



HK Stock Code: 1000

2024

ANNUAL

REPORT

Beijing Media Corporation Limited

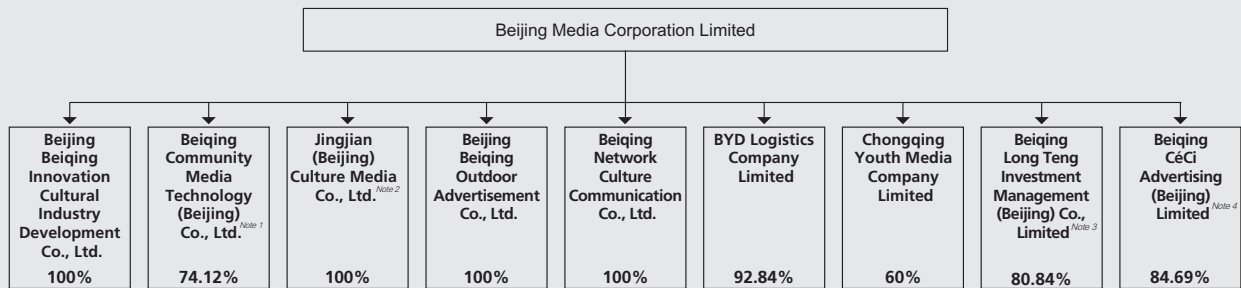
A joint stock company incorporated
in the People's Republic of China with limited liability

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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”), and is principally engaged in the multi-interface convergence media advertising. Other core businesses of the Group include the youth student travel, new media operation and maintenance, printing and trading of printing-related materials business. The Company was listed on the Main Board of Hong Kong Stock Exchange on 22 December 2004.

COMPANY STRUCTURE (AS AT 31 DECEMBER 2024)



Notes:

- 1. On 30 December 2024, Hangzhou Shineng Investment Consulting Co., Ltd.* (杭州勢能投資諮詢有限公司), Chongqing Huilin Equity Fund (Limited Partnership) (重慶慧林股權投資基金合夥企業(有限合夥)) and Beijing Community Media entered into the Capital Reduction Agreement, pursuant to which, Hangzhou Shineng Investment Consulting Co., Ltd.* (杭州勢能投資諮詢有限公司) and Chongqing Huilin Equity Fund (Limited Partnership) (重慶慧林股權投資基金合夥企業(有限合夥)) shall withdraw from Beijing Community Media through capital reduction. Upon completion of the Capital Reduction, the Company’s shareholding in Beijing Community Media increased from 57.95% to 74.12%, and the registration of industrial and commercial changes were completed on 8 April 2025. For details, please refer to the announcement of the Company dated 30 December 2024.
- 2. On 13 October 2024, the Company successfully acquired 100% equity interest of Jingjian (Beijing) Culture Media Co., Ltd. (鏡鑑(北京)文化傳媒有限公司) held by Legal Evening Agency (法制晚報社) by way of auction at a consideration of RMB2,088,730 being the starting price, and the registration of industrial and commercial changes were completed on 5 December 2024. For details, please refer to the announcement of the Company dated 13 October 2024.
- 3. On 20 December 2024, the Company received a ruling from the First Intermediate People’s Court of Beijing confirming the formal acceptance of Beijing Long Teng’s application for compulsory liquidation. The First Intermediate People’s Court of Beijing issued a decision on 6 January 2025, appointing Beijing Tian Tai Law Firm* (北京天馳君泰律師事務所) as the Administrator. On 7 March 2025, the handover between Beijing Long Teng and the Administrator was completed. Previously, the registered capital of the company was reduced from RMB50 million to RMB26.10 million by a resolution of the shareholders’ meeting of Beijing Long Teng, and the registration of the industrial and commercial changes were completed on 30 September 2024.
- 4. As of the date of this report, Beijing C&Ci has completed the industrial and commercial cancellation registration.

COMPANY WEBSITE

www.bjmedia.com.cn

STOCK INFORMATION

- Stock Code: 1000
- Board Lot: 500 shares
- Number of Shares Issued (as at 31 December 2024): 197,310,000 shares
- Market Capitalisation (as at 31 December 2024): HK\$76.95 million
- Financial Year End: 31 December
- Bloomberg’s Stock Machine Search Code: 1000HKEquity
- Reuters Stock Machine Search Code: 1000.HK

AS AT 31 DECEMBER 2024**EXECUTIVE DIRECTORS**

Jing Enji (*President*)
Wu Min (*Vice President*)

NON-EXECUTIVE DIRECTORS

Sun Baojie (*Chairman*)
Cui Ping
Wang Hao
Zhang Lei
Wang Zechen

INDEPENDENT NON-EXECUTIVE DIRECTORS

Shi Hongying
Chan Yee Ping, Michael
Du Guoqing
Kong Weiping

JOINT COMPANY SECRETARIES

Yu Leung Fai
Liu Jia

AUDIT COMMITTEE

Chan Yee Ping, Michael (*Chairman*)
Cui Ping
Kong Weiping

REMUNERATION COMMITTEE

Shi Hongying (*Chairman*)
Wang Hao
Du Guoqing

NOMINATION COMMITTEE

Sun Baojie (*Chairman*)
Shi Hongying
Du Guoqing

AUTHORISED REPRESENTATIVES

Sun Baojie
Jing Enji

ALTERNATIVE AUTHORISED 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, Hong Kong

LEGAL ADVISER

as for Hong Kong Law
DLA Piper Hong Kong
25/F, Three Exchange Square,
8 Connaught Place, Central,
Hong Kong

AUDITOR

ShineWing Certified Public Accountants^{Note}
(Special General Partnership)
8/F, Block A, Fuhua Mansion,
8 Chaoyangmen Beidajie,
Dongcheng 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 AGM of the Company held on 14 June 2024, ShineWing Certified Public Accountants (Special General Partnership) was appointed as the Company's auditor for the year 2024. Please refer to the announcements of the Company dated 10 May 2024 and 14 June 2024 for details.

On behalf of the Group, I hereby present the report on the results of the Group for the year of 2024. The Group is principally engaged in sales of multi-interface convergence advertising, youth student travel, new media operation and maintenance, printing and trading of printing-related materials business.

In 2024, the overall macro-economic operation maintained an upward trend, the Group set the operating target of "Promoting Transformation, Adjusting Structure, Improving Quality and Increasing Profit", explored market opportunities in depth and continued to optimise business layout. Under the leadership of the Board and the management, all staff were united in their efforts to strive for excellence, accelerated business expansion and core competencies enhancement, and promoted a steady improvement in the operating situation of the Group, achieving a significant reduction in losses compared with the same period last year.

In 2024, driven by innovation, the Group strengthened its top-level design, refined its revenue structure and resource allocation, segregated its cornerstone main businesses and nurturing main businesses, established an outdoor advertising operation system, enhanced the competitiveness of its youth student travel business, explored AIGC technology empowerment, improved quality and efficiency, and actively promoted the transformation and development of the enterprise by breaking down before construction.

In 2024, the Group took innovation as its driving force, focused on brand building, incubated IPs for cultural and sports events, co-organised the 20th anniversary of KOD (Keep On Dancing) World Street Dance Competition, a well-known street dance competition, and promoted the "Beijing City Culture Annual Pass (北京城市文化年票)" to create a new product for cultural tourism consumption in the capital city, and has made solid strides in exploring the integration of the cultural, sports and tourism businesses.

In 2024, the Group took stability as its foundation, thereby reinforcing corporate governance and making concerted efforts to enhance management efficiency. On the one hand, the Group has optimised the system for the supervision of state-owned assets, fortified operational risk control and propelled the digital transformation of information management; on the other hand, the Group has expedited the disposition of inefficient assets, strived to resolve historical issues, and forged a novel approach towards integration and development.

As the saying goes, "Seize the moment and ride the waves, forge ahead with determination to create a brilliant chapter". The above optimization initiatives of the Group will have a significant and profound impact on its long-term stable and sound development in future. The Group's performance in 2024 was heavily dependent on the concerted efforts of the management and staff of each business unit. Their acute insights into market opportunities and excellent quality are the key to our success. On behalf of the Shareholders of the Company and other members of the Board, I would like to take this opportunity to express my heartfelt and sincere gratitude to the management and staff of all business units.

Sun Baojie
Chairman

28 March 2025
Beijing, the PRC

GROUP BUSINESS REVIEW

The Group is principally engaged in four core businesses: (1) advertising business, which comprises the sales of multi-interface convergence media advertising and event planning; (2) youth student travel business, which provides services such as youth cultural activities, group camp reception and curriculum research and development; (3) new media operation and maintenance, which provides comprehensive services such as government-affiliated and corporate new media operation and maintenance; and (4) printing and trading of printing-related materials business, which undertakes printing of newspaper and trading of printing related materials.

The Group's total operating income for 2024 was RMB209,192 thousand, representing a decrease of 1.30% as compared with the corresponding period in 2023 (2023: RMB211,950 thousand). Operating costs of the Group for 2024 were RMB185,108 thousand, representing an increase of 2.57% as compared with those for the corresponding period of 2023 (2023: RMB180,469 thousand). Net loss attributable to shareholders of the Company for 2024 was RMB2,042 thousand, representing a decrease of 86.56% as compared with those for the corresponding period of 2023 (2023: net loss attributable to shareholders of the Company of RMB15,199 thousand).

The Group recorded significant loss reductions due to (1) the gain after tax on disposal of investment properties by a subsidiary of the Company, Beiqing Outdoor; and (2) a decrease in credit impairment losses due to recovery of certain accounts receivable of the Company and its subsidiaries. In addition, the Group also actively optimized its operational and management efficiency, which effectively reduced cost of sales and finance costs.

In 2024, the Group focused on business transformation and capacity enhancement and has taken multiple measures:

1. Deploying outdoor advertising with initial results of diverse development achieved

The Group has comprehensively established a subway advertising operation system and pioneered innovative advertising models, offering tailored creative advertising solutions for major brand clients. The advertising campaigns planned by the Group have won multiple industry awards. Building on the operation of the exclusive advertising resources of Beijing Metro Line 4, Daxing Line, and the northern section of Line 17, the Group secured the exclusive agency rights to advertising resources from the southern section of Beijing Metro Line 17, achieving full coverage of media resources along Line 17. Based on business needs, the Group advanced the digital upgrade of subway media, completing the first phase renovation for key hub stations on Beijing Metro Line 4, effectively boosting advertising revenue.

Simultaneously, the Group enhanced the expansion of quality advertisers, and empowered customers' promotional needs with distinctive activities to increase brand influence. The Group also constructed its own media matrix and added new accounts in the vertical categories of elderly care service, car experience, housing guide, and metro life to promote commercial realisation.

GROUP BUSINESS REVIEW *(Continued)*

2. Exploring the integration of culture, sports, and tourism to build a new business ecosystem

Firstly, the Group expanded its cultural and sports events business in depth, and actively promoted existing IPs through event planning to facilitate commercial realisation, including the in-depth development of cycling IP brand activities, and the successful organisation of the 2024 Beijing Tongzhou Federation of Trade Unions Large-scale Cycling Event for Thousands of Persons (2024年北京市通州區總工會千人大型騎游活動). The Group also signed a strategic cooperation agreement with the Beijing Sports Industry Association. The Group planned and executed the launching ceremony of “Sports Events in Scenic Spots, Neighborhoods and Commercial Districts”, the “Night Moves in Beijing-Tide to You (夜動京城•潮你而來)” Sports Carnival and the 2024 Shunyi District Wenyu River Tennis Invitational Tournament organised by the General Administration of Sports of China, etc. Additionally, the Group successfully co-hosted the Street Dance Competition of KOD 20th Anniversary, attracting over 3,600 street dance elites and 8,000 spectators from around the world, with 31 top international street dance masters in attendance.

Secondly, leveraging the integrated advantages of the capital’s cultural and tourism resources, and breaking through policy limitations, the Group developed the Beijing City Culture Annual Pass (北京城市文化年票) project. By venturing into the cultural tourism consumption sector, the Group aims to uncover new profit growth points. The annual pass includes rights to more than 40 scenic spots and several student travel courses. The Group has already established partnerships with several state-owned enterprise clients.

