of one year from 17 June 2022, being the date of approval by the Independent Shareholders at the AGM. The above single asset management scheme has been approved by the shareholders of the Company to make certain optimization adjustments and extend the term for another three years to 16 June 2026. As at 30 June 2023, the Company’s investments in the above asset management accounted for more than 5% of the Group’s total assets. Please refer to VIII.1. “Financial assets held for trading” and X.5. “Equity in financial assets held for trading” to the “Notes to Financial Statements” of this report for details. For details of the above transaction, please refer to the announcements of the Company dated 19 April 2022 and 25 April 2023 and the circulars of the Company dated 26 May 2022 and 25 May 2023.

As at 30 June 2023, the Company’s investments in Beiyang Publishing & Media Co., Ltd. and Beijing Keyin Media Culture Co., Ltd. accounted for over 5% of the Group’s total assets in value. For details of such significant investments, please refer to note VIII.7. headed “Investment in other equity instruments” and note X.3. headed “Equity in investment in other equity instruments” to the financial statements of this report.

Save as disclosed in this report, as of 30 June 2023, the Group had no material investment, or any plan related to material investment or acquisition of assets.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

During the six months ended 30 June 2023, the Group had no material acquisition or disposal of subsidiaries, associates or joint ventures.

**CHANGES RELATED TO THE PERFORMANCE OF THE GROUP SINCE
31 DECEMBER 2022**

Save as disclosed in this report, there is no significant change between the current information of the Company on the matters listed in paragraph 32 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the information disclosed in the most recent published annual report of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2023, the Company had fully complied with all code provisions set out in the Corporate Governance Code under Appendix 14 of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

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 of the Company, all Directors and Supervisors confirmed that they had fully complied with the standards under the Model Code during the six months ended 30 June 2023.

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 one non-executive Director and two independent non-executive Directors.

The Audit Committee and the management of the Company have reviewed the accounting principles and practices adopted by the Group. In addition, the Audit Committee has also discussed with the Directors on matters concerning the internal control and financial reporting of the Company, including the review of the unaudited interim results of the Group for the six months ended 30 June 2023, and has no objection thereto.

DISTRIBUTABLE RESERVE

As at 30 June 2023, the Company’s accumulated loss amounted to RMB659,875 thousand and the Company’s surplus reserve amounted to RMB130,931 thousand.

According to the articles of association of the Company, the Company’s surplus reserve can be used to recover its losses after being approved at the general meeting of the Company.

INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the six months ended 30 June 2023.

CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Upon the approval at the 2023 first extraordinary general meeting of the Company convened on 24 February 2023, Ms. Sun Baojie was appointed as a non-executive Director of the eighth session of the Board of the Company. At the ninth meeting of the eighth session of the Board convened on the same day, Ms. Sun Baojie was appointed as the chairman of the eighth session of the Board, the chairman of the Nomination Committee of the Board, and an authorised representative of the Company. On the same day, Mr. Su Zhaohui resigned as the chairman of the Board, non-executive Director, chairman of the Nomination Committee of the Board, and an authorised representative of the Company. Please refer to the announcements dated 19 January 2023 and 24 February 2023 and the circular dated 8 February 2023 of the Company for details.

Due to work changes, Ms. Wang Sisi, the employee representative supervisor of the seventh session of the supervisory committee of the Company ("Supervisory Committee"), has resigned as the employee representative supervisor. On 15 March 2023, Ms. Lu Shasha was elected as employee representative supervisor of the eighth session of the Supervisory Committee at the employee representative meeting. Please refer to the announcement of the Company dated 15 March 2023 for details.

During the reporting period and as of the date of this report, updates on the information of the members of the Board, the Supervisory Committee and senior management are as follows:

Mr. Jing Enji has resigned from the positions of the chairman of Beijing Youth Travel Service Co., Ltd. in February 2023; and concurrently served as the chairman of Beijing Youth Camp Education Technology Co., Ltd.* (北京青年營教育科技有限公司) since February 2023.

Ms. Wu Min concurrently served as an executive director and general manager of Beijing Beiqing Outdoor Advertisement Co., Ltd. since April 2023.

Mr. Xu Jian ceased to be the director of First Capital Securities Co., Ltd. (Stock Code: 002797.SZ) since June 2023.

Ms. Hou Hui obtained the qualification of chartered financial analyst in May 2023; and concurrently served as an executive director and general manager of Beijing Youth Online Culture and Communication Co., Ltd. in April 2023.

<i>Unit: RMB'000</i>			
Item	<i>Notes</i>	As at 30 June 2023	As at 31 December 2022
Current assets:			
Bank balances and cash		74,542	82,948
Trading financial assets	<i>VIII.1</i>	162,243	162,663
Notes receivable		—	382
Accounts receivable	<i>VIII.2</i>	22,741	17,900
Prepayments	<i>VIII.3</i>	3,494	2,496
Other receivables	<i>VIII.4</i>	4,933	11,800
Inventories		10,224	4,853
Other current assets	<i>VIII.5</i>	26,813	27,351
Total current assets		304,990	310,393
Non-current assets:			
Long-term equity investment	<i>VIII.6</i>	3,271	3,271
Investment in other equity instruments	<i>VIII.7</i>	282,017	282,017
Other non-current financial assets	<i>VIII.8</i>	250	250
Investment properties	<i>VIII.9</i>	82,247	89,697
Fixed assets	<i>VIII.10</i>	760	568
Intangible assets	<i>VIII.11</i>	17,695	18,147
Goodwill	<i>VIII.12</i>	—	—
Long-term deferred expenses		1,803	766
Other non-current assets	<i>VIII.13</i>	—	—
Total non-current assets		388,043	394,716
Total assets		693,033	705,109

		<i>Unit: RMB'000</i>	
Item	<i>Notes</i>	As at 30 June 2023	As at 31 December 2022
Current liabilities:			
Notes payable		—	6,086
Accounts payable	<i>VIII. 15</i>	16,715	11,666
Contract liabilities		26,553	20,912
Employee benefit payables		4,387	8,425
Tax payables		233	277
Other payables	<i>VIII. 16</i>	16,420	25,061
Other current liabilities		1,297	1,120
Total current liabilities		65,605	73,547
Non-current liabilities:			
Deferred income tax liabilities		3,901	3,901
Total non-current liabilities		3,901	3,901
Total liabilities		69,506	77,448
Shareholders' equity:			
Share capital		197,310	197,310
Capital reserves		934,606	934,606
Other comprehensive income	<i>VIII. 17</i>	171,970	171,846
Surplus reserves		130,931	130,931
Undistributed profits		(821,801)	(817,646)
Total equity attributable to shareholders of the Company		613,016	617,047
Non-controlling interest		10,511	10,614
Total shareholders' equity		623,527	627,661
Total liabilities and shareholders' equity		693,033	705,109
Net current assets		239,385	236,846
Total assets less current liabilities		627,428	631,562

		<i>Unit: RMB'000</i>	
		For the six months ended 30 June	
Item	<i>Notes</i>	2023	2022
Total operating revenue	<i>VIII.18</i>	80,666	72,207
Total operating costs		92,703	85,458
Less: Operating costs	<i>VIII.18</i>	68,649	66,763
Tax and surcharges	<i>VIII.19</i>	1,117	1,038
Selling expenses		7,320	7,659
Administrative expenses		15,845	12,339
Financial expenses	<i>VIII.20</i>	(228)	(2,341)
Including: Interest expenses		—	5
Interest income		268	2,422
Add: Other income		47	44
Investment income	<i>VIII.21</i>	8,057	95
Including: Gain from investments in associates		—	(249)
Gain on the changes in fair value	<i>VIII.22</i>	3,764	(1,595)
Impairment loss of credit	<i>VIII.23</i>	(3,922)	(1,095)
Impairment loss of assets		(194)	—
Gain on disposal of assets		3	—
Operating profit		(4,282)	(15,802)
Add: Non-operating income	<i>VIII.24</i>	4	60
Less: Non-operating expenses	<i>VIII.25</i>	93	24
Total profit		(4,371)	(15,766)
Less: Income tax expenses	<i>VIII.26</i>	(31)	(1,786)
Net profit		(4,340)	(13,980)
Net profit attributable to:			
Net profit from continuing operations		(4,340)	(13,980)
Net profit from discontinued operations		—	—
Shareholders of the Company		(4,155)	(11,896)
Non-controlling shareholders		(185)	(2,084)

Item	Notes	Unit: RMB'000	
		For the six months ended 30 June	
		2023	2022
Other net comprehensive income after tax		206	93
Other comprehensive income attributable to owners of the Company, net after tax	VIII.17	124	56
Including: Other comprehensive income that will be subsequently reclassified into profit or loss		124	56
Including: Exchange differences from translation of financial statements		124	56
Other comprehensive income attributable to non-controlling shareholders, net after tax		82	37
Total comprehensive income		(4,134)	(13,887)
Total comprehensive income attributable to shareholders of the Parent		(4,031)	(11,840)
Total comprehensive income attributable to non-controlling shareholders		(103)	(2,047)
Earnings per share:			
Basic earnings per share (RMB)	XVII.1	(0.02)	(0.06)
Diluted earnings per share (RMB)	XVII.1	(0.02)	(0.06)
Dividends	VIII.27	—	—

		<i>Unit: RMB'000</i>	
		For the six months ended 30 June	
Item	<i>Note</i>	2023	2022
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of service		83,023	64,472
Tax refund received		523	1,821
Other cash receipt relating to operating activities		6,872	5,637
Sub-total of cash inflows from operating activities		90,418	71,930
Cash paid for goods purchased and services enjoyed		62,781	51,071
Cash paid to and on behalf of employees		34,770	25,014
Payments of taxes and surcharges		2,922	5,846
Other cash payments relating to operating activities		9,590	6,961
Sub-total of cash outflows from operating activities		110,063	88,892
Net cash flows from operating activities		(19,645)	(16,962)
II. Cash flows from investing activities:			
Cash received from sales of investments		4,800	295
Cash received from returns on investment		12,559	259
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3	—
Other cash receipt relating to investing activities		—	—
Sub-total of cash inflows from investing activities		17,362	554
Cash paid to acquire fixed assets, intangible assets and other long-term assets		1,166	152
Cash paid on investment		—	160,000
Other cash payments related to investing activities		—	—
Sub-total of cash outflows from investing activities		1,166	160,152
Net cash flows from investing activities		16,196	(159,598)

		<i>Unit: RMB'000</i>	
		For the six months ended 30 June	
Item	<i>Note</i>	2023	2022
III. Cash flows from financing activities:			
Cash received from investors		—	—
Including: Cash received from non-controlling shareholders' investment in subsidiaries		—	—
Cash received from borrowings obtained		—	—
Other cash receipts relating to financing activities		—	—
Sub-total of cash inflows from financing activities		—	—
Cash paid for repayment of borrowings		—	—
Cash paid for distribution of dividends or profits or interest expense		—	—
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		—	—
Other cash payments relating to financing activities		—	—
Sub-total of cash outflows from financing activities		—	—
Net cash flows from financing activities		—	—
IV. Effect of exchange rate changes on cash and cash equivalents		126	73
V. Net increase in cash and cash equivalents		(3,323)	(176,487)
Add: Balance of cash and cash equivalents at the beginning of the period		73,877	261,083
VI. Balance of cash and cash equivalents at the end of the period	<i>VIII.28</i>	70,554	84,596

Unit: RMB'000

Item	For the six months ended 30 June 2023						Non-controlling interest	Total shareholders' equity
	Equity attributable to shareholders of the Parent							
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve (Note)	Undistributed profits	Subtotal		
Balance as at 31 December 2022	197,310	934,606	171,846	130,931	(817,646)	617,047	10,614	627,661
Effect of the changes in accounting policies	—	—	—	—	—	—	—	—
Balance as at 1 January 2023	197,310	934,606	171,846	130,931	(817,646)	617,047	10,614	627,661
Net profit	—	—	—	—	(4,155)	(4,155)	(185)	(4,340)
Other comprehensive income	—	—	124	—	—	124	82	206
Other comprehensive income carry-forward to retained earnings	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
Sub-total of the changes for the period	—	—	124	—	(4,155)	(4,031)	(103)	(4,134)
Balance as at 30 June 2023	197,310	934,606	171,970	130,931	(821,801)	613,016	10,511	623,527

Item	For the six months ended 30 June 2022						Non-controlling interest	Total shareholders' equity
	Equity attributable to shareholders of the Parent							
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve (Note)	Undistributed profits	Subtotal		
Balance as at 1 January 2022	197,310	934,421	160,111	130,931	(794,146)	628,627	16,931	645,558
Net profit	—	—	—	—	(11,896)	(11,896)	(2,084)	(13,980)
Other comprehensive income	—	—	56	—	—	56	37	93
Other comprehensive income carry-forward to retained earnings	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
Sub-total of the changes for the period	—	—	56	—	(11,896)	(11,840)	(2,047)	(13,887)
Balance as at 30 June 2022	197,310	934,421	160,167	130,931	(806,042)	(616,787)	(14,884)	(631,671)

Note: In accordance with the People's Republic of China ("PRC") regulations and the Articles of Association of the Company, each subsidiary of the Group is required to transfer 10% of the profit after tax, determined in accordance with the PRC Accounting Standards, to statutory surplus reserves each year until the balance reaches 50% of the registered share capital. Such reserves can be used to offset any losses to be incurred and to increase share capital. Except for the purpose of reduction of losses, no other usage shall result in the balance of surplus reserve falling below 25% of the registered share capital.