3. Accelerating innovation breakthroughs to build core competitiveness

Firstly, the Group focused on new media operation and maintenance and government activities business, providing comprehensive services to government and corporate clients. It actively integrated internal and external high-quality resources, strengthened business innovation and channel expansion, collaborated with Beijing Television Station’s Science and Education Discipline Channel to create TV columns such as legal services, famous doctors, famous teachers, and the most beautiful police officer, etc. Centered on community services, the Group deeply developed offline activities in order to push forward the operation of community cultural space.

Secondly, the Group put in efforts on youth well-rounded education, provided diversified science popularization student travel, camp education practice and other characteristic services for teenagers. In 2024, the Group completed 99 study group camp, serving a total of 17,378 participants. It was successfully selected into the China Youth Development Foundation’s youth activity supplier catalog. Throughout the year, the Group developed a total of 71 student travel courses, which further enhanced the competitiveness of the student travel business.

GROUP BUSINESS REVIEW *(Continued)***4. Optimizing asset structure and building multi-channel risk barriers**

Firstly, increasing revenue. The Group actively revitalized idle assets. Under controllable risks, according to the single asset management contract, Capital Securities was entrusted to manage idle funds for the Company to realize preservation and appreciation of capital. The Company also obtained rental income of RMB6,812 thousand by leasing out the Company's idle office buildings and barter properties. Through the disposal of idle office properties at the Yuanda Center owned by its subsidiary, Beijing Outdoor through the Public Tender, the Group obtained post-tax income of RMB15,198 thousand. Furthermore, on 13 October 2024, the Company acquired 100% equity interest of Jingjian Media by way of public auction through the online judicial auction platform of CBEX published by Beijing Daxing District People's Court at a consideration of RMB2,088,730, being the starting price. This acquisition will enable the Group to reduce horizontal competition while further integrating government affairs business. Leveraging the regional customer advantages of its subsidiaries, Beijing Community Media and Jingjian Media, the Group aims to enhance its market share.

Secondly, reducing risks. The Group accelerated the liquidation of inefficient assets and promoted the clearance of 8 inefficient enterprises based on enterprise-specific measures. It collected historical accounts receivable through legal channels and facilitated the resolution of major legal disputes, safeguarding the Company's interests in domestic and overseas assets. Additionally, on 30 December 2024, the shareholders of the Company's subsidiary, Beijing Community Media — Hangzhou Shineng Investment Consulting Co., Ltd.* (杭州勢能投資諮詢有限公司) and Chongqing Huilin Equity Fund (Limited Partnership) (重慶慧林股權投資基金合夥企業(有限合夥)) — withdrew from Beijing Community Media through capital reduction. Upon the Capital Reduction, the Company's shareholding in Beijing Community Media increased from 57.95% to 74.12%. Through promoting the orderly withdrawal of non-controlling shareholders who intended to withdraw their equity interests at a lower cost, the Company will further consolidate its control over Beijing Community Media, optimise the decision-making mechanism of Beijing Community Media, and promote the benign development of its business.

5. Strengthening corporate governance to improve management efficiency

The Group continued to enhance the state-owned assets management system, and formulated and revised 37 policies in the year to enhance internal control and risk management; optimized the organizational structure and talent structure in accordance with the Company's strategy and business needs, and enhanced the matching of personnel and positions; enhanced information construction, completed the upgrading and launch of the Company's new official website, realising the digital management of customer resources and information using the customer relationship management (CRM) for the outdoor advertising business, and effectively enhancing operational efficiency.

Advertising Business

In 2024, the advertising market as a whole exhibited a rebound, with the application of new technologies, especially artificial intelligence generated content (AIGC) technology, and the rapid rise of new advertising formats such as short videos and live streaming platforms, traditional media was facing the transformation of digital intelligence, and the competition in the advertising industry was becoming increasingly fierce. Among them, the outdoor advertising moved towards digitalisation, interaction and scenography gradually, showing market segmentation as demand grows. The advertisers' demands for placement efficiency and creative forms have been raised significantly.

Faced with challenges, the Group, based on the development direction of convergence media, proactively adjusted the product structures and accelerated the transformation and innovation of the advertising businesses: building a metro outdoor advertising system and promoting digital upgrading of the media; making full use of the advantages of media content production to accelerating the construction of self-owned new media; stabilising business fundamentals through differentiated creative advertising and industry-focused branding campaign empowerment; focusing on emerging markets, exploring innovative models such as the cultural and tourism annual pass, and building diversified revenue structure gradually. In 2024, revenue from advertising business of the Group was RMB117,494 thousand, representing an increase of 18.79% as compared with that for the corresponding period of 2023 (2023: RMB98,908 thousand). Although advertising revenue of Beiqing Community Media, a subsidiary of the Company, decreased by RMB11,731 thousand as compared with that for the corresponding period of 2023 due to intensified market competition, new outdoor advertising revenue of RMB27,538 thousand was generated throughout the year as a result of the Company's newly developed metro advertising resources; in addition, revenue from the financial and automobile industries of the Company's advertising centre increased as compared with that for the corresponding period of 2023.

In 2024, the Company focused on three major core strategies in terms of the advertising operation with its own resource endowment:

1. *Building an outdoor advertising core system though empowering "Management + Marketing"*

Firstly, establishing composite business teams and subdividing three major sectors of "sales, market, operation", the Group proactively introduced market-oriented professionals; the Group realised refined management of the business process, through metro advertising CRM digitalisation system.

Secondly, the Group innovated the marketing model based on media genes, created differentiated creative advertisements, strengthened the interactivity and interactions of advertisements, and improved brand effect while satisfying customers' personalised needs. The "Redmi&Harry Potter" theme advertisement and other advertising cases won the "Transportation Travel Media Case Gold Award (交通出行媒體案例金獎)", the 2024 "Beijing International Creative Award" and the "Bronze Award for Outdoor Commercial Creativity (戶外商業創意作品銅獎)" of the annual high-level innovation selection activity of China's leading outdoor media industry, Golden Wall Prize (金壁獎), and the planning and creative ability was recognized by the industry.

Thirdly, the Group expanded outdoor media resources, continuously improving the construction of the outdoor advertising products. The Group obtained the exclusive concession rights of advertising resources of the southern sections of Beijing Metro Line 17, forming the linkage effect of media resources in the whole line of Line 17; the Group upgraded and renovated four major hub stations of Beijing Metro Line 4, such as Xidan station and Xizhimen station, to attract a number of leading brands to settle in and facilitate sales; the Group explored the development of the "metro station" marketing model, and approached a variety of advertising resources, with a view to creating a richer portfolio of outdoor advertising products and boosting advertising performance.

Advertising Business (Continued)**2. Precise industry layout and build its own new media product matrix**

Considering the characteristics of the industry, we have refined the building of own new media accounts, incorporating short videos, live broadcasts and other forms to accelerate commercial realisation. We have added new accounts in the vertical categories of elderly care services, car experience, housing guide, metro life as well as cultural and creative IPs, and promoted the transformation from graphic accounts to video accounts to form a we-media brand matrix. At present, the Company has a total of 32 new media accounts on various platforms, and achieved an annual operating revenue of RMB5,418.6 thousand. Among which, the finance business division has opened the WeChat video account of “New Line of Elderly Care (養老新一線)” for customers in the elderly care industry, with more than 120,000 fans across the network and more than 10 million video clicks on numerous videos. The automobile business division focused on the “Qing Auto Talk (青車談)” video account and TikTok account, planning and outputting original high-quality short videos for customers from a professional perspective in the creative form of “Anchor Talking about Cars (主播說車)”.

3. Driving by brand services and building a diversified service platform

With the advantage of media resources, we dug deep into the needs of the customers and expanded the advertising brands full-project business, providing internal and external customers with one-stop full-chain services, such as brand positioning, promotion strategy and new media operation. Meanwhile, we achieved precise positioning and empowered customers with special brand activities, including the planning and execution of branding activities, such as the 16th Beijing Fortune Star List (第十六屆北青財星榜), the First Beijing Elderly Service Brand List Award Ceremony (首屆北青養老服務品牌總榜頒獎典禮), the “New Circuit and New Opportunities” Elderly Service and Investment Forum for the Silver Age (“新賽道新機遇”銀髮時代養老服務和投資論壇), the 2023 Beijing Youth Car Selection (2023北青年度車評選) and the 2023 Beijing Youth Real Estate Selection Ceremony (2023北青年度房產評選盛典), and we customised a series of activities for the first “Qingxiaoyou (青小郵)” Journalist Competition for the Postal Savings Bank of China (Beijing Branch). Through the provision of diversified brand services, the Company has enhanced customer loyalty and promoted advertisement placement.

In addition, we integrated over 40 scenic spots in Beijing, more than 60 student travel courses and unique cultural and tourism resources with the characteristics of the capital to create the Beijing City Culture Annual Pass (北京城市文化年票) product, provide customers with multiple types of services such as excursions, study, Party building, etc., and actively broadened the sales channels through the mini-program “Qingzong (青蹤)” and the launch of the platform of the Beijing Federation of Trade Unions APP (北京市總工會APP), and we have now reached cooperation with a number of state-owned enterprise group clients, such as Beijing Metro, Beijing Construction Engineering (北京建工), Beijing Mobile (北京移動), Beijing Public Transport (北京公交), Bank of China Beijing Branch (中行北分) and others.

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

RESULTS OF MAJOR SUBSIDIARIES OF THE GROUP

Beiqing Community Media is a 74.12%-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 execution 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 business 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 10 regional branches, including Shunyi, Sub-city Centre, Chaoyang, Daxing, Changping, Dongcheng and Xicheng, etc. and has published newspapers of "Beiqing Community Daily". In addition to paper media, the branches and the editorial department in the headquarter of Beiqing Community Media operated a total of nearly 70 new media accounts on various media platforms such as WeChat, Weibo, TikTok, Kuaishou (快手), Today Headlines (今日頭條) and NetEase, and was stationed on news media such as People's Daily, Beijing Daily, Beijing Time, etc., as well as being stationed in news clients such as People's Daily, Beijing Daily and Beijing Time, to enable synchronous distribution of regional news, video columns and thematic plans on various media platforms, forming a strong media publicity matrix. The coverage and dissemination degree of the integrated media publicity was outstanding.

In 2024, Beiqing Community Media continued to optimise its business structure, promoted the integration of technology and business, and strengthened resource integration and business synergies. First, focusing on business innovation, it proactively explored new customer channels for government and enterprises, including the joint creation of TV columns with the Science and Education Discipline Channel of Beijing TV Station on legal services, famous doctors and teachers, and public security and law, etc. In addition, it expanded new government-affiliated service projects such as external publicity services, advertising agencies, and immediate handling of complaints, provided planning and publicity services for the marketing activities of Beijing Agriculture Guaranty Co., Ltd.* (北京市農業融資擔保有限公司), and entered into a marketing new media account operation service project with Beijing Capital Grand Limited, as well as a short video service project for Beijing City Green District Facilities Development Company Limited. Second, it deeply developed the types of offline activities, explored the operation and branding of community cultural space around community services, unveiled and put into operation the first "Beiqing Community HUI (北青社區HUI)" project in the Yangguang Beili Community in Haidian District, hosting the Publicity and Education Activities for Socialized Retirees in Daxing District (大興區社會化管理退休人員宣傳教育活動) and the Beijing Association for Science and Technology for Popularizing Science in the Community Activities (北京科學技術協會科普進社區活動) etc., and has made a breakthrough in hosting the 2024 Wenyuhe Tennis Invitational Tournament in Shunyi District, Beijing (2024年北京市順義區溫榆河網球邀請賽).

RESULTS OF MAJOR SUBSIDIARIES OF THE GROUP *(Continued)*

Beiqing Innovation Cultural, a wholly-owned subsidiary of the Company established in April 2022, principally engages in youth cultural activities and camping education. Beiqing Innovation Cultural continued to build product power, channel power and brand power, and actively expanded the youth study business. First, it has tapped into the high-quality downstream supplier resources and continuously optimised the reception and delivery services for group camps, completing 99 group camp reception projects throughout the year, with a cumulative total of 17,378 participants. Second, it has actively maintained and expanded key customer channel resources, expanded 4 key customers annually including the School of Future Design of Beijing Normal University, and successfully selected into the China Youth Development Foundation's youth activity supplier catalog and completed 4 group camp collaborations. Third, it has strengthened curriculum innovation and research and development, and continuously improved the quality of student travel products. A total of 71 student travel courses have been developed throughout the year, among which, the student travel program "One Country, Two Sides, Three Places, Focusing on Global Competition" (《一國兩岸三地•著眼全球競爭》) was selected into the "2024 New Student Travel Tourism Routes (Courses) Manual" (2024新品研學旅遊線路(課程)手冊) of China Travel Agency Association* (中國旅行社協會), and the student travel program "Beijing Science and Technology Study on <Balance between Technology and Human Beings >" (《<科技與人的平衡>北京科技研學》) was ranked on the list of the seventh industry customised travel boutique cases, and won the "Annual Influential Student Travel Brand" award (年度影響力研學旅遊品牌) awarded by the National Cultural Tourism Ecological Conference* (全國文旅生態大會). Fourth, it has built its own new media platform matrix to promote brand communication and user growth with high-quality content output, and tried to realise monetisation.

Jingjian Media is a wholly-owned subsidiary of the Company. It is principally engaged in the business of government affairs operation and maintenance services, online and offline activities planning and execution and new media advertising business. It has many years of extensive experience in government services. On 13 October 2024, the Company acquired 100% equity interest of Jingjian Media through a judicial auction. In 2024, Jingjian Media has actively optimised its business structure and explored business innovation. By expanding new media videos, online and offline activities and other businesses, it has increased its market share in the government affairs and explored new revenue growth points. It achieved annual operating income of RMB15,106 thousand with a net profit of RMB1,641 thousand.

BYD Logistics is a 92.84%-owned subsidiary of the Company, principally engaging in the businesses of printing and trading of printing-related materials. In 2024, BYD Logistics has made efforts inward to improve management and stabilise operations. On one hand, it has continued to optimise its business strategies, strictly controlled trading risks and strengthened cash collection; on the other hand, it has strengthened refined business management and effectively reduced paper costs by purchasing in advance in accordance with the paper market situation and supply. In 2024, the net profit of BYD Logistics was RMB2,973 thousand.

PROSPECTS AND FUTURE PLANS

In 2025, the Group will accelerate business transformation and development, enhance quality and efficiency, consolidate its operating foundation, and build up the core competitiveness of the enterprise.

In 2025, the Group will actively explore the integration of technology and business innovation, enrich the outdoor advertising products system, promote the transformation of the metro media and the application of AIGC technology in combination with the trend of digital transformation, build core competitiveness of outdoor advertising business, accelerate the construction and commercialisation of its own new media matrix and increase the operating revenue.

PROSPECTS AND FUTURE PLANS *(Continued)*

In 2025, the Group will continuously play the role of a market-oriented expansion platform for the cultural and sports industry of the Capital Group and the integration and cultivation platform for the quality business of BYDA, and leverage on the regional customer advantages of its subsidiaries, Beiqing Community Media and Jingjian Media, to deepen the integration of the governmental business, improve the quality and increase the efficiency, in order to gain a larger market share and realise revenue growth, and build a special brand for youth student travel to accelerate the development of business integration and to increase the market share through the synergy of resources and the distribution.

In 2025, the Group will further expand its business model of integration of culture, sports and tourism, focus on brand building and activity planning, continue to build cultural and creative IP activities, promote cooperation in youth cultural and sports competitions such as KOD Street Dance and realise revenues, and explore the channel advantages of the Beijing City Culture Annual Pass (北京城市文化年票) business and promote sales through platform operation.

In 2025, the Group will continue to deepen its management, optimise systems, organisations and talents systems, strengthen internal risk control and information construction, accelerate the disposal of inefficient assets and resolve previous issues, so as to lay a solid foundation for the high-quality development of the enterprise.

In 2025, on the basis of consolidating existing business, the Group will seize the opportunities presented by the industry transformation and the recovery of the social economy. The Group will be bold in making attempts and actively explore new possibilities, fostering new opportunities amidst crises and opening up new prospects amidst changes, determining to become a media group in China that possesses the ability to expand across different media markets and leads the industry peers.

FINANCIAL POSITION AND OPERATIONAL RESULTS

As a result of the completion of the combination of an enterprise under the same control, Jingjian Media (鏡鑑傳媒) by the Company, in 2024, in accordance with the relevant regulations, the Group has restated the relevant financial information for the corresponding period of the previous year. Unless otherwise stated, the relevant information in the corresponding period of the previous year referred in this report has been restated.

1. Total Operating Income

Total operating income of the Group for 2024 was RMB209,192 thousand (2023: RMB211,950 thousand), representing a decrease of 1.30% as compared with 2023, of which, revenue from advertising business (including revenue from new media operation and maintenance) was RMB117,494 thousand (2023: RMB98,908 thousand), representing an increase of 18.79% as compared with 2023; revenue from printing was RMB4 thousand (2023: RMB1,009 thousand), representing a decrease of 99.60% as compared with 2023; and revenue from trading of print-related materials was RMB42,451 thousand (2023: RMB77,659 thousand), representing a decrease of 45.34% as compared with 2023; other revenue (including revenue from study activity) was RMB49,243 thousand (2023: RMB34,374 thousand), representing an increase of 43.26% as compared with 2023. In 2024, operating income increased as a result of the newly expanded outdoor advertising business and the disposal of investment properties, and decreased as a result of the shrinkage of the sales business of printing and print-related materials and the decline in revenue from the advertising business of the subsidiary, Beiqing Community Media. As a result of the combination of the above major factors, the overall operating income decreased slightly year-on-year.

FINANCIAL POSITION AND OPERATIONAL RESULTS (Continued)**2. Operating Cost and Sales Tax and Surcharges**

Operating cost of the Group for 2024 was RMB185,108 thousand (2023: RMB180,469 thousand), representing an increase of 2.57% as compared with 2023, of which, advertising cost (including new media operation and maintenance cost) was RMB112,816 thousand (2023: RMB80,883 thousand), representing an increase of 39.48% as compared with 2023; printing cost was RMB2 thousand (2023: RMB881 thousand), representing a decrease of 99.77% as compared with 2023; and cost of trading in print-related materials was RMB39,002 thousand (2023: RMB75,386 thousand), representing a decrease of 48.26% as compared with 2023; other cost (including study activity cost) was RMB33,288 thousand (2023: RMB23,319 thousand), representing an increase of 42.75% as compared with 2023. Tax and surcharges were RMB2,129 thousand (2023: RMB2,208 thousand), representing a decrease of 3.58% as compared with 2023. Principal operating cost decreased slightly due to the decrease in operating costs resulting from the reduction of the printing and related materials business and the increase in operating costs resulting from the newly expanded outdoor advertising business, while other operating cost increased due to the disposal of investment properties. As a result of the combination of the above major factors, the overall operating costs increased slightly year-on-year.

3. Gross Profit

Gross profit of the Group for 2024 was RMB24,084 thousand (2023: RMB31,481 thousand), representing a decrease of 23.50% as compared with 2023; gross profit margin of the Group for 2024 was 11.51% (2023: 14.85%). The year-on-year decrease in gross profit was mainly attributable to the fixed costs borne by the Company as a result of the revenue from the metro advertising business did not meet the expectation due to among other things, the delayed opening of the Wangjing West Station of Beijing Metro Line 17.

4. Selling Expenses

Selling expenses of the Group for 2024 was RMB13,310 thousand (2023: RMB16,980 thousand), representing a decrease of 21.61% as compared with 2023. The year-on-year decrease in selling expenses was mainly due to the decrease in salaries in selling expenses as a result of the adjustments to sales staff structure and salary levels.

5. Administrative Expenses

Administrative expenses of the Group for 2024 was RMB43,337 thousand (2023: RMB41,725 thousand), representing an increase of 3.86% as compared with 2023. The year-on-year increase in administrative expenses was mainly due to the increase in total staff remuneration as a result of staff restructuring of the Group in connection with new business development and business transformation.

6. Financial Expenses

Financial expenses of the Group for 2024 was RMB-736 thousand (2023: RMB-75 thousand), representing an increase of 881.33% in absolute value as compared with 2023. In particular, interest income was RMB975 thousand (2023: RMB434 thousand), representing an increase of 124.65% as compared with 2023; and foreign exchange loss was RMB5 thousand (2023: RMB19 thousand), representing a decrease of 73.68% as compared with 2023. The year-on-year decrease in financial expenses was mainly due to the increase in fixed deposit interest.

FINANCIAL POSITION AND OPERATIONAL RESULTS (Continued)

7. Share of Losses of Associates

Share of losses of associates of the Group for 2024 was RMB3,041 thousand (2023: loss of RMB230 thousand), representing an increase of RMB2,811 thousand in loss as compared with 2023. The year-on-year increase in share of losses of associates was mainly attributable to higher operating losses of associates.

8. Operating Profit

Operating profit of the Group for 2024 was RMB-1,262 thousand (2023: RMB-15,085 thousand), representing a decrease of 91.63% in loss as compared with 2023. Such significant loss decrease was mainly due to a lower credit impairment loss as a result of the realisation of gain on disposal of investment properties and partial recovery of trade receivables.

9. Income Tax Expenses

Income tax expenses of the Group for 2024 was RMB2,952 thousand (2023: RMB-795 thousand), representing an increase of RMB3,747 thousand, or 471.32% as compared with 2023. Pursuant to the "Announcement on the Taxation Policies relating to the Transformation of Operational Cultural Public Institutions into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department" (Announcement of Ministry of Finance, the State Administration of Taxation and the Central Publicity Department No. 20 of 2024) 《財政部稅務總局中央宣傳部關於文化體制改革中經營性文化事業單位轉制為企業稅收政策的公告》(財政部稅務總局中央宣傳部公告2024年第20號), the enterprises that have completed the structure reform before 31 December 2022 can enjoy the Enterprise Income Tax (EIT) exemption from the date of registration of the transformation until 31 December 2027. The increase in income tax expense was mainly due to the disposal of investment properties subject to income tax.

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

Net loss of the Group for 2024 was RMB2,665 thousand (2023: net loss of RMB14,109 thousand), of which, net loss attributable to Shareholders of the Company was RMB2,042 thousand (2023: net loss attributable to Shareholders of the Company was RMB15,199 thousand). The decrease in net loss was mainly due to the decrease in credit impairment loss as a result of the realised gain on disposal of investment properties and partial recovery of accounts receivables.

11. Final Dividend

The Board did not propose the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

FINANCIAL POSITION AND OPERATIONAL RESULTS *(Continued)***12. Net Current Assets**

As at 31 December 2024, net current assets of the Group was RMB231,196 thousand (31 December 2023: RMB227,426 thousand). The current assets mainly comprised bank balances and cash of RMB81,523 thousand (31 December 2023: RMB77,384 thousand), financial assets available for sale of RMB114,270 thousand (31 December 2023: RMB156,523 thousand), notes receivable of RMB636 thousand (31 December 2023: RMB151 thousand), accounts receivable of RMB28,235 thousand (31 December 2023: RMB23,595 thousand), prepayments of RMB6,061 thousand (31 December 2023: RMB3,883 thousand), other receivables of RMB28,712 thousand (31 December 2023: RMB15,698 thousand), inventories of RMB5,282 thousand (31 December 2023: RMB4,007 thousand), and other current assets of RMB29,595 thousand (31 December 2023: RMB27,203 thousand). Current liabilities mainly comprised notes payable of RMB1,365 thousand (31 December 2023: RMB15,593 thousand), accounts payable of RMB21,184 thousand (31 December 2023: RMB21,278 thousand), contractual liabilities of RMB9,674 thousand (31 December 2023: RMB14,581 thousand), employee benefit payables of RMB6,981 thousand (31 December 2023: RMB7,143 thousand), tax payables of RMB1,528 thousand (31 December 2023: RMB732 thousand), other payables of RMB18,006 thousand (31 December 2023: RMB19,763 thousand), non-current liabilities due within one year of RMB1,106 thousand (31 December 2023: RMB1,004 thousand), and other current liabilities of RMB3,274 thousand (31 December 2023: RMB924 thousand).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2024, current assets of the Group was RMB294,314 thousand (31 December 2023: RMB308,444 thousand), including bank balances and cash of RMB81,523 thousand (31 December 2023: RMB77,384 thousand) and non-current assets of the Group was RMB418,439 thousand (31 December 2023: RMB406,467 thousand).