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 Parent of the Company is Beijing Youth Daily Agency (“BYDA”). The ultimate controlling company of the Company is Beijing Capital Group Company Limited.

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.

The Company and its subsidiaries (hereinafter referred to as the Group (the “Group”)) are principally engaged in the provision of newspaper, magazine and outdoor advertising services, printing and trading of printing-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 six months ended 30 June 2023 of the Group are as follows:

Name of units	Shareholding (%)	
	Direct	Indirect
Beijing Beiqing Outdoor Advertisement Co., Ltd. (Beiqing Outdoor)	100.00	—
Beiqing Network Culture Communication Co., Ltd. (Beiqing Network)	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 Media Technology (Beijing) Co., Ltd. (Beiqing Community Media)	57.95	—
Chongqing Youth Media Company Limited (Chongqing Media)	60.00	—
CHONG QING YOUTH (AMERICA) LLC (Chong Qing America) (Note 1)	—	60.00
Beijing Beiqing Innovative Cultural Industry Development Co., Ltd (Beiqing Innovative Cultural)	100.00	—

Note 1: Chong Qing America is 100% held by the Company’s 60% direct holding subsidiary, Chongqing Media.

III. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The Group's financial statements for the six months ended 30 June 2023 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with requirements such as Accounting Standards for Business Enterprises — Basic Standard and specific accounting standards ("PRC Accounting Standard") issued by the Ministry of Finance of the People's Republic of China (the "Ministry of Finance"), as well as applicable disclosure requirements under the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and the Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in Note V "Significant accounting policies and accounting estimates".

2. Going concern

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

IV. STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's financial statements have been prepared in conformity with the "PRC Accounting Standards", and present truly and completely the relevant information in the consolidated financial position as at 30 June 2023 and the consolidated operating results and consolidated cash flows for the six months ended 30 June 2023.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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 2023 to 30 June 2023.

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, other non-current financial asset, investment in other equity instrument and investment properties which are measured at fair value, the financial statements are prepared under the historical cost convention.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

4. Business combination

(1) Business combination involving entities under common control

In a business combination involving enterprises under common control, if the acquirer pays for the business combination in cash, by transferring of non-cash assets or assuming liabilities, net assets in the ultimate controlling party's consolidated financial statements are measured at their carrying amounts of the acquiree at the acquisition date. If the acquirer issues equity instruments for the business combination, the acquirer measures the share capital by the par value of the shares issued. The difference between the original investment costs and the carrying amounts (or the total par value of shares issued) will be adjusted to the capital reserves. If the capital reserves is insufficient to absorb the difference, the remaining amount shall be deducted from retained earnings.

(2) Business combination involving entities not under common control

In a business combination involving enterprises not under common control, the combination costs are the aggregate of the fair values of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control over the acquiree at the acquisition date. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree that meet the recognition criteria are measured at their fair value. The Company shall recognize the difference of the combination costs in excess of its interest portion in the fair value of the net identifiable assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs less than its interest portion in the fair value of the net identifiable assets acquired from the acquiree in the non-operating income for current period after reassessment.

5. Basis of preparation of consolidated financial statement

(1) Determination of the scope of consolidation

All subsidiaries (including individual entities under the Company's control) are included in the consolidated financial statements of the Group, including enterprises controlled by the Company, the divisible parts of the investees as well as structured entities.

(2) Uniform accounting policies, balance sheet date and accounting period

If the subsidiaries adopt different accounting policies or accounting period, the Company shall make necessary adjustments to the subsidiaries' financial statements according to its accounting policies or in the accounting period when the consolidated financial statements are prepared.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***5. Basis of preparation of consolidated financial statement** *(Continued)***(3) The elimination in the preparation of consolidated financial statements**

The consolidated financial statements are prepared based on the individual balance sheet of the Company and its subsidiaries, after elimination of the transactions incurred among the Company and the subsidiaries. The portion of a subsidiary's equity that is not attributable to the Company is treated as "minority interests" and presented as "minority interests" under owners' equity in the consolidated balance sheet. The long-term equity investment of the Company held by one subsidiary shall be treated as the Group's treasury shares and a deduction of the shareholder's equity which is presented as "less: treasury shares" under owners' equity in the consolidated balance sheet.

(4) The accounting treatment for obtaining subsidiaries through a business combination

Where a subsidiary or business has been acquired through a business combination involving enterprises under common control, the obtained subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their assets, liabilities, operating results and cash flows are included in the consolidated financial statements from the beginning of the accounting period in which the acquisition occurred. Where a subsidiary or business has been acquired through a business combination not involving enterprises under common control, their individual financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date when preparing the consolidated financial statements.

6. Classification of joint arrangements and accounting treatment for joint operations**(1) Classification of joint arrangements**

Joint arrangements are classified as joint operations or joint ventures. A joint arrangement will be classified as joint operation when the joint arrangement is not achieved through an individual entity. Individual entity is an entity with individual identifiable finance structure, including single legal entity and entity unqualified as legal entity but qualified as lawful entity. A joint arrangement is usually classified as joint venture when the joint arrangement is achieved through an individual entity. When changes arising from relevant events or environment cause changes of the cooperative parties' rights and obligations in the joint arrangements, the cooperative parties shall reassess the classification of the joint arrangements.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

6. Classification of joint arrangements and accounting treatment for joint operations *(Continued)*

(2) Accounting treatment for joint operations

The party participating in joint operations shall recognize the following items relating to its interests in the joint operations and account for them in accordance with related requirements of the Accounting Standards for Business Enterprises: Its solely-held assets and solely-assumed liabilities, and its share of any assets and liabilities held jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its own expenses; and its share of any expenses incurred jointly.

The other parties involving in joint operations without common control shall account for their investments referring to the accounting treatment of joint operation participants if they are entitled to relevant assets and undertake relevant liabilities of the joint operations, otherwise, they shall account for their investments according to related requirements of the Accounting Standards for Business Enterprises.

(3) Accounting treatment for joint ventures

The parties participating in a joint venture account for their investment in accordance with the Accounting Standards for Business Enterprises No. 2 — Long-term equity investment. And the other parties involved in joint ventures without common control shall account for their investments according to the extent of their influence on the joint ventures.

7. Cash and cash equivalents

The cash in the Group's cash flow statement is cash on hand and deposits that can be readily drawn on demand. 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***8. Foreign currency business*****(1) Foreign currency transactions***

The Group records foreign currency transactions in RMB for accounting purpose using the spot exchange rate prevailing on the date when the transactions occur. As at the balance sheet date, monetary items denominated in foreign currency are translated to RMB by adopting the prevailing exchange rate on that date. Foreign exchange difference between the prevailing exchange rate on that date and the prevailing exchange rate on initial recognition or on the previous balance sheet date are recognised in current profit or loss, except the foreign exchange arising from specific loan denominated in foreign currency qualified as capital expenditure and included in the cost of related assets. Non-monetary items denominated in foreign currency that are measured at historical cost are still translated at amount in functional currency exchanged at the prevailing exchange rate at the transaction date. Non-monetary items denominated in foreign currency that are measured at fair value are translated using the spot exchange rate at the date when the fair value was determined and the difference between the translated functional currency amount and the prior translated amount on initial recognition or on the previous balance sheet date are treated as changes in fair value (including change in the exchange rate) and recorded in current profit or loss or other comprehensive income.

(2) The translation of financial statements denominated in foreign currency

If the Company's controlling subsidiaries, joint ventures and associates etc. adopt different reporting currency, their financial statements denominated in foreign currency shall be translated to financial statements in RMB for accounting treatment and preparation of consolidated financial statements. The assets and liabilities in the balance sheet are translated at the spot exchange rate on the balance sheet date. Equities, except for "undistributed profit", are translated at the spot exchange rate when they are occurred. The revenue and expenditures in the income statement are translated at the spot exchange rate on the transaction date. The difference arising from foreign currency financial statements translation is presented in other comprehensive income under owners' equity in the consolidated balance sheet. Foreign currency cash flows that are determined systemically are translated at the spot exchange rate on the date of transaction. Affected amount of cash due to change of exchange rates is presented separately in the cash flow statement. When disposing of foreign operations, exchange differences of foreign currency financial statements attributable to the foreign operations are transferred to current profit or loss entirely or in proportion to the disposal portion of the foreign operations.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

9. Financial instruments

(1) Classification and reclassification of financial instruments

A financial instrument is a contract that forms the financial assets of a party and the financial liabilities or equity instruments of other parties.

1) Financial assets

The Company will classify its financial assets as financial assets carried at amortised cost if both of the following conditions are met: ① Where the Company's business model for managing financial assets is aimed at collecting contractual cash flows; ② the contractual terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount.

The Company will classify its financial assets as financial assets at fair value through other comprehensive income if both of the following conditions are met: ① Where the Company's business model for managing financial assets is aimed at both collecting contractual cash flows and selling the financial assets; ② the contractual terms of the financial assets stipulate that the cash flows generated on a specific date are only the payment of the principal and interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may, at the time of initial recognition, irrevocably designate it as a financial asset at fair value through other comprehensive income. The designation is based on a single investment and the relevant investment is in line with the definition of the equity instrument from the issuer's perspective.

For those financial assets other than financial assets measured at amortised cost and financial assets at fair value through other comprehensive income, the Company classifies it as financial assets at fair value through profit or loss. At initial recognition, if accounting mismatch can be eliminated or reduced, the Company may irrevocably designate financial assets as financial assets at fair value through profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***9. Financial instruments** *(Continued)***(1) Classification and reclassification of financial instruments** *(Continued)*1) Financial assets *(Continued)*

When the Company changes the business model for managing financial assets, all relevant financial assets as affected are reclassified on the first day of the first reporting period after the business model changes, and the reclassification are applied prospectively from the reclassification date. The Company does not retroactively adjust any previously recognised gains, losses (including impairment losses or gains) or interest.

2) Financial liabilities

On initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss; financial liabilities at amortised cost. All financial liabilities are not reclassified.

(2) Measurement of financial instruments

On initial recognition, the Company's financial instruments are measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, the related transaction expense is directly recognised in current profit or loss. For financial assets or financial liabilities of other classes, the related transaction expense is included in the amount of initial recognition. Accounts receivable or notes receivable arising from sales of goods or rendering services, without significant financing component, are initially recognised based on the transaction price expected to be entitled by the Company. Subsequent measurement of financial instruments depends on their classifications.

1) Financial Assets

① Financial assets at amortised cost

After initial recognition, such financial assets are measured at amortised cost using the effective interest method. Gains or losses arising from financial assets at amortised cost that are not parts of any hedging relationships are included in profit or loss in the period which they incurred when derecognised, reclassified, amortised or recognised the impairment under the effective interest method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***9. Financial instruments** *(Continued)***(2) Measurement of financial instruments** *(Continued)*1) Financial Assets *(Continued)*

② Financial assets at fair value through profit or loss

After initial recognition, gain or loss (including interest and dividend income) arisen from subsequent measurement of the financial assets (excluding the financial assets that are parts of the hedging relationships) at fair value is included in profit and loss in the period which they incurred.