As at 31 December 2024, current liabilities of the Group was RMB63,118 thousand (31 December 2023: RMB81,018 thousand); and non-current liabilities was RMB706 thousand (31 December 2023: RMB4,630 thousand).

As at 31 December 2024, Shareholders' equity of the Group was RMB648,929 thousand (31 December 2023: RMB629,263 thousand).

GEARING RATIO

As at 31 December 2024, gearing ratio of the Group was 9.84% (31 December 2023: 13.61%) (which is calculated by dividing the Group's total liabilities by its total equity).

BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2024, bank loans, overdrafts and other borrowings of the Group was Nil (31 December 2023: Nil). Most of the cash and cash equivalent held by the Group was denominated in Renminbi.

FINANCING COST

Financing cost of the Group for 2024 was RMB172 thousand (2023: RMB256 thousand).

FIVE-YEAR RESULTS HIGHLIGHTS

	2024 RMB'000	For the year ended 31 December			
		2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Total operating income	209,192	211,950	167,656	194,764	223,663
Net profit	(2,665)	(14,109)	(30,595)	(67,005)	(136,303)
Net profit attributable to Shareholders of the Company	(2,042)	(15,199)	(25,721)	(63,972)	(130,123)
Earnings per share — basic and diluted (<i>RMB</i>)	(0.01)	(0.08)	(0.13)	(0.32)	(0.66)

	2024 RMB'000	As at 31 December			
		2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Total assets	712,753	714,911	708,171	732,408	749,196
Total liabilities	63,824	85,648	86,342	87,591	101,628
Total equity attributable to Shareholders of the Company	637,736	617,496	611,215	627,886	627,581
Shareholders' equity per share as at the end of the year (<i>RMB</i>)	3.23	3.13	3.10	3.18	3.18

Note:

- As a result of the completion of the combination of an enterprise of under the same control, Jingjian Media (鏡鑑傳媒) by the Company, in 2024, in accordance with the relevant regulations, the Group has restated the relevant financial information for the corresponding period of the previous year. Unless otherwise stated, the relevant information in the corresponding period of the previous year referred in this report has been restated.

SHARE STRUCTURE (AS AT 31 DECEMBER 2024)

	Number of shares	Proportion to total share capital (%)
Holders of Domestic Shares		
— 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 (<i>subtotal</i>)	142,409,000	72.18
H Shares ^{Note}	54,901,000	27.82
Total share capital	197,310,000	100.00

Note:

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

CAPITAL EXPENDITURE

Capital expenditure of the Group for 2024 was RMB4,239 thousand (2023: RMB2,073 thousand). Capital expenditure of the Group for 2024 mainly comprises the expenditures consistent with business strategies including expenditures on office equipment and intangible assets.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2024, the Group did not have any contingent liabilities or any pledge of assets.

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 the date of approval by the independent Shareholders at the annual general meeting (i.e. 17 June 2022). 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 31 December 2024, the Company's investments in the above asset management accounted for more than 5% of the Group's total assets. Please refer to Note VIII.2. headed "Financial assets held for trading" and Note X.5. headed "Interest in financial assets held for trading" to the notes to the financial statements of this report for details. For details of the above transaction, please refer to the announcements dated 19 April 2022 and 25 April 2023 and the circulars dated 26 May 2022 and 25 May 2023 of the Company.

As at 31 December 2024, the Company's investments in Beiyang Media and Keyin Media account for over 5% of the Group's total assets. For details of such significant investments, please refer to Note VIII.10. headed "Investment in other equity instruments" and Note X.4. headed "Equity in investment in other equity instruments" to the financial statements of this report.

Save as disclosed in this report, as of 31 December 2024, the Group had no material investments or any plan related to material investment or acquisition of assets.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

On 11 December 2023, the Company entered into the exclusive concession rights agreements with Beijing MTR and its wholly owned subsidiary, Beijing MTR17, respectively, pursuant to which the Company was granted the exclusive rights to use and operate the major advertising resources in Beijing Metro Line 4 and Daxing Line and the northern section of Beijing Metro Line 17, for a period of two years commencing from 1 January 2024 and ending on 31 December 2025. In terms of the above arrangements, the Company shall pay concession fees to Beijing MTR and Beijing MTR17 on the basis of “guarantee fees + extra revenue commission fees”; among which, for the guarantee fees, the guaranteed fees for the first operating year of exclusive concession for the Beijing Metro Line 4, Daxing Line and the northern section of Beijing Metro Line 17 are RMB18.63 million, RMB4.70 million and RMB3.67 million, respectively, with an annual increment of 2%; and extra revenue commission fees will be calculated based on the actual advertising revenue and on a stepwise basis according to the relevant formula. The above transaction enables the Group to enrich its outdoor advertising business, take advantage of its main business of convergence media advertising sales and the major advertising resources of the relevant metro lines, so as to increase its operating income and generate better returns to Shareholders. For details of the above transaction, please refer to the announcement dated 11 December 2023 and circular dated 14 December 2023 of the Company.

As resolved by the Board on 27 November 2024 and approved by the independent Shareholders at the extraordinary general meeting of the Company held on 23 December 2024, the Company disposed of six properties (C1501, C1501', C1502, C1503, C1505, C1506) located on the 15th floor of Block C, Grand Place, No. 5 Huizhong Road, Chaoyang District, Beijing, which are held by Beiqing Outdoor (a wholly-owned subsidiary of the Company) and used for lease in full (the “Target Property”). The disposal of the Target Property was carried out through CBEX by the way of Public Tender. On 16 December 2024, Beiqing Outdoor was notified by CBEX that Capital Securities was the successful bidder for the Target Property at a winning bidding price of RMB20.7065304 million. On the same day, Beiqing Outdoor and Capital Securities entered into the Asset Transfer Agreement, stipulating that Beiqing Outdoor has agreed to sell and Capital Securities has agreed to purchase the Target Property at the winning bidding price. For details of the above transactions, please refer to the announcements dated 27 November 2024, 23 December 2024 and 26 December 2024 and the circular dated 3 December 2024 of the Company.

Save as disclosed in this report, during the Reporting Period, the Group had no material acquisition or disposal of subsidiaries, joint ventures, associates, etc.

FOREIGN EXCHANGE RISKS

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

COMPLIANCE WITH LAWS, REGULATIONS AND CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has been in compliance with the laws and regulations which would have a material impact on the Group and the code provisions set out in the Corporate Governance Code under Appendix C1 to the Listing Rules.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

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

AS AT 31 DECEMBER 2024

EXECUTIVE DIRECTORS

Mr. Jing Enji, born in January 1973, is the secretary of the general branch of the Party Committee, executive Director and president of the Company. He is qualified as a lawyer in the PRC and a Level II legal advisor for state-owned enterprises. Mr. Jing joined Beijing Municipal Economic Development and Investment Co., Ltd. (formerly known as Beijing Municipal Economic Development and Investment Company) in July 1996, successively serving as the deputy manager of the asset management department, the manager of the operation management department, the manager of the real estate development department, assistant to the general manager and the manager of the real estate development department, the deputy general manager, the executive deputy general manager, a director and the executive deputy general manager, the deputy secretary of the Party Committee, a director and the general manager. Mr. Jing has served as the secretary of the general branch of the Party Committee, an executive Director and the president of the Company since September 2022. Mr. Jing has held a concurrent post as the chairman of Beiqing Community Media Technology (Beijing) Co., Ltd. since November 2022, and as the chairman of Beiqing Innovation Cultural since March 2023. Mr. Jing was appointed as a Director of the Company on 25 November 2021.

Ms. Wu Min, born in August 1976, is the executive Director, vice president and director of advertising business division of the Company. Ms. Wu graduated from Shijiazhuang Army Command Institute (石家莊陸軍指揮學院) with a bachelor's degree in film and television editing and directing. Ms. Wu successively served as a technician on probation, assistant engineer in Troop 61377 from July 1996 to September 2004, worked in the Office Publicity and Planning Department of BYDA from September 2004 to April 2008, has successively served as the assistant of executive vice president, the assistant of president, vice president and director of advertising business division since she joined the Company in April 2008. Ms. Wu has served as the director, the executive director and general manager of Beijing Beiqing Outdoor Advertisement Co., Ltd. since May 2017 concurrently, and has served as the director of Beiqing Community Media Technology (Beijing) Co., Ltd. since November 2022 concurrently. Ms. Wu was appointed as a Director of the Company on 17 June 2022.

NON-EXECUTIVE DIRECTORS

Ms. Sun Baojie, born in October 1970, is the chairman and non-executive Director of the Company. Ms. Sun is the deputy general manager of Beijing Capital Group Co., Ltd., the chairman of Capital Jingzhong (Tianjin) Investment Co., Ltd., the chairman of Beijing Jingzhong Industry Development Company Limited* (北京市經中實業開發有限責任公司), the chairman of Beijing Tennis Competition Marketing Co., Ltd.* (北京中國網球公開賽體育推廣有限公司), and the chairman of Eurocity Holding SAS. Ms. Sun successively graduated from the Central Institute of Finance and Banking (now Central University of Finance and Economics) with a bachelor's degree of economics in Investment Economics Management and obtained a Master's Degree of Business Administration from the International MBA Program jointly organised by the Peking University and Fordham University in the United States. Ms. Sun worked at Beijing Capital Land Ltd. (now Beijing Capital Land Co., Ltd.) from January 2006 to October 2013 and successively served as the vice president and executive vice president. From October to December 2013, she was the general manager of Beijing Capital Construction Co., Ltd. From December 2013 to August 2016, Ms. Sun served as director, general manager and the secretary of Party Branch of Beijing Capital Investment and Development Co., Ltd. From August to October 2016, Ms. Sun served as a director of Capital Jingzhong (Tianjin) Investment Co., Ltd. and a director of Beijing Jingzhong Industry Development General Company (now Beijing Jingzhong Industry Development Company Limited* (北京市經中實業開發有限責任公司)). From May to October 2016, she was also a non-executive director of Beijing Capital Land Ltd. (now Beijing Capital Land Co., Ltd.). Ms. Sun has served as the deputy general manager of Beijing Capital Group Co., Ltd. since October 2016. Ms. Sun has also served as the chairman of Capital Jingzhong (Tianjin) Investment Co., Ltd. since August 2017, the chairman of Beijing Jingzhong Industry Development Company Limited* (北京市經中實業開發有限責任公司) since December 2017, the chairman of Eurocity Holding SAS since July 2019, a director of Beijing Capital City Development Group Co., Ltd.* (北京首創城市發展集團有限公司) and a director of Beijing Capital Land Co., Ltd. since October 2021, and the chairman of Beijing Tennis Competition Marketing Co., Ltd.* (北京中國網球公開賽體育推廣有限公司) since January 2023. Ms. Sun was appointed as a Director and chairman of the Company on 24 February 2023.

NON-EXECUTIVE DIRECTORS *(Continued)*

Ms. Cui Ping, born in December 1974, is a non-executive Director of the Company. Ms. Cui is the general manager (the director) of the Strategic Management Department (Scientific and Technological Innovation Promotion Office) in Beijing Capital Group Co., Ltd. She is a senior statistician and a senior economist. Ms. Cui successively obtained a bachelor's degree in economics management of agriculture and husbandry from Beijing University of Agriculture, a master's degree in professional economics in finance (including taxation) major from Renmin University of China and a master's degree in consultation management and reform management from Conservatoire National des Arts et Métiers. Ms. Cui worked at the Beijing Municipal Bureau of Statistics from August 1997 to September 2015, successively serving as a staff member, deputy principal staff member and principal staff member of the Population and Employment Department, and principal staff member and deputy director of the Monitoring and Assessment Department. Ms. Cui has served as the deputy general manager of the Strategic Management Department, the director of Cultural and Creative Industries Office, the general manager (the director) of the Strategic Management Department (Scientific and Technological Innovation Promotion Office) of Beijing Capital Group Co., Ltd. since September 2015. Ms. Cui served as the secretary of Party Branch and the chairman of Beijing Capital Venture Investment Co., Ltd. from August 2019 to March 2022. Ms. Cui has served as a director of Beijing Tennis Competition Marketing Co., Ltd.* (北京中國網球公開賽體育推廣有限公司) since January 2021. Ms. Cui was appointed as a Director of the Company on 25 November 2021.