③ Debt instruments investment at fair value through other comprehensive income

After initial recognition, such financial assets are subsequently measured at fair value. Interest, impairment loss or gain and exchange gain and loss calculated using the effective interest method is included in profit or loss in the period which they incurred, and other gains or losses are included in other comprehensive income. When derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred out from other comprehensive income and included in profit or loss in the period which they incurred.

④ Investment in non-trading equity instruments designated at fair value through other comprehensive income

After initial recognition, such financial assets are subsequently measured at fair value. Except that dividend income received (excluding the parts recovered as investment costs) is included in profit or loss, and other relevant gains or losses are included in other comprehensive income, and would not be transferred to profit or loss in the period.

2) Financial Liabilities

① Financial liabilities at fair value through profit or loss

Such financial liabilities include financial liabilities for trading purpose (including derivatives that are financial liabilities) and financial liabilities designated at fair value through profit or loss. After initial recognition, the financial liabilities are subsequently measured at fair value. Except for those involving the hedge accounting, the gains or losses (including interest expenses) arising from changes in fair value of financial liabilities for trading purpose are included in profit or loss in the period which they incurred.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***9. Financial instruments** *(Continued)***(2) Measurement of financial instruments** *(Continued)***2) Financial Liabilities** *(Continued)***① Financial liabilities at fair value through profit or loss** *(Continued)*

The changes in fair value of financial liabilities designated at fair value through profit or loss that are attributable to changes of that financial liabilities' credit risk to be included in other comprehensive income, while other changes in fair value are included in profit or loss in the period. If the inclusion of the impact of changes in credit risk of such financial liabilities causes or increases the accounting mismatch of profit or loss, the Company will include all gains or losses of such financial liabilities in profit or loss in the period.

② Financial liabilities at amortised cost

After initial recognition, such financial liabilities are measured at amortised cost by using the effective interest method.

(3) Recognition method of financial instruments' fair value

For financial instruments in active markets, the Company determines their fair value at the quoted prices in active markets. If there is no active market, the Company uses valuation techniques to determine their fair value. The valuation techniques mainly include market approach, income approach and cost approach. In limited cases, if there is insufficient information used to determine the fair value, or if the range of possible estimated fair values is broad, and the cost represents the best estimate of the fair value in such a range, then such costs can represent the proper estimate of the fair value in that range. The Company determines whether the cost represents the fair value based on all information in relation to the results and operations of the investees available since the date of initial recognition.

(4) Recognition and measurement of transfer of financial assets and financial liabilities

Financial assets

Financial assets of the Company are derecognised where: ① the contractual rights to receive cash flows from such financial assets have suspended; ② the financial assets have been transferred and the Company has transferred substantially all the risks and rewards associated with ownership of such financial assets; ③ the financial assets have been transferred and the Company has neither transferred nor retained substantially all the risks and rewards associated with ownership of such financial assets, and has not retained control of such financial assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***9. Financial instruments** *(Continued)***(4) Recognition and measurement of transfer of financial assets and financial liabilities** *(Continued)**Financial assets (Continued)*

In the case that the Company has neither transferred nor retained substantially all the rewards associated with ownership of such financial assets and has not retained control of such financial assets, the Company will continue to recognise such financial assets according to the extent of transfer of such financial assets, and will recognise relevant liabilities accordingly.

When the transfer of financial assets as a whole qualifies for derecognition, the Company will include the difference of the following two amounts in profit or loss in the period: ① the carrying amount of the transferring financial asset on the derecognition date; ② the sum of the consideration obtained from transferring the financial asset, and the amount of derecognised part in the accumulated changed amount of fair value directly included in other comprehensive income (the related transferring financial assets are the financial assets at fair value through other comprehensive income).

When a partial transfer of financial assets qualifies for derecognition, the carrying amount of the financial asset transferred is allocated between the part that subjects to and the part not subject to derecognition, in proportion to the respective fair values of those parts. The difference between: ① the carrying amount of the part derecognised on the derecognition date; ② the sum of the consideration obtained from the part derecognised and the cumulative changed amount of fair value for the part derecognised (the related transferring financial assets are classified as the financial assets at fair value through other comprehensive income) is included in profit or loss in the period.

When derecognising the investment in non-trading equity instruments at fair value through other comprehensive income designated by the Company, the accumulated gains or losses previously included in other comprehensive income are transferred out from other comprehensive income and included in retained earnings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***9. Financial instruments** *(Continued)***(4) Recognition and measurement of transfer of financial assets and financial liabilities** *(Continued)*

Financial liabilities

Once the present obligation of financial liabilities (or parts of them) has been lifted, financial liabilities (or parts of them) of the Company has been derecognised.

The difference between the carrying amount of financial liabilities (or parts of them) and consideration paid (including transferred non-cash assets or liabilities) of the Company is included in profit or loss, when financial liabilities (or parts of them) are derecognised.

10. Determination and accounting treatment methods of expected credit loss

Based on the expected credit loss, the Company made the impairment accounting for financial assets at amortised cost (including notes receivable and accounts receivable, other receivables), debt investments at fair value through other comprehensive income, rental receivable and contract assets, and recognised the provision for such losses.

The Company assesses whether the credit risk of relevant financial instruments since its initial recognition is significantly increased on each balance sheet date, and divides the process of credit impairment of financial instruments into three stages, with different accounting treatment methods for impairment of financial instruments in different stages: (1) first stage, where the credit risk of financial instruments is not significantly increased since its initial recognition, the Company measures the provision for loss based on the expected credit loss of such financial instruments in the next 12 months, and calculates the interest income based on its book balance (that is, without deduction for credit allowance) and effective interest rate; (2) second stage, where the credit risk of financial instruments is significantly increased since its initial recognition but no impairment of credits existed, the Company measures the provision for loss based on the expected credit loss of such financial instruments in the lifetime, and calculates the interest income based on its book balance and effective interest rate; (3) third stage, where impairment of credits existed since its initial recognition, the Company measures the provision for loss based on the expected credit loss of such financial instruments in the lifetime, and calculates the interest income based on its amortised cost (book balance minus provision made for impairment) and effective interest rate.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***10. Determination and accounting treatment methods of expected credit loss***(Continued)***(1) Method of measuring loss allowance for financial instruments with lower credit risk**

For financial instruments with lower credit risk as at the balance sheet date, the Company may not make a comparison with the credit risk at the time of initial recognition, but directly make the assumption that the credit risk of the instrument has not increased significantly since initial recognition.

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(2) Method of measuring loss allowance for accounts receivable, contract assets and rental receivable

- 1) Accounts receivable and contract assets without containing significant financing elements. For accounts receivable or contract assets without containing significant financing elements arising from the transactions regulated under the Accounting Standards for Business Enterprises No. 14 — Revenue, the Company adopts a simplification approach which always measures the provision for loss based on the expected credit loss in the lifetime.

Based on the nature of financial instruments, the Company assesses whether credit risk has increased significantly on the basis of a single financial asset or a group of financial assets. According to the credit risk characteristics, the Company divides the notes receivable and accounts receivable into several groups, and calculates the expected credit losses on a combined basis. The basis for determining the group is as follows:

Accounts receivable group 1	: Aging portfolio customers
Accounts receivable group 2	: Related party customers
Notes receivable group 1	: Bank acceptance bill
Notes receivable group 2	: Trade acceptance bill

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

10. Determination and accounting treatment methods of expected credit loss

(Continued)

(2) Method of measuring loss allowance for accounts receivable, contract assets and rental receivable *(Continued)*

For accounts receivable designated to a group, the Company makes the comparison of trade receivables overdue days and full lifetime expected credit losses rate to calculate the expected credit losses by taking into account the historical credit losses experience, and the existing and forecast of future economic conditions. For bills receivable and contract assets designated to a group, the Company applies exposure at default and lifetime expected credit losses rate to calculate the expected credit losses by taking into account the historical credit losses experience and the existing and forecast of future economic conditions.

- 2) Accounts receivable and rental receivable containing significant financing elements

For accounts receivable or contract assets containing significant financing elements and rental receivable regulated by the Accounting Standards for Business Enterprises No. 21 — Lease, the Group measures loss provision based on general approach, i.e. “three stages” model.

(3) Method of measuring loss provisions for other financial assets

For financial assets other than those mentioned above, e.g. debt investment, other debt investment, other receivables, long-term receivables other than rental receivable, etc., the Company measures loss provisions with the general method, i.e. the “three-stages” model.

The Company divides other receivables into several groups based on the nature of the payment and calculates the expected credit loss on the basis of the group. The basis for determining the group is as follows:

- Other receivables group 1 : Margins, deposits, petty cash, etc.
- Other receivables group 2 : Related party payments
- Other receivables group 3 : Other current payments

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***10. Determination and accounting treatment methods of expected credit loss***(Continued)***(4) Related party payments**

There is a special relationship between the related parties and the Company (such as intergroup related parties, joint ventures and associates) where the difference between the present value of future cash flows and their carrying amount is expected to be minimal, the accounts receivable are generally not made for provision of bad debt. However, if there is concrete evidence indicating that a related party who is a debtor of the company the registration of which is revoked, bankrupt, insolvent, or in serious shortage of cash flows and has no intention to undergo debt restructuring in respect of such receivables or the receivables cannot be otherwise collected, provision for bad debts should be made for the part that is expected to be possibly collected. If the entire amount due from a related party is not expected to be recovered, bad debt provision for the entire amount may be made.

(5) Accounting treatment methods of expected credit losses

In order to reflect the changes in the credit risk of financial instruments since its initial recognition, the Company re-measures the expected credit loss on each balance sheet date, and the increase or reversal of the loss provision resulting therefrom shall be deemed as impairment loss or gain to be included in profit and loss in the current period, and based on the types of financial instruments, offsetting against the carrying amount of the financial asset shown on the balance sheet or included in estimated liabilities (loans commitment or financial guarantee contracts) or included in other comprehensive income (investment in equity at fair value through other comprehensive income).

11. Inventory

Inventories of the Group mainly include goods in stock.

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 are determined by its estimated selling price less estimated selling expenses and related taxes.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***12. Contract assets and contract liabilities****(1) Contract assets**

A contract asset is the Company's right to receive consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. The provision for impairment of contract assets shall refer to the expected credit loss of financial instruments. For contract assets that do not contain significant financing elements, the Company adopts a simplified method to measure provision for loss. For contract assets that contain significant financing elements, the Company uses general methods to measure provision for loss.

If there is an impairment loss on contract assets, the Company will debit "asset impairment loss" and credit provision for impairment of contract assets based on amounts to be written down; if there is a reversal on provision for asset impairment which has been provided, the Company makes the opposite accounting record.

(2) Contract liabilities

The obligation of the Company to transfer goods or to provide services for consideration received or to be received is presented as contract liabilities.

Contract assets and contract liabilities under the same contract are presented on a net amount basis by the Company.

13. Long-term equity investment**(1) Determination of initial investment cost**

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the acquirer's share of the carrying amount of the owners' equity in the acquiree at the acquisition date. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition determined at the date of acquisition. For a long-term equity investment acquired in cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued. For a long-term equity investment acquired by debt restructuring, the initial investment cost is determined according to related requirements of the Accounting Standards for Business Enterprises No.12 — Debt Restructuring. For a long-term equity investment acquired by exchange of non-cash assets, the initial investment cost is determined according to related requirements of the Accounting Standards for Business Enterprises.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***13. Long-term equity investment** *(Continued)***(2) Subsequent measurement and recognition of profit or loss**

Where the Company is able to exercise control over an investee, the long-term equity investment is accounted for using the cost method. Where the Company has investments in associates and joint ventures, the long-term equity investment is accounted for using the equity method. Where portion of the long-term equity investment in an associate is indirectly held through venture capital organizations, mutual funds, trust companies or similar entities including investment-linked insurance funds, regardless of whether these entities can exercise significant influence on the investments, the Company shall measure the indirectly held portion at fair value through profit or loss and accounted for the remaining portion using the equity method according to Accounting Standards for Business Enterprises No. 22 — Financial Instrument Recognition and Measurement.

(3) Basis for recognition of joint control or significant influence over an investee

Joint control of an investee is that the decision of activities that can significantly affect the arrangement's return must require the unanimous consent of the parties sharing control, including sale and purchase of goods or services, financial assets management, purchase and disposal of assets, research and development activity and financing activities etc. The Company holding of 20%–50% voting capital of the investee presents it can exercise significant influence over the investee. The Company usually can exercise significant influence over the investee even its voting capital is less than 20% if it can meet one of the following situations: (a) Appointing representatives in the board of directors or similar governing body of the investee; (b) Participating in the strategy and policy decision process; (c) Delegating management personnel to the investee; (d) The investee relying on the Company's technique or technical material; (e) Significant transactions occur between the Company and the investee.

14. 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 current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***14. 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 recognised in current profit or loss.

15. Fixed assets

Fixed assets of the Group are tangible assets that are held for the purpose of producing goods, rendering 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 assets 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 assets 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, renovation and improvement expenses are included in the cost of fixed assets when they meet the recognition criteria of a fixed asset and the carrying amount of the replaced parts are derecognised. The subsequent expenditures incurred for a fixed asset are recognised in profit or loss for the period in which they are incurred when they do not meet the criteria of a fixed asset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***15. 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 life (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	33.33

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

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 current profit or loss.

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 assets acquired by an investor is measured at the agreed considerations as specified in the investment contracts or agreements. In case of 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.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***16. Intangible assets** *(Continued)*

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 assets

At each balance sheet date, if there are impairment indications for the long-term assets including long-term equity investments, investment property subsequently measured at cost model, fixed assets, construction in progress, productive biological assets measured at cost, oil and gas assets, intangible assets, goodwill, etc., the Company shall perform the impairment test. If the outcome of the impairment test indicates the recoverable amount of the asset is lower than its carrying amount, the Company shall include the provision for impairment based on the amount of the shortfall.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The provision for impairment of asset is estimated and recognised on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The asset group is the minimum portfolio of assets that could generate cash inflow independently.

Impairment tests are conducted for goodwill presented in the financial statements separately at least at the end of every accounting year regardless whether there are impairment indications or not. When conducting impairment test, the carrying amount of goodwill is allocated to relevant asset groups or asset group portfolio which are expected to benefit from the synergies of the business combination. The related impairment loss shall be recognised if the impairment test indicates the recoverable amount of the asset groups or asset group portfolio embodied the goodwill is lower than their carrying amounts. The amount of impairment loss shall firstly be deducted from the carrying amount of goodwill embodied in the asset groups or asset group portfolio, then be deducted from the carrying amounts of other assets based on the proportions of their carrying amounts in the asset group or asset group portfolio.

The above impairment losses of assets will not be reversed in subsequent periods once they are recognised.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

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 joint ventures is included in the carrying amount of the long-term equity investment.

19. Long-term deferred expenses

Long-term deferred expenses of the Group are expenditures such as property renovation cost, which has 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 one long-term deferred expense can't benefit the Company in the subsequent periods, the remaining balance of the long-term deferred expense shall be recognised as expense in current profit or loss.

20. Employee benefits

(1) Short-time employee benefits

In the accounting period in which employees have rendered services, the Company recognizes the employee benefits as liability, and charges to current profit or loss, or includes in the cost of relevant assets in accordance with other accounting standards. Welfare benefits are charged to current profit or loss or included in the cost of relevant assets when incurred. Welfare benefit in non-monetary forms is measured at fair value. In the accounting period in which employees have rendered services, the Company recognizes the social security contributions as liability according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds, and charges to current profit or loss or includes in the cost of relevant assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***20. Employee benefits (Continued)****(2) Post-employment benefits**

During the accounting period in which employees provide the service, the Company calculates the defined contribution plans payable according to the basis and percentage required by local government, recognised as the liability and charges to profit and loss for current period or includes in the cost of related assets. The Company attributes the obligation incurred by defined benefits plans using the projected accumulated benefit unit credit method to periods in which the employees rendered services and charges the obligation to profit and loss for the current period or includes in the cost of related assets.

(3) Termination benefits

Termination benefits provided by the Company to employees are recognised as an employee benefit liability and charged to current profit or loss at the earlier of the following dates: The Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; When the Company recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

(4) Other long-term employee benefits

If other long-term employee benefits provided by the Company to the employees meet the conditions for classifying as a defined contributions plan, those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. Besides, net liabilities or net assets of other long-term employee benefits are recognised and measured in accordance with the above requirements relating to defined benefits plan.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

21. Revenue

The Group has fulfilled its performance obligations of the contract that the revenue is recognised based on the transaction price of such performance obligation when the customers take control of the relevant goods or services. Obtaining the right to control the relevant goods means that it is able to dominate the use of the goods and derive almost all economic benefits therefrom. The performance obligations of the contract refer to the undertaking in the contract that the Company can clearly distinguish between the goods transferred by the Company to the customer. Transaction price means the consideration that the Group is expected to receive a consideration due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Company expects to return to the customer.

Whether performance obligations are satisfied over time or at a point in time is based on the terms of contracts and related law regulations. If the performance obligations are satisfied over time, the Company will recognise revenue via contract performance schedule, otherwise the Company will recognise revenue at a point in time when the control of relevant assets is obtained by customers.

The business revenues of the Group are mainly generated from sale of advertising spaces and incomes from printing, trading of printing-related materials and distribution of newspapers and magazines and consultation service and technical 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 recognised pro-rata over the period in which the advertisement is published (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.

(Amounts expressed in thousands of RMB unless otherwise stated
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For the six months ended 30 June 2023

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

21. Revenue *(Continued)*

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

Revenue from trading of printing-related materials and distribution of newspapers and magazines, net of VAT, is recognised when the customer has obtained control of relevant goods or services, which generally coincides with the time when the goods are delivered to customers and the title has passed.

(4) Revenue from consultation service

Consultation service income is recognised when the services are provided.

(5) Revenue from technical service

Revenue from technical service is recognised when the services are provided.

(6) Revenue from rental income

Rental income is recognised in accordance with the Group's accounting policy for lease (see Note V.25).

(7) Revenue from group operating projects

Revenue from group operating projects is recognised when the group operating services are provided.

22. Contract cost

Contract cost includes the incremental cost happened for obtaining the contract and the contract performance cost. The incremental cost happened for obtaining the contract (the "contract obtaining cost") refers to the cost which will not occur if the contract is not obtained. Where the cost is expected to be recovered, the Company considers it as the contract obtaining cost and recognises it as an asset.

Where the cost happened for performing the contract does not fall into the scope of inventories and other accounting standards for business enterprises and meets the following conditions at the same time, the Company considers it as the contract performance cost and recognises it as an asset:

- (1) The cost is directly related to a current contract or a contract expected to be obtained, including direct labor, direct materials, manufacturing fees (or similar fees), the cost set to be assumed by users and other costs arising merely from the contract;
- (2) The cost increased the resources of the Company to be used for performing the performance obligations in the future;
- (3) The cost is expected to be recovered.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***22. Contract cost** *(Continued)*

The assets with the contract obtaining cost recognised and the assets with the contract performance cost recognised (hereafter referred to as the “contract cost related assets”) are amortized on the same basis as the recognition of revenue on commodities related to the asset and are included in the current profit or loss. The amortization period for the assets from the incremental cost on obtaining the contract shall be no more than one year and shall be included in the current profit or loss after happened.

When the carrying value of the contract cost-related assets is higher than the difference between the following two items, the impairment provisions for the excess shall be made and shall be recognised as losses on assets impairment:

- (1) The remaining consideration expected to be obtained from transfer of commodities related to the asset;
- (2) The cost estimated to incur for the transfer of such commodities.

23. Government grants**(1) Category and accounting treatment of government grants**

Government grants are the monetary assets or non-monetary assets received from the government without consideration (excluding the capital invested by the government as the owner). As monetary assets, government grants are measured based on the actual received or receivable amounts. As non-monetary assets, government grants are measured based on their fair value; if the fair value cannot be estimated reliably, it will be measured based on the nominal amount.

Government grants related to daily activities are included in other income according to the substance of the economic activities. Government grants unrelated to daily activities are included in non-operating income and expenditure.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***23. Government grants** *(Continued)***(1) Category and accounting treatment of government grants** *(Continued)*

The government grants which are clearly defined in the government documents to be used for acquisition, construction or other projects that forms a long-term asset are recognised as asset-related government grants. Regarding the government grants that are not clearly defined in the government documents and can form long-term assets, the part of government grants which can be referred to the value of the assets are classified as government grants related to assets and the remaining part is government grants related to income. For the government grants that are difficult to distinguish, the entire government grants are classified as government grants related to income. Any government grants related to assets are recognised as deferred income, the amount of which shall be recorded in the current profit or loss in installments with a reasonable and systematic method over the useful lives of relevant assets.

The government grants other than those related to assets are recognised as government grants related to income. The income-related government grants used to compensate relevant expenses or losses to be incurred by the enterprise in subsequent periods are recognised as deferred income and recorded in profit and loss for the current period when such expenses are recognised while those used to compensate relevant expenses or losses that have been incurred by the enterprise are recorded directly in current profit or loss.

Where the Company obtains an interest subsidy for policy-related preferential loans, the government either appropriates an interest subsidy to the lending bank, allowing the latter to provide loans at a preferential interest rate to the Company who shall recognize the loan amount received as the book entry value of such loans, and calculate the relevant loan expenses according to the loan principal and the preferential interest rate; or the government directly appropriates an interest subsidy to the Company who shall use the interest subsidy to offset relevant loan expenses.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

23. Government grants (Continued)

(2) The recognition time point for government grants

The governmental grants would be recognised upon satisfaction of the conditions attached and such amount of grants is sure to be received. Specifically, the governmental grants measured at the amount receivable will be recognised when there is unambiguous evidence suggesting the conformance to related conditions as provided in financial support policies and financial support fund is expected to be received at the end of financial year. Other government grants other than those measured at the amount receivable will be recognised at the actual time of receiving such grants.

24. Deferred tax asset and deferred tax liability

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base (asset or liability not recognised in the balance sheet but the tax base is ascertained by the current tax laws and regulation, the tax base is the temporary difference) is recognised as deferred tax calculating by the effective tax rate in the expected period to receive the asset or discharge the liability.

Deferred tax assets are recognised for deductible temporary differences to the extent that taxable profit will probably be available against which the deductible temporary differences can be utilized and should be recognised for deductible loss or tax reduction that could be carried forward in subsequent periods to the extent that taxable income will probably be available against which deductible loss or tax reduction can be utilized. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced.

The taxable temporary differences associated with investments in subsidiaries and associates shall be recognised deferred tax liability, except the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The deductible temporary differences associated with investments in subsidiaries and associates, the corresponding deferred tax asset is recognised when it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***25. Lease****(1) The accounting treatment for lessee**

At the beginning of the lease term, the Company recognizes the right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and depreciation and interest expenses are recognised during the lease term.

The Company uses the straight-line method in each period of the lease term to include lease payments for short-term leases and leases of low-value assets into current expenses.

1) Right-of-use assets

The right-of-use assets refer to the right of the lessee to use the leased asset during the lease term. On the commencement date of the lease term, right-of-use assets are initially measured at cost. The cost includes: ① the amount of the initial measurement of the lease liability; ② the lease payment made on or before the commencement date of the lease term, less any lease incentive received if any; ③ the initial direct costs incurred by the lessee; ④ an estimate of costs to be incurred by the lessee in dismantling and removing the leased assets, restoring the site on which it is located or restoring the leased asset to the condition required by the terms and conditions of the lease.

The depreciation for right-of-use assets of the Company is categorized and provided using the average life method. For those leased assets which can be reasonably determined that their ownership will be acquired at the expiration of the lease term, depreciation will be provided within the estimated remaining useful life of the leased assets; for those which cannot be reasonably determined that their ownership will be acquired at the expiration of the lease term, depreciation will be provided within the shorter of the lease term and the remaining useful life of the leased assets.

The Company determines whether the right-of-use assets have been impaired and are accounted for in accordance with the relevant provisions under the Accounting Standards for Business Enterprises No. 8 — Asset Impairment.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***25. Lease** *(Continued)***(1) The accounting treatment for lessee** *(Continued)***2) Lease liabilities**

Lease liabilities are initially measured based on the present value of outstanding lease payment on the commencement date of the lease term. Lease payments includes: ① fixed payments (including in-substance fixed payments), less any relevant lease incentives if any; ② variable lease payments subject to an index or a rate; ③ estimated payables based on the residual value of the guarantee provided by the lessee; ④ the exercise price under the purchase option if the lessee is reasonably certain to exercise; ⑤ payments for exercising the option of termination of a lease if the lease term reflects the lessee exercising the option to terminate.