Mr. Wang Hao, born in March 1983, is a non-executive Director of the Company. He is the deputy general manager of the Industrial Development Department of Beijing Capital Group Co., Ltd. Mr. Wang obtained a bachelor's degree in electrical engineering from the University of Bristol in the United Kingdom, and a master's degree in Business Administration jointly offered by Tsinghua University and the Chinese University of Hong Kong. Mr. Wang worked at CITIC Securities Co., Ltd. (stock code: 06030.HK, 600030.SH) from June 2007 to August 2010. Mr. Wang worked at Beijing Capital Land Ltd. (now Beijing Capital Land Co., Ltd.) from August 2010 to October 2015, and successively served as the assistant to the chairman of the Capital Management Center and the assistant to the chairman. Mr. Wang has worked at Beijing Capital Group Co., Ltd. since October 2015, and successively served as the deputy general manager of the Synergy Development Department, the deputy general manager of the Real Estate Department and the deputy general manager of the Industrial Development department. Mr. Wang has concurrently served as a non-executive director and a member of the Strategic Investment Committee of Beijing Capital Grand Limited (a company previously listed on the Hong Kong Stock Exchange, stock code: 01329.HK and currently delisted) since May 2018. Mr. Wang was appointed as a Director of the Company on 29 December 2023.

Mr. Zhang Lei, born in September 1984, is a non-executive Director of the Company. He is securities affairs representative of Leshi Internet Information & Technology Corp., Beijing (樂視網信息技術(北京)股份有限公司). Mr. Zhang graduated from Tianjin University of Finance and Economics (天津財經大學) with a master's degree in business administration in September 2014. Holding the certificate of secretary to the board of directors of Shenzhen Stock Exchange, Mr. Zhang served as an investment manager of Tianjin Branch of Southwest Securities Co., Ltd. (西南證券股份有限公司天津分公司) from February 2013 to November 2016; a general manager assistant of Sanying Precision Instruments Co., Ltd. (天津三英精密儀器股份有限公司) from November 2016 to November 2018; and a securities affairs representative of Leshi Internet Information & Technology Corp., Beijing (樂視網信息技術(北京)股份有限公司) since July 2019. Mr. Zhang was appointed as a Director of the Company on 17 June 2022.

Mr. Wang Zechen (formerly known as Wang Huiyong), born in March 1974, is a non-executive Director of the Company. He is currently the vice president of Beijing Chengshang Cultural Communication Co., Ltd. Mr. Wang graduated from Beijing Jiaotong University in human resources management. Mr. Wang worked in the Audiovisual News Center of the Beijing Branch of Xinhua News Agency from February 2000 to December 2001 and held the positions of photographer and editor; Mr. Wang worked in Beijing Television Financial and Economic Channel from December 2001 to October 2006 and held the positions of photographer and film producer; and Mr. Wang has been serving as the vice president of Beijing Chengshang Cultural Communication Co., Ltd. since October 2006. Mr. Wang was appointed as a Director of the Company on 25 November 2021.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Shi Hongying, born in April 1972, is an independent non-executive Director of the Company. Ms. Shi obtained a bachelor's degree majoring in law and a master's degree majoring in law education from the Capital Normal University in July 1995 and July 2004, respectively, and obtained the National Lawyer Qualification Certificate in 1998. Since July 1995, Ms. Shi has successively served in the Communist Youth League Committee, the Office of the Communist Party Committee and the Publicity Department of the Communist Party Committee of the Capital Normal University. She was transferred to the teaching position from January 2007 and now serves as an associate professor of the Capital Normal University. Ms. Shi served as a people's juror in the People's Court of Haidian District, a part-time lawyer at Beijing Zhenghai Law Firm (北京市正海律師事務所) and Yingdao Law Firm (英島律師事務所), the director of Criminal Laws Professional Committee to the 10th Beijing Lawyers Association, the director of the 11th Professional Committee for Prevention and Defense of Work-Related Crime, the deputy director of the Rights and Interest Safeguarding Committee for two sessions and a managing director of the Legal Literature Research Institution to China Law Society. Ms. Shi currently works as a part-time lawyer at Beijing Yinghong Law Firm (北京英弘律師事務所), the deputy director of Criminal Laws Professional Committee to the 12th Beijing Lawyers Association, a member of the Criminal Matters Committee and Right Protection Center to All China Lawyers Association, a special-term researcher of the Law Studies Research Institution to China Law Society, an expert of Civil Administrative Prosecution Expert Consultation Network of the Supreme People's Procuratorate and a specialist lawyer of Litigation Service Center of the Supreme People's Court of PRC, a people supervisor (人民監督員) of Beijing People's Procuratorate (北京市人民檢察院) and other social positions. Ms. Shi was appointed as a Director of the Company on 21 June 2019.

Mr. Chan Yee Ping, Michael, born in April 1977, is an independent non-executive Director of the Company. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan graduated from The Hong Kong Polytechnic University with an honour bachelor's degree in accountancy, and has more than twenty years of experience in the areas of audit, financial management, corporate secretarial management and corporate governance. He is a director of MCI CPA Limited, a certified public accountant firm in Hong Kong. He is currently serving as an independent non-executive director for a company whose shares are listed on the Hong Kong Stock Exchange, namely StarGlory Holdings Company Limited (formerly named as New Wisdom Holding Company Limited) (stock code: 8213). Since 2012, he also has been serving as a company secretary of another company whose shares are listed on the Main Board of the Hong Kong Stock Exchange, namely Northeast Electric Development Company Limited (stock code: 42). From September 2017 to December 2018, Mr. Chan served as an independent non-executive director of Prosper One International Holdings Company Limited (stock code: 1470) (Mr. Chan had been criticised by the Hong Kong Stock Exchange for a breach issue by Prosper One International Holdings Company Limited, details of which are set out in the regulatory announcement issued by the Hong Kong Stock Exchange on 18 May 2022); from November 2018 to February 2021, he also served as an independent non-executive director of Champion Alliance International Holdings Limited (stock code: 1629); and from July 2014 to May 2022, he served as an independent non-executive director of SoftMedx Healthcare Limited (formerly named as China Wah Yan Healthcare Limited) (stock code: 648) (Mr. Chan was involved in a legal proceeding (which are still pending) brought by the Securities and Futures Commission of Hong Kong in respect of a potential breach issue by SoftMedx Healthcare Limited. Please refer to the announcement of the Company dated 5 September 2024 for details), from July 2014 to September 2024, he served as an independent non-executive director of China Sandi Holdings Limited (shares of which are listed on the Main Board of the Hong Kong Stock Exchange, stock code: 910), the shares of these companies are listed on the Main Board of the Hong Kong Stock Exchange. Mr. Chan served as the company secretary of China Sunshine Paper Holdings Company Limited (shares of which are listed on the Main Board of the Hong Kong Stock Exchange, stock code: 2002) from September 2013 to June 2024. Mr. Chan was appointed as a Director of the Company on 19 June 2020.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Ms. Du Guoqing, born in October 1971, is an independent non-executive Director of the Company. She is currently a professor, a tutor of postgraduate and doctoral students as well as the director of Institute of Advertiser under the Advertising School of Communication University of China. Ms. Du successively obtained a bachelor's degree of education in Chinese Linguistics and Literature from Hebei Normal University (formerly known as Hebei Normal College), a master's degree in journalism and a doctoral degree of advertising from Communication University of China (formerly known as Beijing Broadcasting Institute). Ms. Du worked in Hebei Normal College from 1998 to 2003 and has been working in Communication University of China since 2003. During the period, Ms. Du has served as the director of Institute of Advertiser of Communication University of China since 2002, and served as the editor-in-chief of MARKET OBSERVER — Advertiser (《市場觀察—廣告主》) by China Enterprise Confederation from 2002 to 2007, a researcher of the headquarter of Dentsu Group (4324.TYO) in Tokyo, Japan from January 2010 to March 2010, the deputy director and director of the Public Relation Department under Communication University of China from 2010 to 2018. Ms. Du is currently the editor-in-chief of New Trend (《新趨勢》), an executive member of Advertising Artistic Committee of China TV Artists Association, a member of Law and Ethics Committee of China Advertising Association, a member of Academic Committee of China International Public Relations Association, an expert judge of Dentsu • China Advertising Talent Training Fund project, and a distinguished expert of the Asia Media Research Centre of Communication University of China and of the National Image Research Center of Tsinghua University. Ms. Du was appointed as a Director of the Company on 25 November 2021.

Mr. Kong Weiping, born in May 1969, is an independent non-executive Director of the Company. He is the partner of DeHeng Law Offices. Mr. Kong graduated from the Department of Education of Beijing Normal University (北京師範大學) with a master's degree in education management in July 1996. Mr. Kong served as an independent director of Zhongjin Gold Corporation Limited (stock code: 600489.SH) from May 2008 to May 2014; an independent director of SDIC Zhonglu Fruit Juice Co., Ltd. (國投中魯果汁股份有限公司) (stock code: 600962.SH) from April 2013 to April 2019; an independent director of Sinomine Resource Group Co., Ltd. (中礦資源集團股份有限公司) (stock code: 002738.SZ) from April 2014 to May 2020; an external director of BBMG Assets Management Co., Ltd. from August 2015 to November 2018; and an independent director of Zotye Automobile Co., Ltd. (眾泰汽車股份有限公司) (stock code: 000980.SZ) from July 2017 to February 2022. Mr. Kong has served as an external director of Beijing North Star Company Limited (北京北辰實業集團有限責任公司) since December 2018; an external director of Beijing Tianqiao Zenith Investment Group Co., Ltd. (北京天橋盛世投資集團有限責任公司) since January 2020; an external director of Beijing Huafang Investment Company Limited (北京華方投資有限公司) since April 2020; an independent non-executive director of Beijing Capital Jiaye Property Services Co., Limited (stock code: 2210.HK) since October 2021; an external supervisor of Beijing Tong Ren Tang Company Limited (北京同仁堂股份有限公司) (stock code: 600085.SH) since June 2021; an external director of Beijing Gas Energy Development Co., Ltd. since March 2024; and an independent non-executive director of Tianshan Material Co., Ltd. since April 2024. Mr. Kong was appointed as a Director of the Company on 17 June 2022.

SUPERVISORS

Mr. Liu Huibin, born in March 1975, holds a master's degree and is the chairman of the Supervisory Committee of the Company. He is currently the General Counsel, Chief Compliance Officer, and the general manager of the Legal Compliance Department in Beijing Capital Group Co., Ltd., and a supervisor of Beijing Capital Eco-Environment Protection Group Co., Ltd. (stock code: 600008.SH). Mr. Liu holds the qualifications of lawyer of the People's Republic of China and enterprise legal adviser. Mr. Liu successively served as an assistant to the judge of court and a partner lawyer of a law firm. Mr. Liu joined Beijing Capital Group Co., Ltd. since August 2013, successively serving as the deputy general manager, general manager of the Law Department, general manager of the Legal Compliance Department, general counsel of the Law Department, and Chief Compliance Officer, the chairman of the Supervisory Committee in Beijing Capital Financial Asset Trading and Information Services Company Limited from November 2015 to July 2022, the chairman of the Supervisory Committee in Beijing Capital Co., Ltd. from February 2020 to May 2021, a supervisor of Beijing Capital Eco-Environment Protection Group Co., Ltd. since June 2021, a director of Capital Securities Co., Ltd. since September 2023, and the chairman of the Supervisory Committee in Beijing Capital Eco-Environment Protection Group Co., Ltd. since February 2024. Mr. Liu was appointed as a Supervisor and the chairman of the Supervisory Committee of the Company on 25 November 2021.

Ms. Li Xiaomei, born in November 1973, is a Supervisor of the Company, and is currently an assistant to general manager and a manager of the enterprise development department of China Satellite Communications Co., Ltd., and is a researcher. Ms. Li obtained a master's degree in management science and engineering from the Graduate School of Xi'an University of Technology. From May 1999 to February 2008, Ms. Li worked for China Academy of Space Technology and served successively as an engineer, the deputy director and other positions. From February 2008 to July 2021, Ms. Li worked for China Spacesat Co., Ltd. and served successively as the deputy general manager and the general manager of the development planning department, the general manager of the investment management department and the president assistant. Since July 2021, Ms. Li has joined China Satellite Communications Co., Ltd. Ms. Li was appointed as a Supervisor of the Company on 25 November 2021.

Ms. Lu Shasha, born in April 1985, is currently the deputy manager of the legal and audit department of the Company. Ms. Lu graduated from the Law School of Jiangxi University of Finance and Economics with a master's degree in law, and obtained the Legal Professional Qualification Certificate in 2014. Ms. Lu served as a professional lawyer of Beijing Dentons Law Office (Xining)* (北京大成(西寧)律師事務所) from August 2014 to June 2020, a professional lawyer of Shanghai City Development Law Firm (上海市建緯律師事務所) from August to November 2020, and a professional lawyer of Shanghai City Development (Xining) Law Firm (上海市建緯(西寧)律師事務所) from December 2020 to July 2021, and she joined the Company in November 2021 as the deputy manager of the legal and audit department. Ms. Lu served as a supervisor of Beijing Innovation Cultural from May 2022, a supervisor of Beijing Keyin Media Culture Co., Ltd. from September 2022, a supervisor of Beijing Network Culture since April 2023, and a supervisor and the chairman of the Supervisory Committee of Chongqing Youth Media Company Limited since July 2023. Ms. Lu was appointed as a Supervisor of the Company on 15 March 2023.

SENIOR MANAGEMENT

Mr. Jing Enji is the president of the Company. For details of the biographical information of Mr. Jing, please refer to the profile of executive Director above.

Ms. Wu Min is the vice president of the Company. For details of the biographical information of Ms. Wu, please refer to the profile of executive Director above.

SENIOR MANAGEMENT *(Continued)*

Ms. Hou Hui, born in December 1985, is the deputy chief accountant and head of finance of the Company. Ms. Hou graduated from Beijing Information Science and Technology University, majoring in technology economics and management with a master's degree in management and is a senior accountant and a chartered financial analyst. From April 2011 to December 2013, Ms. Hou served as a pre-sales consultant for the Industry Department Four of the Beijing branch of Yonyou Network Technology Co., Ltd. (formerly known as Yonyou Software Co., Ltd.) (stock code: 600588.SH); from December 2013 to December 2021, Ms. Hou successively served as staff, assistant to general manager and deputy general manager of the finance and accounting department of Capital Environmental Holdings Limited (stock code: 03989.HK), during which time Ms. Hou also served as chief financial officer and director of several subsidiary project companies concurrently. Ms. Hou was appointed as the deputy chief accountant, head of finance of the Company on 16 December 2021. Ms. Hou has concurrently served as a director of Beiqing Innovation Cultural since October 2022, and an executive director and the general manager of Beiqing Network Culture since April 2023.

COMPANY SECRETARIES

Ms. Liu Jia, born in March 1983, is the secretary to the Board, a joint company secretary and the director of the office of the Board of the Company. Ms. Liu obtained a bachelor's degree in management with a major in information management and information system from Central University of Finance and Economics in 2005. Ms. Liu joined BYDA in July 2005 and served in integrated management, remuneration management, training supervision and performance management of the human resources department of BYDA. Ms. Liu joined the Company in July 2013 and has served as the assistant to secretary to the Board, the deputy director, director of the Board office and the manager of the administrative department of the Company. Ms. Liu has also served as the secretary to the Board of the Company since August 2022 and the joint company secretary of the Company since December 2022. Ms. Liu, by virtue of her relevant experiences, has been confirmed capable of discharging the functions of company secretary by the Hong Kong Stock Exchange in November 2022 pursuant to the Note 2 to Rule 3.28 of the Listing Rules and qualified for the position of company secretary of the Company under the Listing Rules. Ms. Liu served as an executive Director of the Company from June 2019 to November 2021, a director of Beijing International Advertising & Communication Group Co., Ltd. from December 2016 to August 2021, a director of Beiqing Community Media Technology (Beijing) Co., Ltd. since November 2022, and a director of Beijing Keyin Media Culture Co., Ltd. since May 2024.

Mr. Yu Leung Fai, born in March 1977, is the joint company secretary of the Company. He is a member of the American Institute of Certified Public Accountants, Certified Practicing Accountants of Australia, the Hong Kong Institute of Certified Public Accountants, and the Hong Kong Trustee Association, and has extensive experience in the corporate services field. Mr. Yu obtained a bachelor's degree in commerce from University of Toronto, Canada in June 2000 and a bachelor's degree in law from University of London, the United Kingdom in August 2005. He first started his career as an auditor of Deloitte Touche Tohmatsu LLC (formerly named as Deloitte Touche Tohmatsu). Mr. Yu is currently the managing partner of Fung, Yu & Co. CPA Limited (formerly named as Fung, Yu & Co. CPA), which he joined in 2001. Mr. Yu has been the company secretary of Yuanda China Holdings Limited (遠大中國控股有限公司) (stock code: 2789) since June 2012; the company secretary of Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司) (stock code: 631) since February 2017. Mr. Yu serves as the independent non-executive director of Realord Group Holdings Limited (偉祿集團控股有限公司) (stock code: 1196) since June 2014; an independent non-executive director of The Sincere Company, Limited (先施有限公司) (stock code: 244) since June 2021; an independent non-executive director of CSMall Group Limited (金貓銀貓集團有限公司) (stock code: 1815) since November 2021, an independent non-executive director of Timeless Resources Holdings Limited (天時資源控股有限公司) (formerly known as Timeless Software Limited) (stock code: 8028) since March 2023 and the company secretary of Century Ginwa Retail Holdings Limited (世紀金花商業控股有限公司) (stock code: 0162) from September 2023 to January 2024, all of which are listed companies in Hong Kong. Mr. Yu was appointed as a joint company secretary of the Company in March 2010.

The Board is pleased to present the annual report and the audited consolidated financial statements for the year ended 31 December 2024.

ISSUE AND LISTING OF SHARES

The Company's H Shares were listed on the Main Board of the Hong Kong Stock Exchange on 22 December 2004. Under the Hong Kong public offering and international placing, 54,901,000 shares (including 7,161,000 over-allotment shares) were issued at an offer price of HKD18.95 per share.

The highest and lowest trading prices of the Company's H Shares per share were HKD0.49 and HKD0.29 respectively for the year ended 31 December 2024. On 31 December 2024 (the last trading day in 2024), the trading volume was 0 shares, and the closing price was HKD0.39 per share.

ACCOUNTS

Financial position of the Group as at 31 December 2024 is set out in the Consolidated Balance Sheet on pages 85 to 86.

Results of the Group for the year ended 31 December 2024 are set out in the Consolidated Income Statement on pages 87 to 88.

Cash flows of the Group for the year ended 31 December 2024 are set out in the Consolidated Cash Flow Statement on pages 89 to 90.

Changes in equity of the Group for the year ended 31 December 2024 are set out in the Consolidated Statement of Changes in Shareholders' Equity on page 91.

PRINCIPAL BUSINESS

The Group is principally engaged in the sales of multi-interface convergence media advertising, event planning, new media operation and maintenance, printing and trading of printing-related materials and youth student travel. Details of the business of the Company's principal subsidiaries are set out in Note X. "Disclosure of Interests in Other Entities" to the financial statements. Discussion on major risks and uncertainties faced by the Group and discussions in respect of the possible future development of business of the Group, are included in the sections headed "Management Discussion and Analysis" and "Corporate Governance Report" of this report.

DIVIDEND

The Company has formulated a set of dividend policies to provide Shareholders with stable dividends, which set out the principles and guidelines for declaring, paying or distributing the Company's profits to Shareholders as dividends. In accordance with the Company Law and the Articles of Association, all Shareholders are entitled to equal dividends and distribution rights. The Company's payment of dividends is determined by the Board at its discretion after considering the following factors, including the Company's financial position, and subject to the approval from Shareholders:

- a. the Company's actual financial performance and expected financial performance;
- b. the Group's debt-to-equity ratio, return on share capital and financial contractual commitments;
- c. undistributed profits and distributable reserves of the Company and each member of the Group;
- d. the Group's demand for expected working capital and its future strategic plans;
- e. tax considerations;
- f. possible impact on the Company's reputation;
- g. legal and regulatory restrictions; and
- h. any other factors that the Board may consider relevant.

The Board did not propose the payment of a final dividend for the year ended 31 December 2024.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 December 2024, the total purchase by the Group from its five largest suppliers was RMB52,397 thousand (2023: RMB66,990 thousand), accounting for 28.31% of its total purchase for the year of 2024 (2023: 37.12%); and the purchase from the largest supplier was RMB22,298 thousand (2023: RMB23,961 thousand), accounting for 12.05% of its total purchase for the year of 2024 (2023: 13.28%). Two of the five largest suppliers are related parties of the Company; the cooperation term ranges from one year to twenty years, and the credit term for purchase of products generally ranges from 30 days to 90 days.

During the Reporting Period, the total sales by the Group to its five largest customers was RMB68,872 thousand (2023: RMB58,307 thousand), accounting for 32.91% of its total sales for the year of 2024 (2023: 27.51%); and the amount of sales to the largest customer was RMB20,653 thousand (2023: RMB23,902 thousand), accounting for 9.87% of its total sales for the year of 2024 (2023: 11.28%). None of the five largest customers are related parties of the Company; the cooperation term ranges from one year to twenty years, and the credit term agreed in the contract generally does not exceed 30 days.

Among the above, the amount of purchase by the Group from BYDA, the controlling Shareholder, and its subsidiaries during the Reporting Period was RMB11,905 thousand. Besides, as far as the Directors are aware, none of the Directors, their close associates nor Shareholders holding more than 5% of the Company's issued shares has any interest in the Group's five largest suppliers or customers.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As at 31 December 2024, the direct subsidiaries of the Company included BYD Logistics, Beijing Long Teng, Beijing Network Culture, Beijing Community Media, Beijing Outdoor, Chongqing Media, Beijing Innovation Cultural and Jingjian Media.

As at 31 December 2024, the associates of the Company included Beijing Top, Beijing Leisure Trend Advertising Company Limited, Beijing Shengyi Automobile Technology Service Co., Ltd. (formerly known as Beijing Beijing Shengda Automobile Service Company Limited), Beijing Beisheng United Insurance Agency Co., Ltd., BY Time Consulting Co., Ltd., Chongqing Soyang Internet Technology Co., Ltd. and Beijing Shangyou Network Technology Co., Ltd.

For details of principal subsidiaries, joint ventures and associates of the Company, please refer to Note X. "Disclosure of Interests in Other Entities" to the financial statements in this annual report.

RESERVES

The change in reserves during the Reporting Period is set out in the Consolidated Statement of Changes in Shareholders' Equity on page 91 of this annual report. According to the Company Law and the Articles of Association, reserves consist of capital reserves, surplus reserves and undistributed profits.

FIXED ASSETS

The changes in investment properties and fixed assets during the Reporting Period are set out in Note VIII.12 "Investment properties" and VIII.13 "Fixed assets" to the financial statements in this annual report, respectively.

SHARE CAPITAL, SHARE CAPITAL STRUCTURE AND NUMBER OF SHAREHOLDERS

As at 31 December 2024, the total number of shares issued by the Company was 197,310,000 shares. The Shareholders of the Company include BYDA, Beijing Chengshang Cultural Communication Co., Ltd., China Telecommunication Broadcast Satellite Co., Ltd., Beijing Development Area Ltd., Sino Television Co., Ltd. and public Shareholders of H Shares, holding 124,839,974 Domestic Shares, 7,367,000 Domestic Shares, 4,263,117 Domestic Shares, 2,986,109 Domestic Shares, 2,952,800 Domestic Shares and 54,901,000 H Shares respectively, representing 63.27%, 3.73%, 2.16%, 1.52%, 1.50% and 27.82% of the Company's total share capital, respectively.