The Company uses the inherent interest rate of the lease as the discount rate; if the inherent interest rate of the lease cannot be determined, the incremental borrowing interest rate of the Company should be used as the discount rate. The Company calculates the interest expenses of lease liabilities for each period over the lease term based on the fixed periodic rate, and includes them in financial expenses. Such periodic rate is the discount rate or revised discount rate adopted by the Company.

The variable lease payments not included in the measurement of lease liabilities are included in the current profit and loss when they actually occur.

If there are any changes in the Company's evaluation of the lease renewal option, the lease termination option or the purchase option, the lease liabilities shall be remeasured at the present value calculated based on the changed lease payments and the revised discount rate, and the book value of the right-of-use assets shall be adjusted accordingly. If there are any changes in actual lease payments, the estimated payables of guaranteed residual value or the variable lease payments subject to an index or a rate, the lease liabilities are remeasured at the changed lease payments and the present value calculated at the original discount rate, and the book value of the right-of-use assets shall be adjusted accordingly.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***25. Lease** *(Continued)***(1) The accounting treatment for lessee** *(Continued)***2) Lease liabilities** *(Continued)*

Lease liabilities are initially measured based on the present value of outstanding lease payment on the commencement date of the lease term. Lease payment includes: ① fixed payments (including insubstance fixed payments), less any relevant lease incentives if any; ② variable lease payments subject to an index or a rate; ③ estimated payables based on the residual value of the guarantee provided by the lessee; ④ the exercise price under the purchase option if the lessee is reasonably certain to exercise; ⑤ payments for exercising the option of termination of a lease if the lease term reflects the lessee exercising the option to terminate.

The Company uses the inherent interest rate of the lease as the discount rate; if the inherent interest rate of the lease cannot be determined, the incremental borrowing interest rate of the Company should be used as the discount rate. The Company calculates the interest expenses of lease liabilities for each period over the lease term based on the fixed periodic rate, and includes them in financial expenses. Such periodic rate is the discount rate or revised discount rate adopted by the Company.

The variable lease payments not included in the measurement of lease liabilities are included in the current profit and loss when they actually occur.

If there are any changes in the Company's evaluation of the lease renewal option, the lease termination option or the purchase option, the lease liabilities shall be remeasured at the present value calculated based on the changed lease payments and the revised discount rate, and the book value of the right-of-use assets shall be adjusted accordingly. If there are any changes in actual lease payments, the estimated payables of guaranteed residual value or the variable lease payments subject to an index or a rate, the lease liabilities are remeasured at the changed lease payments and the present value calculated at the original discount rate, and the book value of the right-of-use assets shall be adjusted accordingly.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***25. Lease** *(Continued)***(2) Accounting treatment of leased assets**

- 1) Accounting treatment of operating leases
During each period of the lease term, the Company uses the straightline method to recognise the lease payments from operating leases as rental income. The initial direct costs incurred by the Company in relation to the operating leases are capitalised, and are accounted for in current income based on the same recognition basis as the rental income during the lease term.
- 2) Accounting treatment of finance leases
At the commencement date of the lease term, the Company recognizes the difference between the sum of finance lease receivables and the unguaranteed residual value, and the present value thereof as unrealized finance income, and recognizes the same as rental income over the periods when rent is received in the future. The Company's initial direct costs associated with rental transactions shall be included in the initial measurement of the finance lease receivables.

26. Held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as held-for-sale assets when all the following conditions are met: a) the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); b) the sale must be highly probable, i.e. the Company has signed an irrevocable transfer agreement with the transferee and the transfer is expected to be completed within one year. If related regulations require pre-approval for the sale, the sale transaction has been approved.

When a non-current asset (or disposal group) classified as held for sale is initially measured or re-measured at each balance sheet date, if the book value of the non-current asset (or disposal group) is higher than its fair value, the difference will be deducted from the book value and recognised as impairment provision of held for sale in the profit and loss for current period.

Non-current asset (or disposal group) classified as held-for-sale asset will be presented as held-for-sale assets and the liabilities in the disposal group will be presented as held-for-sale liabilities in the balance sheet.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***26. Held-for-sale and discontinued operations** *(Continued)*

A discontinued operation is a clearly distinguished component of an entity, that either has been disposed of, or is classified as held for sale, and meets any of the following criteria:

- 1) the component represents a separate principal business or a single principal area of operation;
- 2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- 3) is a subsidiary acquired exclusively with a view to resale.

27. Accounting for income tax

Income tax is accounted for using liability method. Income tax expenses represent the sum of current tax and deferred tax. Except for current tax and deferred tax relating to the transactions and matters that are directly recorded in shareholders' equity are dealt with in shareholders' equity, and deferred tax arising from a 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 the 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

28. Segment information

Operating segments of the Group are identified based on internal organization structure, management requirements and internal reporting policies. The reporting segments are determined based on 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; (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.

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

29. Key accounting estimates and judgments

In the application of the Group's accounting policies, 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 followings are the key assumptions on the future and other key sources of estimation uncertainty at the end of the reporting period, that is probable to cause a material adjustment to the carrying amounts of assets and liabilities of the next financial year.

(1) Building ownership

Certain buildings and investment properties 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***29. Key accounting estimates and judgments** *(Continued)***(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 periods.

(3) Fair value of investment properties

Investment properties are measured at fair value estimated by the management. The management will determine the fair value 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.

(4) Allowance for bad debts of account receivables and other receivables

The Group assesses expected credit loss of account receivables by using the risk exposure of default of account receivables and expected credit loss rate and determines the expected credit loss rate based on the probability of default and rate of default loss. When determining the expected credit loss rate, the Group refers to the experience of historical credit loss, and makes adjustments considering the current situation and forward-looking information, which is measured with indicators including the risk of economic downturn, external market environment, industrial risks and changes in customers' situation, etc.

(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 to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES*(Continued)***29. Key accounting estimates and judgments** *(Continued)***(6) Impairment of interests in joint ventures and associates**

The Group tests annually whether the interests in joint ventures 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 impairment 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 value-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.

(7) 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 year 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**1. Changes in accounting policies and their effect**

There were no changes in the Group's accounting policies for current period.

2. Changes in accounting estimates and their effect

There were no changes in the Group's accounting estimates for current period.

VII. TAXES

1. Main tax categories and tax rates

Tax category	Tax base	Tax rate
Value added tax	The VAT payable shall be the balance of the output tax for the period after deducting the input tax for the period, and output VAT is calculated based on 13%, 9%, 6%	13%, 9%, 6%
Expenses for cultural undertakings development	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%
Corporate income tax	Taxable income	25%

2. Significant tax incentives and approval documents

According to the requirements of the Notice on Several Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises for Continuous Implementation of Cultural System Reform forwarded by the Ministry of Finance, the State Administration of Taxation and the Publicity Department of the Communist Party of China (Cai Shui [2019] No. 16) (《財政部稅務總局中央宣傳部關於繼續實施文化體制改革中經營性文化事業單位轉制為企業若干稅收政策的通知》(財稅[2019]16號)), enterprises that have completed the transformation prior to 31 December 2018 could continue to be exempted from corporate income tax for five years starting from 1 January 2019.

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

1. Trading financial assets

Item	Investment cost	As at 30 June 2023	As at 31 December 2022
Wealth management product	155,200	162,243	162,663
Total	155,200	162,243	162,663

2. Accounts receivable

Item		As at 30 June 2023	As at 31 December 2022
Accounts receivable		431,878	423,247
Less: Provision for bad debts		409,137	405,347
Net accounts receivable		22,741	17,900

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

For the six months ended 30 June 2023

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

2. Accounts receivable *(Continued)*

(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 2023	As at 31 December 2022
0-90 days	13,158	7,055
91-180 days	1,489	1,672
181-365 days	3,119	2,014
1-2 years	2,153	2,539
Over 2 years	2,822	4,620
Total	22,741	17,900

The top five accounts receivable as at 30 June 2023 represented 44.11% of the total accounts receivable.

3. Prepayments

Item	As at 30 June 2023	As at 31 December 2022
Prepayments	3,494	2,496
Less: Provision for bad debts	—	—
Net prepayments	3,494	2,496

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***3. Prepayments** *(Continued)*

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

Item	As at 30 June 2023	As at 31 December 2022
Within 1 year	3,472	2,474
Over 1 year	22	22
Total	3,494	2,496

The top five prepayments as at 30 June 2023 represented 71.47% of the total prepayments.

4. Other receivables

Item	As at 30 June 2023	As at 31 December 2022
Dividends receivable	1,878	11,104
Other receivables	206,435	203,481
Less: Provision for bad debts	203,380	202,785
Net other receivables	4,933	11,800

(1) Dividend receivables

Dividend receivables by nature

Item	As at 30 June 2023	As at 31 December 2022
Investment dividend	1,878	11,104
Less: Provision for bad debts	—	1,511
Total	1,878	9,593

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

For the six months ended 30 June 2023

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

4. Other receivables *(Continued)*

(2) Other receivables

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

Item	As at 30 June 2023	As at 31 December 2022
Within 1 year	1,096	2,104
1–2 years	1,925	45
2–3 years	34	35
3–4 years	—	18
Over 4 years	—	5
Total	3,055	2,207

- 2) Other receivables classified by nature

Nature	As at 30 June 2023	As at 31 December 2022
Related-party current account	5,945	6,742
External unit current	198,736	194,776
Deposit and margin	319	426
Reserve funds	1,353	1,534
Others	82	3
Total	206,435	203,481

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

5. Other current assets

Item	As at 30 June 2023	As at 31 December 2022
VAT to be deducted	26,601	27,232
Prepaid income tax	212	118
Prepaid cultural business tax	—	1
Total	26,813	27,351

6. Long-term equity investments

(1) Types of long-term equity investments

Type	As at 30 June 2023	As at 31 December 2022
Investments in associates — under equity method	4,219	4,219
Less: Provision for impairment for investments in associates	948	948
Total	3,271	3,271

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

For the six months ended 30 June 2023

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

6. Long-term equity investments (Continued)

(1) Types of long-term equity investments (Continued)

Investees	Changes in the period								Balance as at 30 June 2023	Balance of impairment provision as at 30 June 2023
	Balance as at 1 January 2023	Additional investment	Decrease in investment	Investment gain or loss recognised under equity method	Other comprehensive income adjustment	Changes in other equity	Declaration of cash dividend or profit	Provision for impairment		
Beijing Leisure Trend Advertising Company Limited	-	-	-	-	-	-	-	-	-	-
Beijing Shengyi Automobile Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Beijing Beisheng United Insurance Agency Co., Ltd.	1,993	-	-	-	-	-	-	-	-	1,993
BY Times Consulting Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Beijing Beijing Top Advertising Limited	-	-	-	-	-	-	-	-	-	-
Chongqing Soyang Internet Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	948
Beijing Shangyou Network Technology Co., Ltd.	1,278	-	-	-	-	-	-	-	-	1,278
Total	3,271	-	-	-	-	-	-	-	-	948

(2) Investments in associates

Item	As at 30 June 2023	As at 31 December 2022
Unlisted investments, at cost	41,026	41,026
Share of post-acquisition profit	(36,807)	(36,807)
Provision for impairment	948	948
Total	3,271	3,271

As at 30 June 2023, for details of the associates of the Group, please refer to "X. Disclosure of Interests in Other Entities" of this note.

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

7. Investment in other equity instruments

(1) Investment in other equity instruments

Item	Investment cost	As at 30 June 2023	As at 31 December 2022	Dividend income recognised for the period
Beijing Keyin Media Culture Co., Ltd.	6,560	35,874	35,874	729
Beiyang Publishing & Media Co., Ltd.	103,000	222,256	222,256	6,816
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	500	3,284	3,284	—
Beijing International Advertising & Communication Group Co., Ltd.	33,119	20,603	20,603	—
Total	143,179	282,017	282,017	7,545

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

Type	As at 30 June 2023	As at 31 December 2022
Unlisted equity investments, PRC	282,017	282,017
Total	282,017	282,017

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

For the six months ended 30 June 2023

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

8. Other non-current financial assets

(1) Investment in other non-current financial assets

Item	Investment cost	As at 30 June 2023	As at 31 December 2022	Dividend income recognised for the period
Suzhou Huaying Culture Industry Investment Enterprise (Limited Partnership)	1,818	250	250	—
Total	1,818	250	250	—

(2) Other non-current financial assets are analyzed as follows:

Type	As at 30 June 2023	As at 31 December 2022
Unlisted equity investments, PRC	250	250
Total	250	250

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***9. Investment properties***Investment properties measured at fair value*

Type	As at 30 June 2023	As at 31 December 2022
Buildings	82,247	89,697
Total	82,247	89,697

The fair value of the Group's investment properties as at 30 June 2023 have been arrived at by reference to recent market prices for similar properties in the same locations and conditions.