Class of shares	Number of issued shares	Percentage	Number of Shareholders*
Domestic Shares	142,409,000	72.18%	5
H Shares	54,901,000	27.82%	281
Total	197,310,000	100%	286

* The above-mentioned percentage figures are based on the records in the Company's register of members as at 31 December 2024.

PUBLIC FLOAT

Based on the public information available to the Company and to the knowledge of the Directors, up to the date of this report, the public float of the Company maintained above 25% of the Company's issued shares as required under Rule 8.08 of the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, so far as the Directors, Supervisors and chief executives 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 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 issued share capital of the Company (%)
BYDA	Beneficial owner	Domestic Shares	N/A	124,839,974	87.66	63.27
Capital Group ^{Note 1}	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.

The information disclosed above is based on the data published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Save as disclosed above, to the knowledge of the Directors, Supervisors and chief executives of the Company, as at 31 December 2024, there was no other person (other than Directors, Supervisors or chief executives of the Company) with interests or short positions in shares or underlying shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Ms. Sun Baojie, Ms. Cui Ping and Mr. Wang Hao, the Directors, and Mr. Liu Huibin, the Supervisor, also work for Capital Group; Mr. Wang Zechen, the Director, also works for Beijing Chengshang Cultural Communication Co., Ltd.; Mr. Zhang Lei, the Director, also works for Leshi Internet Information & Technology Corp., Beijing (樂視網信息技術(北京)股份有限公司). Save as disclosed above, as at 31 December 2024, none of the other Directors or Supervisors works in another company which held an interest or short position in the shares or underlying shares of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

ULTIMATE CONTROLLING SHAREHOLDER

BYDA is the ultimate controlling Shareholder of the Company. As at 31 December 2024, BYDA owned 63.27% equity interest in the Company. Capital Group has obtained the voting rights attached to such shares held by BYDA in accordance with the entrust management arrangement dated 20 May 2021 with BYDA and its beneficial owner.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a service contract with the Company for a term of no more than three years.

None of the Directors or Supervisors has entered into or proposed to enter into any service contract with any member of the Group which cannot be terminated by the Group within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY PROVISION

The Company maintained directors liability insurance for Directors to protect them from all costs, charges, losses, expenses and liabilities incurred in the execution and discharge of their duties or related thereto pursuant to the applicable laws and within the scope of directors liability insurance. Such provisions were in force during the year ended 31 December 2024 and remain in force as of the date of this report.

DIRECTORS' AND SUPERVISORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, during the Reporting Period, neither the Company nor any of its subsidiaries has entered into any transaction, arrangement or contract (which is effective during or at the end of the Reporting Period) of significance to the business of the Company or its controlling company, subsidiaries and fellow subsidiaries in which any Director or Supervisor or their respective connected entities had material interests.

MANAGEMENT CONTRACT

During the Reporting Period, the Company had not entered into nor there was any contract which was related to the management or administration of the overall business or a material part of the business of the Company.

DIRECTORS' AND SUPERVISORS' RIGHT IN THE SUBSCRIPTION OF SHARES OR DEBENTURES

During the Reporting Period, no agreement or arrangement was entered into by the Company, the Company's controlling company, subsidiaries or fellow subsidiaries of the Company to enable the Directors and Supervisors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any related corporation of the Company.

EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the emoluments of Directors, Supervisors and senior management are set out in Note XVI.3. "Remuneration of Directors, Supervisors and Employees" to the financial statements. The Directors and Supervisors of the Company who serve in Capital Group and its subsidiaries do not receive remuneration from the Company.

Ms. Li Xiaomei, a Supervisor of the Company who serves in China Telecommunication Broadcast Satellite Co., Ltd., does not receive remuneration from the Company. Save as disclosed above, during the Reporting Period, there was no arrangement whereby any other Director or Supervisor of the Company waived to receive remuneration from the Company.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2024, none of Directors, Supervisors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation (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 and 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 entered into the register referred to therein, or 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 AND REDEMPTION OF THE LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares within the meaning of the Listing Rules).

CHANGES IN DIRECTORS AND SUPERVISORS

There was no change in the members of the Board and the Supervisory Committee during the Reporting Period and up to the date of this report.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management of the Company. In addition, the Audit Committee has discussed with the Directors on matters concerning the internal control and financial reporting of the Company, including reviewing the audited consolidated financial statements of the Group for the year of 2024 without dissenting opinions.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the PRC laws or the Articles of Association, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2024, the bank loans of the Group were Nil.

CONNECTED TRANSACTIONS

Connected transactions of the Group during the Reporting Period are set out as follows:

Transactions — Non-exempt Connected Transactions**1. Non-competition Agreement**

The Company entered into a Non-competition Agreement with BYDA on 8 December 2004, pursuant to which, BYDA agreed and procured its subsidiaries and associates not to engage, invest, involve, participate in or own any business which would compete with the business of the Company and granted the Company a pre-emptive right and an option to acquire from BYDA the retained business and certain future business.

During the Reporting Period, no decision was made by the Directors (including the independent non-executive Directors) to exercise or to waive the option and/or pre-emptive right.

2. Property Tenancy Agreements

On 31 March 2022, the Company entered into Property Tenancy Agreements ("Property Lease Contracts") with each of Beijing Rural Area Equity Exchange Co., Ltd. (北京農村產權交易所有限公司) ("Beijing Rural Exchange") and Beijing Agricultural Investment Co., Ltd. (北京市農業投資有限公司) ("BJAI"), both for a lease term commencing from 1 April 2022 and ending on 31 March 2025. Pursuant to the Property Tenancy Agreements, each of Beijing Rural Exchange and BJAi agreed to lease the 19th floor and the 23rd floor of BYDA Building from the Company, with a gross floor area of 829.53 square meters and 680.98 square meters, respectively.

Pursuant to the Property Tenancy Agreements, BJAi and Beijing Rural Exchange shall pay housing rent of RMB5.2214/day/sq.m., which will be increased at an annual growth rate of 2% from the second year, and the Company will charge the property management fee of RMB0.7786/day/sq.m. as an agent during the tenancy term. The rent-free period commences from 1 April 2022 to 30 June 2022. During the rent-free period, the Company shall not charge the lessees any housing rent or other fees except for the property management fee and the water and electricity fares caused by lessees' decoration. Therefore, the total rental (property management fee inclusive) payable by BJAi and Beijing Rural Exchange to the Company should be RMB1,167,780.32 and RMB1,422,521.68 for 2022, RMB1,517,295.62 and RMB1,848,280.77 for 2023 and RMB1,543,767.02 and RMB1,880,526.68 for 2024. For details, please refer to the announcement of the Company dated 31 March 2022.

As the 2022 Property Lease Contract will expire on 31 March 2025, the Company (as a lessor) entered into the 2025 BJAi Lease Contract and the 2025 Beijing Rural Exchange Lease Contract, respectively, with Beijing Rural Exchange and BJAi on 27 February 2025, pursuant to which, the Company will lease the 19th floor and the 23rd floor of the BYDA Building owned by the Company, respectively, to Beijing Rural Exchange and BJAi, both for a lease term of three years commencing from 1 April 2025 and ending on 31 March 2028. The rental payable by Beijing Rural Exchange to the Company under the 2025 Beijing Rural Exchange Lease Contract is subject to a cap of RMB1,580,927.40 for each of the three years ending 31 March 2028, and the rental payable by BJAi to the Company under the 2025 BJAi Lease Contract is subject to a cap of RMB1,297,819.17 for each of the three years ending 31 March 2028. For details, please refer to the announcement of the Company dated 27 February 2025.

Under the Listing Rules, BJAi and Beijing Rural Exchange are subsidiaries of Capital Group, the actual controller of the Company, and therefore, are connected persons of the Company.

During the Reporting Period, the housing rental that the Company actually received from BJAi and Beijing Rural Exchange were RMB1,188,012.30 and RMB1,447,167.09, respectively.

CONNECTED TRANSACTIONS *(Continued)***Transactions — Non-exempt Connected Transactions** *(Continued)***3. Advertising Agency Framework Agreement**

The Company and BYDA entered into the Advertising Agency Framework Agreement ("2021 Advertising Agency Framework Agreement") on 12 November 2021 for a term of three years with effect from 1 January 2022 to 31 December 2024. The annual caps of the advertising fee payable by the Group to BYDA Group under the Advertising Agency Framework Agreement for the three years ended 31 December 2024 are RMB16,000,000, respectively. Upon expiry, the Advertising Agency Framework Agreement will be renewed for three years under relevant provision of the Listing Rules and agreement of relevant parties. Pursuant to the Advertising Agency Framework Agreement, BYDA authorises the Group to act as an advertising agent of BYDA Group to sell advertising space in other publications or media (except Beijing Youth Daily) owned or represented by BYDA Group and its new media resources and provide relevant services. Pursuant to the Advertising Agency Framework Agreement, prices will be determined based on the contract price as agreed by the Company and BYDA: (1) for exclusive agency, the Group will pay BYDA Group the advertising space cost based on 70% of the advertising revenue from the sale of the advertising space; (2) for non-exclusive agency, the price given by BYDA Group to the Group shall be no less favorable than that available to independent third parties under the same conditions. The Group will pay the advertising space cost to BYDA Group based on certain discount of the unit price listed in the standard advertising price list of the relevant advertising space of BYDA Group (the discount is generally about 20% to 70% and is determined based on the nature of each industry, market conditions, space location, publication time, etc.), actual placement quantity, size and other factors upon arm's length negotiations with BYDA Group. The consideration under the Advertising Agency Framework Agreement is payable by cash in a lump sum or by installments according to the specific and separate implementation agreements and funded by the relevant party's internal resources. For details, please refer to the announcement dated 12 November 2021 and the circular dated 15 December 2021 of the Company.

On 30 December 2024, the Company entered into a 2024 Advertising Agency Framework Agreement with BYDA, pursuant to which the Group will continue to provide advertising agency services to BYDA Group, major terms of which are consistent with the 2021 Advertising Agency Framework Agreement, with effect from 1 January 2025 to 31 December 2027. After considering the current advertising agency service arrangement between the Group and BYDA, it is expected that there will be new transactions under the 2024 Advertising Agency Framework Agreement in relation to the provision of relevant advertising agency services in respect of the "Beijing Youth Daily" Mobile Client and YNET by the Group to the BYDA Group. Therefore, the Board resolved on 25 February 2025 to increase the annual caps to RMB5,000,000 for each of the three years ending 31 December 2027. Please refer to the announcement of the Company dated 25 February 2025 for details.

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

During the Reporting Period, the annual cap of advertising fee payable by the Group to BYDA Group was RMB16,000,000 and the actual amount paid was RMB1,692,028.31.

CONNECTED TRANSACTIONS *(Continued)***Transactions — Non-exempt Connected Transactions** *(Continued)***4. Advertising Business Agreement**

The Company and BYDA entered into the Advertising Business Agreement and the supplemental agreement of Advertising Business Agreement on 7 December 2004 and 9 April 2010, respectively. Pursuant to such agreements, BYDA agreed to grant exclusive rights to the Company to operate the advertising business in respect of the Beijing Youth Daily for a duration of 30 years from 1 October 2004 to 30 September 2033, which will automatically be renewed upon expiry, subject to compliance with the requirements of the Listing Rules. The rights granted include the right to sell all of the advertising space in Beijing Youth Daily, and the Company is entitled to all revenue from such sales. As consideration, the Company will: (a) be responsible for the printing, including printing costs and the choice of newsprint of Beijing Youth Daily; (b) pay BYDA a fee representing 16.5% of the total advertising revenue generated from Beijing Youth Daily or such figure or formula as agreed by parties in the future; and (c) allocate to BYDA up to 360 pages per year of advertising space in Beijing Youth Daily for publicity announcements and notices (provided that the advertising space allocated will not exceed 9% of the total advertising space of the paper in each issuance), for which no fee will be paid by BYDA. The consideration under the Advertising Business Agreement is payable by cash on a monthly basis according to the Advertising Business Agreement and funded by the Company's internal resources. The Company determined on 12 November 2021 that the annual caps for the three years ended 31 December 2024 would be RMB8,000,000, respectively. For details, please refer to the announcement of the Company dated 12 November 2021.