As at 30 June 2023, the carrying values of the investment properties for which the Group had not been granted formal title amounted to approximately RMB3,418 thousand. In the opinion of the directors of the Company, the absence of formal title to these properties does not impair the value of the relevant properties to the Group. The directors of the Company also believe that formal title to these properties will be granted to the Group in due course.

As at 30 June 2023, the title of the Group's two properties located outside of China has been changed.

10. Fixed assets

For the six months ended 30 June 2023, the fixed assets of the Group increased by RMB479 thousand (corresponding period of 2022: the fixed assets increased by RMB95 thousand).

For the six months ended 30 June 2023, the Group disposed of fixed assets with original carrying amount of RMB399 thousand (corresponding period of 2022: RMB163 thousand).

For the six months ended 30 June 2023, the depreciation of fixed assets recognised in the income statement is RMB285 thousand (corresponding period of 2022: RMB229 thousand).

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

11. Intangible assets

For the six months ended 30 June 2023, the intangible assets of the Group increased by RMB0 thousand (corresponding period of 2022: increased by RMB0 thousand).

For the six months ended 30 June 2023, the amortization of intangible assets recognised in the income statement is RMB452 thousand (corresponding period of 2022: RMB476 thousand).

12. Goodwill

Item	As at 30 June 2023	As at 31 December 2022
Goodwill arising from the acquisition of Beijing CéCi	47,377	47,377
Less: Provision for impairment	47,377	47,377
Total	—	—

13. Other non-current assets

Item	As at 30 June 2023	As at 31 December 2022
Prepayments for film project <i>(Note)</i>	24,000	24,000
Less: Provision for impairment	24,000	24,000
Total	—	—

Note: Prepayments for film project are relevant to the Company's participation in film and television production of "Oriental King of Soccer" (《東方球王》). The project settlement period 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 "Oriental King of Soccer". As at 30 June 2023, the balance of prepayments related to the television project "Oriental King of Soccer" was RMB24,000 thousand. "Oriental King of Soccer" has not been released.

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

14. Breakdown of impairment provision of assets

Item	As at 1 January 2023	Increase during the period		Decrease during the period		As at 30 June 2023
		Provision	Other transfer in	Reversal	Other transfer out	
Provision for impairment of bad debts	608,595	3,922	—	—	—	612,517
Provision for inventory impairment	4,941	194	—	—	963	4,172
Provision for impairment of investments in associates	948	—	—	—	—	948
Provision for impairment of intangible assets	8,460	—	—	—	—	8,460
Provision for impairment of goodwill	47,377	—	—	—	—	47,377
Provision for impairment of other non-current assets	24,000	—	—	—	—	24,000
Total	694,321	4,116	—	—	963	697,474

15. Accounts payable

Item	As at 30 June 2023	As at 31 December 2022
Accounts payable	16,715	11,666
Total	16,715	11,666

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

For the six months ended 30 June 2023

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

15. Accounts payable *(Continued)*

The following is an aging analysis of accounts payable as at 30 June 2023 presented based on the invoice date:

Item	As at 30 June 2023	As at 31 December 2022
0-90 days	12,520	7,891
91-180 days	977	47
181-365 days	138	322
Over one year	3,080	3,406
Total	16,715	11,666

16. Other payables

Nature	As at 30 June 2023	As at 31 December 2022
Current account	9,121	17,160
Deposit and margin	5,820	5,981
Collection and payment for other persons	282	851
Others	1,197	1,069
Total	16,420	25,061

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

17. Other comprehensive income

Item	As at 1 January 2023	Amount before income tax for the year	Less: other comprehensive income subsequently reclassified into profit or loss in current period	Less: income tax expenses	Amount after tax attributable to the parent company	Amount after tax attributable to non- controlling shareholders	As at 30 June 2023
1. Other comprehensive income subsequently unable to be reclassified into profit or loss	171,261	—	—	—	—	—	171,261
Including: Change in fair value of other investments of equity instruments	171,261	—	—	—	—	—	171,261
2. Other comprehensive income subsequently able to be reclassified into profit or loss	585	206	—	—	124	82	709
Including: Items attributable to investees under equity method subsequently reclassified to profit or loss	550	—	—	—	—	—	550
Including: Exchange differences from retranslation of financial statement	35	206	—	—	124	82	159
Total other comprehensive income	171,846	206	—	—	124	82	171,970

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

For the six months ended 30 June 2023

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

18. Total operating income, operating costs

Item	For the six months ended 30 June	
	2023	2022
Principal operating income	70,680	69,686
Other operating income	9,986	2,521
Total operating income	80,666	72,207
Principal operating costs	64,360	66,109
Other operating costs	4,289	654
Total operating costs	68,649	66,763
Gross Profit	12,017	5,444

Total operating income (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 outside customers, less trade discounts during the period.

(1) Principal operations — by business segment

Item	For the six months ended 30 June			
	2023		2022	
	Operating Income	Operating costs	Operating income	Operating costs
Advertising	37,091	32,679	25,451	23,548
Printing	613	545	2,186	2,063
Trading of printing- related materials	30,564	28,882	41,888	40,234
Distribution	32	75	27	81
Service	2,221	2,020	—	—
Others	159	159	134	183
Total	70,680	64,360	69,686	66,109

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***18. Total operating income, operating costs** *(Continued)*

(2) The sum of operating income from the top five customers is RMB26,392 thousand representing 32.72% of operating income for the six months ended 30 June 2023.

(3) Other operating income includes revenue from property rental income of RMB3,269 thousand.

19. Tax and Surcharges

Item	For the six months ended 30 June	
	2023	2022
Urban maintenance and construction tax	84	55
Education surcharge	36	24
Local education surcharge	24	16
Property tax	664	505
Expenses for cultural undertakings development	227	370
Others	82	68
Total	1,117	1,038

20. Financial expenses

Item	For the six months ended 30 June	
	2023	2022
Interest expenses	—	5
Less: Interest income	268	2,422
Exchange gain and loss	10	38
Add: Commissions and other expenses	30	38
Total	(228)	(2,341)

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

For the six months ended 30 June 2023

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

21. Gain on investment

Item	For the six months ended 30 June	
	2023	2022
Share of profit of associates	—	(249)
Investment income received from the disposal of financial assets at fair value through profit or loss	(14)	85
Investment income received from holding investments in other equity instruments	7,545	—
Other investment income	526	259
Total	8,057	95

22. Gain/(loss) on the changes in fair value

Item	For the six months ended 30 June	
	2023	2022
Changes in fair value of transactional financial assets	4,594	46
Changes in fair value of investment properties	(830)	(1,641)
Total	3,764	(1,595)

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

23. Impairment loss of credit

Item	For the six months ended 30 June	
	2023	2022
Loss from bad debts	(3,922)	(1,095)
Total	(3,922)	(1,095)

24. Non-operating income

Item	For the six months ended 30 June	
	2023	2022
Others	4	60
Total	4	60

25. Non-operating expenses

Item	For the six months ended 30 June	
	2023	2022
Compensation and late payment fines	—	24
Losses on abandonment of non-current assets	3	—
Others	90	—
Total	93	24

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

For the six months ended 30 June 2023

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

26. Income tax expenses

(1) Income tax expenses

Item	For the six months ended 30 June	
	2023	2022
Current income tax expenses	(31)	(1,786)
Deferred income tax expenses	—	—
Total	(31)	(1,786)

(2) Current income tax expenses

Item	For the six months ended 30 June	
	2023	2022
Current income tax — PRC	21	25
Under-provision in prior years — PRC	(52)	(1,811)
Total	(31)	(1,786)

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

27. Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: nil).

VIII. EXPLANATORY NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***28. Cash and cash equivalents**

Item	As at 30 June 2023	As at 31 December 2022
Bank deposits and cash	74,542	82,948
Less: Restricted bank deposits	3,988	9,071
Balance of cash and cash equivalents at the end of the period	70,554	73,877

IX. CHANGES IN CONSOLIDATED SCOPE**1. Business combination**

During the period, the Group had no changes in consolidated scope as a result of business combination.

2. Disposal of subsidiaries

During the period, the Group had no changes in consolidated scope as a result of disposal of subsidiaries.

3. Changes in consolidated scope for other reasons

During the period, the Group had no change in consolidated scope.

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

For the six months ended 30 June 2023

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Constitutions for enterprise group

Name of subsidiaries	Principal place of business	Place of registration	Business nature	Registered capital	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
BYD Logistics Company Limited	Beijing, the PRC	Beijing, the PRC	Logistics and warehousing	30,000	92.84	—	Establishment
Beiqing CéCí Advertising (Beijing) Limited	Beijing, the PRC	Beijing, the PRC	Advertising services	80,000	84.69	—	Business combination involving entities not under common control
Beiqing Beiqing Outdoor Advertisement Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	10,000	100.00	—	Business combination involving entities under common control
Beiqing Network Culture Communication Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	15,000	100.00	—	Establishment
Beiqing Long Teng Investment Management (Beijing) Co., Limited	Beijing, the PRC	Beijing, the PRC	Investment management	50,000	80.84	—	Establishment
Chongqing Youth Media Company Limited	Chongqing, the PRC	Chongqing, the PRC	Newspaper distribution, advertising services	30,000	60.00	—	Establishment
Beiqing Community Media Technology (Beijing) Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	30,025	57.95	—	Establishment
CHONG QING YOUNTH (AMERICA) LLC	Florida	Florida	Travel rental	8,800	—	60.00	Establishment
Beiqing Beiqing Innovation Cultural Industry Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Cultural communication	15,000	100	—	Establishment

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries (Continued)****(2) Significant not wholly-owned subsidiaries**

Name of subsidiaries	Percentage of non-controlling shareholders (%)	Gain or loss for the period attributable to non-controlling shareholders	Other comprehensive income attributable to non-controlling shareholders for the period	Balance of non-controlling shareholders as at 30 June 2023
BYD Logistics Company Limited	7.16	43	—	(916)
Beijing Community Media Technology (Beijing) Co., Ltd.	42.05	710	—	14,265

(3) Major financial information of significant not wholly-owned subsidiaries

Name of subsidiaries	As at 30 June 2023						As at 31 December 2022					
	Non-current assets		Total assets	Non-current liabilities		Total liabilities	Non-current assets		Total assets	Non-current liabilities		Total liabilities
	Current assets	assets	assets	Current liabilities	liabilities	liabilities	Current assets	assets	assets	Current liabilities	liabilities	liabilities
BYD Logistics Company Limited	26,764	29	26,793	39,587	—	39,587	30,185	22	30,207	43,599	—	43,599
Beijing Community Media Technology (Beijing) Co., Ltd.	43,268	1,429	44,697	10,774	—	10,774	44,037	1,374	45,411	13,175	—	13,175

Name of subsidiaries	For the six months ended 30 June 2023				For the six months ended 30 June 2022			
	Operating income		Total comprehensive income		Operating income		Total comprehensive income	
	Net profit	income	Net profit	income	Net profit	income	Net profit	income
BYD Logistics Company Limited	35,841	599	599	(3,466)	49,835	410	410	(5,249)
Beijing Community Media Technology (Beijing) Co., Ltd.	2,675	1,687	1,687	(6,211)	13,342	(3,561)	(3,561)	(7,871)

None of the subsidiaries had issued any debt securities at the end of the reporting period.

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)

2. Interests in associates

(1) Constitutions for associates

Name of associates	Place of registration	Principal place of business	Business nature	Shareholding percentage (%)		Voting percentage (%)	Business structure
				Direct	Indirect		
Beijing Leisure Trend Advertising Company Limited	Beijing	Beijing	Design, production, agency advertising	49.04	—	49.04	Limited liability company
Beijing Shengyi Automobile Technology Co., Ltd.	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 Times Consulting Co., Ltd.	Beijing	Beijing	Economic information consulting, organizing cultural activities	30.00	—	30.00	Limited liability company
Beijing Beiqing Top Advertising Limited	Beijing	Beijing	Design, production, agency advertising	41.60	—	41.60	Limited liability company
Chongqing Soyang Internet Technology Co., Ltd.	Chongqing	Chongqing	Network E-Commerce	—	35.00	35.00	Limited liability company
Beijing Shangyou Network Technology Co., Ltd.	Beijing	Beijing	Network E-Commerce	—	30.00	30.00	Limited liability company

Note: The accounting method for the investment in associates adopted by the Group is equity method.

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

Beijing Shangyou Network Technology Co., Ltd. is a 30% owned associate of Beijing Community Media Technology (Beijing) Co., Ltd., a subsidiary of Beijing Media.

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)**2. Interests in associates (Continued)****(2) Major financial information for associates**

Item	As at 30 June 2023/ For the six months ended 30 June 2023	As at 30 June 2022/ For the six months ended 30 June 2022
Associates:		
Total carrying value in investment	3,271	3,278
Aggregated amounts per shareholding percentage for the followings:		
— net profit	—	(249)
— other comprehensive income	—	—
— total comprehensive income	—	(249)

(3) Excess losses from associates

Name of associates	Accumulated unrecognised losses in the previous years on 31 December 2022	Unrecognised loss for this period (or net profits shared in this period)	Accumulated unrecognised loss as at 30 June 2023
Beijing Leisure Trend Advertising Company Limited	(5,988)	—	(5,988)
Beijing Shengyi Automobile Technology Co., Ltd.	(1,331)	—	(1,331)
Beijing Beiqing Top Advertising Limited	(12,619)	—	(12,619)
BY Times Consulting Co., Ltd.	(169)	(4)	(173)

Note: As of the date of this report, Beijing Beiqing Top Advertising Limited and Beijing Shengyi Automobile Technology Co., Ltd. have not yet provided its financial statements for January to June 2023.

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)

2. Interests in associates (Continued)

(4) Unrecognised commitments relating to investments in associates

None

(5) Contingent liabilities relating to investments in associates

None

3. Equity in investment in other equity instruments

(1) Basic information of relevant investee companies in relation to investment in other equity instruments:

Company name	Place of registration	Principal place of business	Business nature	Shareholding percentage (%)	Fair value as at 30 June 2023	Proportion of total assets (%)
Beiyang Publishing & Media Co., Ltd.	Shijiazhuang	Shijiazhuang	Production, printing, publishing and distribution of books, newspapers and magazines	2.43	222,256	32.07
Beijing Keyin Media and Culture Co., Ltd.	Beijing	Beijing	Organizing exchange activities on culture and art, and design, production and provision of agency service of advertisements	16.00	35,874	5.18
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	Beijing	Beijing	Internet Information Service	5.00	3,284	0.47
Beijing International Advertising & Communication Group Co., Ltd.	Beijing	Beijing	Design, production and provision of agency service of advertisements	11.44	20,603	2.97

(2) The investment strategies of major investments in respect of investment in other equity instruments:

Beiyang Publishing & Media Co., Ltd. (hereinafter referred to as “Beiyang Media”) is mainly engaged in the production, printing, publishing and distribution of books, newspapers and magazines. It is the main platform for Hebei Publishing & Media Group Co., Ltd. to perform transformation into corporate and capitalized operations. Currently, the Company holds 43,706,423 shares of Beiyang Media, representing 2.43% of the aggregate share capital of Beiyang Media. In recent years, Beiyang Media has been operating well and has been profitable, and has achieved steady growth in assets and revenue. The Group is optimistic about the future operation of Beiyang Media and is prepared to continue to hold it for a long term to obtain better investment returns.

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)**3. Equity in investment in other equity instruments (Continued)****(2) The investment strategies of major investments in respect of investment in other equity instruments: (Continued)**

Beijing Keyin Media and Culture Co., Ltd. (hereinafter referred to as “Keyin Media”) is mainly engaged in organizing exchange activities on culture and art, and design, production and provision of agency service of advertisements, etc. Currently, the Company holds 4,000,000 shares of Keyin Media, representing 16% of the aggregate share capital of Keyin Media. In recent years, Keyin Media has been operating well and has been profitable. The Group is optimistic about the future operation of Keyin Media and is prepared to continue to hold it for a long term.

4. Equity in other non-current financial assets

Basic information of relevant investee companies in relation to other non-current financial assets:

Company name	Place of registration	Principal place of business	Business nature	Shareholding percentage (%)	Fair value as at	
					30 June 2023	Proportion of total assets (%)
Suzhou Huaying Culture Industry Investment Enterprise (limited partnership)	Suzhou	Suzhou	Investment management	2.61	250	0.04

5. Equity in financial assets held for trading**(1) Basic information of financial assets held for trading**

Name of counterparty	Types of products	Investment cost as at 30 June 2023	Unrealised gains and losses for the six months ended 30 June 2023	Changes in fair value for the six months ended 30 June 2023	Fair value as at	
					30 June 2023	Proportion to total assets (%)
Capital Securities	Fixed-income wealth management products	155,200	7,043	7,043	162,243	23.41

X. DISCLOSURE OF INTERESTS IN OTHER ENTITIES (Continued)

5. Equity in financial assets held for trading (Continued)

(2) Investment strategies for financial assets held for trading

The Company has achieved good returns through a single asset management contract, and the Company has established a good cooperative relationship with Capital Securities in this process, and the Company will continue to entrust Capital Securities to manage the Company's idle funds for the Company without affecting the daily operating liquidity and being authorized by the shareholders' meeting.

XI. DISCLOSURE OF FAIR VALUES

1. Value of assets and liabilities measured at fair value at the end of period and fair value measurement level

Item	Fair value as at 30 June 2023			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
I. Fair value measurement on recurring basis				
(I) Financial assets held for trading	—	—	162,243	162,243
(II) Other non-current financial assets	—	—	250	250
1. Financial assets designated at fair value through profit or loss	—	—	250	250
(III) Investment in other equity instruments	—	—	282,017	282,017
(IV) Investment properties	—	82,247	—	82,247
1. Leased building	—	82,247	—	82,247
Total assets measured at fair value on recurring basis	—	82,247	444,510	526,757

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS**1. Relationships with related parties**

Related parties with the Group are as follows:

Relationship	Name of related party
Parent company	BYDA
Ultimate controlling company	Beijing Capital Group Co., Ltd. (北京首都創業集團有限公司)
Subsidiary of BYDA	Beijing International Investment Consultancy (Beijing) Co., Limited
Subsidiary of BYDA	Beijing M-Media (Beijing) Culture Media Co., Ltd.* (北青融媒(北京)文化傳媒有限公司)
Subsidiary of BYDA	Beijing United Communication Media Technology (Beijing) Co., Ltd.
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 Film & Television (Beijing) Co., Ltd.* (北青影視(北京)有限公司)
Subsidiary of BYDA	Beijing Beijing 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.
Subsidiary of BYDA	Beijing Youth Travel Service Co., Ltd.
Subsidiary of Beijing Capital Group Company Limited	Beijing Chuangyue Xinke Real Estate Co., Ltd.
Subsidiary of Beijing Capital Group Company Limited	Beijing East Ring Xinrong Investment Management Co., Ltd.
Subsidiary of Beijing Capital Group Company Limited	Beijing Agriculture Guaranty Co., Ltd.* (北京市農業融資擔保有限公司)
Subsidiary of Beijing Capital Group Company Limited	Beijing Kangyuan Real Estate Management Co., Ltd.
Subsidiary of Beijing Capital Group Company Limited	Beijing Municipal Economic Development and Investment Co., Ltd.

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

For the six months ended 30 June 2023

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

1. Relationships with related parties *(Continued)*

Relationship	Name of related party
Subsidiary of Beijing Capital Group Company Limited	Beijing Rural Area Equity Exchange Co., Ltd.
Subsidiary of Beijing Capital Group Company Limited	Beijing Agricultural Investment Co., Ltd.
Subsidiary of Beijing Capital Group Company Limited	Capital Securities Co., Ltd.
Associate of the Company	Beijing Beijing 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 Shengyi Automobile Technology Co., Ltd.
Associate of the Company	BY Times Consulting Co., Ltd.
Associate of the Company	Chongqing Soyang Internet Technology Co., Ltd.
Associate of the Company	Beijing Shangyou Network Technology Co., Ltd.
Other related party	Chongqing Youth Industrial Co., Ltd. <i>(Note 1)</i>
Other related party	Chongqing Youth Daily
Other related party	Korea Central M&B Publishing Group
Key Management Personnel	Directors, supervisors and senior management personnel including Sun Baojie

Note 1: Chongqing Youth Industrial Co., Ltd. is one of the shareholders of Chongqing Media.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)***2. Parent company and ultimate controlling company***(1) Parent company and ultimate controlling company*

Name of parent company	Type of enterprise	Registration place	Business nature	Legal representative	Unified social credit code
BYDA	State-owned Enterprise	Beijing	Media and publishing	Tian Kewu	91110105MA008QJ53Y

Name of ultimate controlling company	Type of enterprise	Registration place	Business nature	Legal representative	Unified social credit code
Beijing Capital Group Co., Ltd.	State-owned Enterprise	Beijing	Business services	He Jiangchuan	91110000101138949N

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

Parent company	As at			As at
	1 January 2023	Increase in this period	Decrease in this period	30 June 2023
BYDA	22,439	—	—	22,439

(3) Shares or equity held by parent company and its changes

Parent company	Shareholding amount		Shareholding percentage (%)	
	As at 30 June 2023	As at 1 January 2023	As at 30 June 2023	As at 1 January 2023
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)

For the six months ended 30 June 2023

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

3. Related party transactions

(1) Purchase of goods/receipt of services

		For the six months ended 30 June	
Related parties	Pricing principle for related party transactions	2023	2022
BYDA <i>(Note)</i>	Contracted price	3,835	1,526
Subsidiary of Beijing Capital Group Co., Ltd.	Contracted price	—	678
Subsidiaries of BYDA	Contracted price	868	394
Other related parties	Contracted price	217	—
Total		4,920	2,598

Note: 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

		For the six months ended 30 June	
Related parties	Pricing principle for related party transactions	2023	2022
Subsidiaries of BYDA	Contracted price	9,170	—
BYDA	Contracted price	4,366	94
Subsidiary of Beijing Capital Group Co., Ltd.	Contracted price	399	—
Total		13,935	94

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)***3. Related party transactions** *(Continued)***(3) Asset Management**

To increase the cash revenue of the Group, the Company entered into the single asset management contract with Capital Securities and the Custodian Bank on 19 April 2022 to effectively manage existing idle funds through conducting low-risk investment activities without affecting the ordinary operating liquidity of the Group. Pursuant to the single asset management contract, the Company will entrust Capital Securities to provide asset management and investment services for the entrusted assets, effective from the date of approval by the Independent Shareholders at the AGM for a period of one year. In April 2023, the Company entered into the supplemental agreement to the Single Asset Management Scheme Contract with Capital Securities Co., Ltd., extending the contract term for three years and upgrading the credit rating of the investment portfolio to make continuous and effective use of the idle funds, and on 30 June 2023, with an investment cost of RMB155,200 thousand, the fair value of the asset management product was RMB162,243 thousand.

(4) Leasing (The Group as lessor)

Lessee	Type of assets leased	Date of commencement	Date of termination	Basis for rental income	Rental income recognized for this period
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	Building	2023-1-1	2023-12-31	Contracted price	747
Beijing Rural Area Equity Exchange Co., Ltd.	Building	2022-4-1	2025-3-31	Contracted price	749
Beijing Agricultural Investment Co., Ltd.	Building	2022-4-1	2025-3-31	Contracted price	615
Jingjian (Beijing) Culture Media Co., Ltd.	Building	2023-1-1	2025-12-31	Contracted price	122

(5) Leasing (The Group as lessee)

Lessor	Type of assets leased	Date of commencement	Date of termination	Basis for rental fees	Rental expenses recognized for this period
Beijing Municipal Economic Development and Investment Co., Ltd.	Building	2023-1-1	2025-12-31	Contracted price	725

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

For the six months ended 30 June 2023

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. Related party transactions (Continued)

(6) Remuneration for key management personnel

Item	For the six months ended 30 June	
	2023	2022
Remuneration for key management personnel	630	1,077

(7) Guarantee from related parties

None.

4. Balances with related parties

(1) Accounts receivable due from related parties

Related parties	As at 30 June 2023		As at 31 December 2022	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
BYDA	15,076	11,788	14,912	11,071
Associate of the Company	47,883	47,883	47,883	47,883
Subsidiaries of BYDA Subsidiary of Beijing Capital Group Co., Ltd.	120,956	117,747	117,261	117,222
Other related parties	131	54	181	49
	6	6	6	6
Total	184,052	177,478	180,243	176,231

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)***4. Balances with related parties** *(Continued)**(2) Other receivables due from related parties*

Related parties	As at 30 June 2023		As at 31 December 2022	
	Carrying amount	Provision for bad debts	Carrying amount	Provision for bad debts
Associate of the Company	39	39	39	39
Subsidiaries of BYDA	5,424	5,192	5,156	5,156
Subsidiary of Beijing Capital Group Co., Ltd.	266	146	1,268	172
Other related parties	262	98	302	41
Total	5,991	5,475	6,765	5,408

(3) Accounts payable by related parties

Related parties	As at 30 June 2023	As at 31 December 2022
BYDA	1,774	4,226
Subsidiaries of BYDA	878	147
Subsidiary of Beijing Capital Group Co., Ltd.	541	541
Other related parties	616	616
Total	3,809	5,530

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

For the six months ended 30 June 2023

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

4. Balances with related parties *(Continued)*

(4) Other payables by related parties

	As at 30 June 2023	As at 31 December 2022
Related parties		
BYDA	817	2,577
Subsidiaries of BYDA	150	301
Associate of the Company	100	100
Subsidiary of Beijing Capital Group Co., Ltd.	276	276
Total	1,343	3,254

(5) Contract liabilities to related parties

	As at 30 June 2023	As at 31 December 2022
Related parties		
Subsidiary of Beijing Capital Group Co., Ltd.	132	111
Total	132	111

XIII. COMMITMENTS

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

1. The Group as lessee

As at 30 June 2023, the Group had contracted for the minimum lease payments under non-cancelable leases during following periods:

Period	As at 30 June 2023	As at 31 December 2022
Within 1 year	1,692	1,581
1–2 years	1,631	1,617
2–3 years	822	1,645
Total	4,145	4,843

XIII. COMMITMENTS *(Continued)***2. The Group as lessor**

As at 30 June 2023, the Group had contracted with tenants for the following future minimum lease payments

Period	As at 30 June 2023	As at 31 December 2022
Within 1 year	7,313	7,555
1–2 years	4,224	4,753
2–3 years	2,455	2,272
After 3 years	1,801	2,973
Total	15,793	17,553

XIV. POST-BALANCE SHEET EVENTS

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:

Business segments	Principal activities
Advertising:	Sales of convergence media advertising, event planning, and provision of comprehensive services.
Printing:	Provision of printing services.
Trading of printing-related materials:	Supply and trading of, among other things, newsprint, ink, lubricants, films, presensitized plate and rubber sheets.

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

For the six months ended 30 June 2023

XV. SEGMENT INFORMATION *(Continued)*

(1) For the six months ended 30 June 2023

Item	Advertising	Printing	Trading of printing-related materials	Unallocated amount and others	Elimination	Total
Revenue from external transactions	37,091	613	30,564	12,398	—	80,666
Revenue from intra-segment transactions	37	1,665	2,999	772	(5,473)	—
Operating revenue	37,128	2,278	33,563	13,170	(5,473)	80,666
Operating profit (loss)	(13,622)	220	(129)	4,548	4,701	(4,282)

(2) For the six months ended 30 June 2022

Item	Advertising	Printing	Trading of printing-related materials	Unallocated amount and others	Elimination	Total
Revenue from external transactions	25,451	2,186	41,888	2,682	—	72,207
Revenue from intra-segment transactions	97	2,076	3,258	524	(5,955)	—
Operating revenue	25,548	4,262	45,146	3,206	(5,955)	72,207
Operating profit(loss)	(15,090)	337	—	6,651	(7,700)	(15,802)

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

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 2023	As at 31 December 2022
Investment properties and fixed assets	82,247	89,697
Total	82,247	89,697

XVII. SUPPLEMENTARY INFORMATION**1. Earnings per share**

Item	For the six months ended 30 June	
	2023	2022
Net profit for the half-year attributable to shareholders of the Company	(4,155)	(11,896)
Weighted average number of issued ordinary shares (thousand shares)	197,310	197,310
Basic earnings per share (RMB)	(0.02)	(0.06)

The basic earnings and diluted earnings per share for the six months ended 30 June 2022 and 2023 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)

For the six months ended 30 June 2023

XVII. SUPPLEMENTARY INFORMATION (Continued)

2. Balance sheet of the Company (unaudited)

Unit: RMB'000

Item	As at 30 June 2023	As at 31 December 2022
Current assets:		
Bank balances and cash	19,107	14,795
Trading financial assets	162,243	162,663
Accounts receivable	18,825	21,645
Prepayments	29,634	34,654
Other receivables	2,872	12,592
Inventories	60	464
Other current assets	26,362	26,627
Total current assets	259,103	273,440
Non-current assets:		
Long-term equity investment	182,818	181,818
Investment in other equity instruments	278,733	278,733
Other non-current financial assets	250	250
Investment properties	56,485	56,485
Fixed assets	752	898
Intangible assets	17,691	18,141
Right-of-use assets	—	—
Long-term deferred expenses	240	335
Other non-current assets	—	—
Total non-current assets	536,969	536,660
Total assets	796,072	810,100

XVII. SUPPLEMENTARY INFORMATION (Continued)**2. Balance sheet of the Company (unaudited)** (Continued)

Item	Unit: RMB'000	
	As at 30 June 2023	As at 31 December 2022
Current liabilities:		
Accounts payable	2,691	3,793
Contract liabilities	11,308	12,779
Employee benefit payables	3,417	6,005
Tax payables	53	64
Other payables	35,368	42,223
Other current liabilities	693	767
Total current liabilities	53,530	65,631
Total non-current liabilities	—	—
Total liabilities	53,530	65,631
Shareholders' equity:		
Share capital	197,310	197,310
Capital reserves	904,453	904,453
Other comprehensive income	169,723	169,723
Surplus reserves	130,931	130,931
Undistributed profits	(659,875)	(657,948)
Total shareholders' equity	742,542	744,469
Total liabilities and shareholders' equity	796,072	810,100

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

For the six months ended 30 June 2023

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

3. Income statement of the Company (unaudited)

Unit: RMB'000

For the six months ended 30 June

Item	2023	2022
Operating revenue	14,236	13,665
Less: Operating costs	17,807	16,304
Tax and surcharges	695	672
Administrative expenses	9,770	8,703
Financial expenses	107	(1,994)
Including: Interest expenses	176	—
Interest income	73	1,999
Add: Other income	12	13
Investment income	7,531	7,908
Including: Gain from investments in associates	—	(137)
Gain on the changes in fair value	4,594	(1,954)
Impairment loss of credit	359	85
Impairment loss of asset	(194)	—
Gain on disposal of asset	3	—
Operating profit	(1,838)	(3,968)
Add: Non-operating income	1	58
Less: Non-operating expenses	90	—
Total profit	(1,927)	(3,910)
Less: Income tax expenses	—	—
Net profit	(1,927)	(3,910)
Other comprehensive income	—	—
Total comprehensive income	(1,927)	(3,910)

XVII. SUPPLEMENTARY INFORMATION (Continued)**4. Cash flow statement of the Company (unaudited)**

Item	Unit: RMB'000	
	For the six months ended 30 June	
	2023	2022
I. Cash flows from operating activities:		
Cash received from the sales of goods and the rendering of services	11,770	15,537
Taxes refund received	385	—
Other cash receipts relating to operating activities	5,815	27,578
Sub-total of cash inflows from operating activities	17,970	43,115
Cash paid for goods purchased and services received	7,439	2,983
Cash paid to and on behalf of employees	16,569	12,487
Payments of taxes and surcharges	653	629
Other cash payments relating to operating activities	4,764	5,408
Sub-total of cash outflows from operating activities	29,425	21,507
Net cash flows from operating activities	(11,455)	21,608
II. Cash flows from investing activities:		
Cash received from sales of investments	4,800	295
Cash received from returns on investment	12,032	7,959
Net cash received from disposal of fixed assets, intangible asset and other long-term assets	3	—
Other cash receipts relating to investing activities	—	—
Sub-total of cash inflows from investing activities	16,835	8,254

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

For the six months ended 30 June 2023

XVII. SUPPLEMENTARY INFORMATION *(Continued)*

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

Unit: RMB'000

For the six months ended 30 June

Item	2023	2022
Cash paid to acquire fixed assets, intangible assets and other longterm assets	68	152
Cash paid on investment	1,000	165,000
Net cash paid to acquire subsidiaries and other business units	—	—
Other cash payments relating to investing activities	—	—
Sub-total of cash outflows from investing activities	1,068	165,152
Net cash flows from investing activities	15,767	(156,898)
III. Cash flows from financing activities:		
Cash received from investments	—	—
Cash received from borrowings obtained	—	—
Cash received from issue of bonds	—	—
Other cash receipts relating to financing activities	—	—
Sub-total of cash inflows from financing activities	—	—
Cash payments for borrowings repayment	—	—
Cash payments for distribution of dividends or profits or interest expense	—	—
Other cash payments relating to financing activities	—	—
Sub-total of cash outflows from financing activities	—	—
Net cash flows from financing activities	—	—

XVII. SUPPLEMENTARY INFORMATION (Continued)**4. Cash flow statement of the Company (unaudited) (Continued)***Unit: RMB'000***For the six months ended 30 June**

Item	2023	2022
IV. Effect of exchange rate changes on cash and cash equivalents	—	—
V. Net increase in cash and cash equivalents	4,312	(135,290)
Add: Balance of cash and cash equivalents at the beginning of the period	14,795	159,777
VI. Balance of cash and cash equivalents at the end of the period	19,107	24,487

Unit: RMB'000

Item	For the six months ended 30 June 2023					Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	
Balance as at 1 January 2023	197,310	904,453	169,723	130,931	(657,948)	744,469
Net profits	—	—	—	—	(1,927)	(1,927)
Other comprehensive income	—	—	—	—	—	—
Appropriation to shareholders	—	—	—	—	—	—
Sub-total of the changes for the period	—	—	—	—	(1,927)	(1,927)
Balance as at 30 June 2023	197,310	904,453	169,723	130,931	(659,875)	742,542

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

For the six months ended 30 June 2023

XVII. SUPPLEMENTARY INFORMATION (Continued)

4. Cash flow statement of the Company (unaudited) (Continued)

Unit: RMB'000

Item	For the six months ended 30 June 2022					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
Balance as at 1 January 2022	197,310	904,453	157,937	130,931	(649,968)	740,663
Net profits	—	—	—	—	(3,910)	(3,910)
Other comprehensive income	—	—	—	—	—	—
Appropriation to shareholders	—	—	—	—	—	—
Sub-total of the changes for the period	—	—	—	—	(3,910)	(3,910)
Balance as at 30 June 2022	197,310	904,453	157,937	130,931	(653,878)	736,753

Note: In accordance with the People's Republic of China (the "PRC") regulations and the Articles of Association of the Company, the respective subsidiaries of the Group are required to transfer 10% of the profit after tax, determined in accordance with the PRC Accounting Standards, every year to statutory surplus reserves until the balance reaches 50% of the registered share capital. Such reserves can be used to offset any losses to be incurred and to increase share capital. Except for the reduction of losses, any other usage should not result in the balance falling below 25% of the registered share capital.

5. Distributable reserve

As of 30 June 2023, the Company's undistributed profits amounted to RMB-659,875 thousand (31 December 2022: RMB-657,948 thousand). Surplus reserve for the Company was RMB130,931 thousand (31 December 2022: RMB130,931 thousand). According to the Articles of Association of the Company, the surplus reserve can be used to offset the accumulated losses through approval from the general meeting.

XVIII. APPROVAL OF INTERIM FINANCIAL REPORT

This financial report was approved by the Board of the Company on 25 August 2023.

Beijing Media Corporation Limited

25 August 2023