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

During the Reporting Period, the annual cap for fees payable by the Company to BYDA was RMB8,000,000, and the actual fees paid were RMB818,948.19.

5. 2024 "Beijing Youth Daily" Mobile Client and YNET Advertising Agency Contract

On 6 February 2024, the Company entered into the 2024 "Beijing Youth Daily" Mobile Client and YNET Advertising Agency Contract with BYDA for a term commencing from 6 February 2024 and expiring on 31 December 2024. Pursuant to the 2024 "Beijing Youth Daily" Mobile Client and YNET Advertising Agency Contract, during the validity period of such agreement, BYDA agreed to authorise the Company to act as (1) the exclusive agent for advertising in real estate, automobile and finance sectors at YNET.COM and a non-exclusive advertising agency for sectors other than the above three sectors at YNET.COM which BYDA has been legally and validly authorized by Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.; and (2) the exclusive advertising agent for real estate, automobile and finance sectors at "Beijing Youth Daily" Mobile Client (formerly known as Beijing Headlines APP) legally owned by BYDA.

CONNECTED TRANSACTIONS *(Continued)***Transactions — Non-exempt Connected Transactions** *(Continued)***5. 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract** *(Continued)*

As agreed in such agreement, the fees in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency (namely the advertising space cost) payable by the Company to BYDA under the 2023 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract should be fair and reasonable, on the normal commercial terms and shall not be higher than the price paid by the independent third party to BYDA and YNET.COM in respect of the advertising agency of the advertising space provided by BYDA and YNET.COM. The Company shall pay BYDA 70% of the advertising income generated from YNET Exclusive Advertising Agency and BYD Exclusive Advertising Agency under 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract calculated based on the public price and base selling price determined by both parties. If the Company has paid in full the advertising agency fee of RMB8 million (including tax) (the “Base Price”) to BYDA, then in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract, the Company shall pay relevant advertising agency fee other than the Base Price to BYDA at 60% of the advertising income calculated based on the public price and base selling price as agreed by both parties. If the actual annual advertising agency fee in total paid by the Company to BYDA is lower than RMB8 million (including tax), the Company shall pay the shortfall to BYDA. The Company would be deemed to have actually paid in full the Base Price for the advertising agency fee of RMB8 million if any one or more of the aggregate amount of the following reaches RMB8 million: (i) The actual annual advertising agency fee paid by the Company to BYDA in respect of YNET Exclusive Advertising Agency and BYD Exclusive Advertising Agency under 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract; (ii) The advertising agency fee paid by the Company to BYDA Group in respect of exclusive advertising agency of same scope as YNET Exclusive Advertising Agency and BYD Exclusive Advertising Agency under the Advertising Agency Framework Agreement entered into between the Company and BYDA on 12 November 2021 from 1 January 2024 to the effective date of the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract (being 6 February 2024). The related transaction cap of the fees in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency payable by the Company to BYDA under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract for the year ended 31 December 2024 was RMB8,500,000. For details, please refer to the announcement of the Company dated 6 February 2024.

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

During the Reporting Period, the annual cap for fees payable by the Company to BYDA was RMB8,500,000, and the actual fees paid (net of tax) were RMB7,547,760.57.

6. Personnel Service Agreement

On 29 December 2023, the Company entered into the Personnel Service Agreement with BYDA for a term commencing from 1 January 2024 and ended on 31 December 2024. Pursuant to the Personnel Service Agreement, BYDA will assign employees to the Company to provide services to the Company. The service fees paid by the Company to BYDA Group under the Personnel Service Agreement are determined based on the salary (or remuneration) of the assigned employee during the period of providing services to the Company and other taxes and fees. The relevant arrangements for service fees are fair and reasonable, and as far as the Company is concerned, shall be on terms that are no less favorable to the Company than those available to or from independent third party under the same conditions. The total service fees paid by the Company to BYDA Group during the validity period of the agreement shall include the post salary and performance salary of the assigned employee, wherein the post salary is fixed and accounts for 40% of the total salary (or remuneration), including basic salary, qualification salary, five social insurances and housing provident fund and welfare subsidies; and performance salary is a floating salary which accounts for 60% of the total salary (or remuneration), and is implemented in accordance with the performance appraisal system of each department of the Company. For details, please refer to the announcement of the Company dated 29 December 2023.

CONNECTED TRANSACTIONS *(Continued)***Transactions — Non-exempt Connected Transactions** *(Continued)***6. Personnel Service Agreement** *(Continued)*

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

During the Reporting Period, the annual cap for service fees payable by the Company to BYDA Group was RMB1,400,000, and the actual fees paid were RMB1,233,798.25.

7. Comprehensive Service Agreement

On 28 December 2022, the Company entered into the Comprehensive Service Agreement with BYDA for a term from 1 January 2023 to 17 June 2025. Pursuant to the Comprehensive Service Agreement, the Group will provide ancillary services and technical support (the “Comprehensive Services”) for the new media business of BYDA Group, including: (i) IT technical services, that is, the Group will provide IT software technology development and maintenance services for the new media business to BYDA Group, including but not limited to applets production, H5 development and the development and production of third-party plugins of each new media business; (ii) design services, that is, the Group provides design schemes and beautification suggestions on the framework, typesetting, art work, function list and other aspects of new media business according to the requirements of BYDA Group; (iii) copywriting planning service, that is, according to the requirements of BYDA Group, the Group provides programme planning, manuscript writing and manuscript editing services for new media business, as well as copywriting and content writing services for related cultural and creative products, etc.; and (iv) other related services, that is, supporting services or derivative services related to the above services. Pursuant to the agreement, the service fee paid by the BYDA Group to the Group shall not be less than the service fee charged for the same or similar services provided by the Group to any third party under the same condition in accordance with the fair market principle. The service fee under the Comprehensive Service Agreement shall be settled by specific new media business, i.e. as the Group provides Comprehensive Services to the BYDA Group for each new media business, a corresponding fee should be charged by taking into account factors such as the price of the work unit as well as the time incurred and labour cost (including qualification, level and salary level, etc.) required by such comprehensive service for the new media business. The standard of service fee charged under the Comprehensive Service Agreement should comply with fair market practices and shall not be lower than the prices charged by similar comparable companies in the market under the same conditions: (1) the pricing range for IT technical service is RMB150/person/hour to RMB300/person/hour; (2) the pricing range for design service is RMB100/person/hour to RMB260/person/hour; (3) the pricing range for copywriting planning service is RMB100/person/hour to RMB260/person/hour; (4) other relevant service prices are decided in accordance with the pricing principle of relevant market or industry. The caps for transactions under the Comprehensive Service Agreement for the two years ended 31 December 2024 and the period commencing from 1 January 2025 and ending on 17 June 2025 will be RMB50,000,000, RMB50,000,000 and RMB25,000,000, respectively. For details, please refer to the announcement dated 28 December 2022 and the circular dated 8 February 2023 of the Company.

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

During the Reporting Period, the annual cap for comprehensive service fees charged by the Company to BYDA Group was RMB50,000,000, and the actual fees paid were RMB15,507,899.42.

CONNECTED TRANSACTIONS *(Continued)***Transactions — Non-exempt Connected Transactions** *(Continued)***8. Single Asset Management Contract**

On 19 April 2022, the Company entered into the Single Asset Management Contract with Capital Securities and the Custodian Bank for a term from 17 June 2022 to 16 June 2023. Pursuant to the Single Asset Management Contract, Capital Securities shall provide the Company with asset management and investment services in respect of the Entrusted Assets in accordance with the investment scope and investment ratio set out below: the Scheme aims to primarily invest in debt investment products such as fixed-income products (including cash) and can participate in bond repurchase business. In particular, the credit rating of fixed-income products such as corporate bonds, enterprise bonds, mid-term bills and other credit debts to be invested in should be corporate rating (without considering China Bond rating) or bond rating with at least one rating being AA or above; the credit rating of short-term financing bond and ultra-short-term financing bond shall be A-1 or above (in case of no bond rating, the corporate rating shall be AA or above), and the issuers of all such bonds shall be state-owned holding enterprises. The Scheme shall not invest in asset management products other than public securities investment funds, or directly invest in credit assets of commercial banks or finance local government and its delegates in violation of regulations. The Company shall pay to Capital Securities (1) the management fee, at 0.2% per annum based on the net asset value of the Entrusted Assets on the previous calendar day, to be accrued on a daily basis and paid on a quarterly basis; and (2) the performance fee, calculated based on the realised gains on investments (i.e. various types of gains obtained from the investment operation of Entrusted Assets, including but not limited to investment bonus, dividends, bond interest, the price difference between buying and selling securities, bank deposit interest and other income) of the Scheme during the performance fee accrual period (i.e. from the commencement of the Scheme to the first performance fee accrual date or the period from each performance fee accrual date to the next performance fee accrual date): if the actual annualised return rate exceeds 3.8% which is the benchmark annualised return rate, then 30% of the excess portion shall be payable by the Company to Capital Securities as performance fee for such performance fee accrual period; if the annualised return rate is lower than or equal to 3.8%, no performance fee for such performance fee accrual period is required to be paid by the Company. In addition, the Company shall pay to the Custodian Bank the custodial fee at 0.05% per annum based on the net asset value of the Entrusted Assets on the previous calendar day, to be accrued on a daily basis. The maximum daily balance of Entrusted Assets managed by Capital Securities for the year ended 16 June 2023 under the Single Asset Management Contract was RMB200,000,000. For details, please refer to the announcement dated 19 April 2022 and the circular dated 26 May 2022 of the Company.

Since the Single Asset Management Contract had expired on 16 June 2023, the Company entered into the supplemental agreement to the Single Asset Management Contract with Capital Securities and the Custodian Bank on 25 April 2023, pursuant to which the Company, Capital Securities and the Custodian Bank agreed to make certain optimization adjustments to the single asset management scheme and extend its term for another three years to 16 June 2026. The Board recommended that, within the extended period of the Single Asset Management Contract, the maximum daily balance of the Entrusted Assets managed by Capital Securities shall not exceed RMB200,000,000.

Under the Listing Rules, Capital Securities is a subsidiary of Capital Group, the actual controller of the Company, and therefore is a connected person of the Company.

During the Reporting Period, the actual maximum daily balance of Entrusted Assets entrusted by the Company to Capital Securities was RMB114,270,773.64.

CONNECTED TRANSACTIONS *(Continued)***Transactions — Non-exempt Connected Transactions** *(Continued)***9. Exclusive Concession Rights Agreements**

On 11 December 2023, the Company entered into the exclusive concession rights agreements with Beijing MTR and its wholly owned subsidiary, Beijing MTR17, pursuant to which the Company was granted the exclusive rights to use and operate the major advertising resources in Beijing Metro Line 4 and Daxing Line and the northern section of Beijing Metro Line 17, for a period of two years commencing from 1 January 2024 and ending on 31 December 2025. In terms of the above arrangements, the Company shall pay concession fees to Beijing MTR and Beijing MTR17 on the basis of “guarantee fees + extra revenue commission fees”; among which, for the guarantee fees, the guaranteed fees for the first operating year of exclusive concession for the Beijing Metro Line 4, Daxing Line and the northern section of Beijing Metro Line 17 are RMB18.63 million, RMB4.70 million and RMB3.67 million, respectively, with an annual increment of 2%; and extra revenue commission fees will be calculated based on the actual advertising revenue and on a stepwise basis according to the relevant formula. The above transaction enables the Group to enrich its outdoor advertising business, take advantage of its main business of convergence media advertising sales and the major advertising resources of the relevant metro lines, so as to increase its operating income and generate better returns to Shareholders. For details of the above transaction, please refer to the announcement dated 11 December 2023 and circular dated 14 December 2023 of the Company.

Under the Listing Rules, Beijing MTR and Beijing MTR17 are 30%-owned investees of Capital Group, the actual controller of the Company, and therefore are connected persons of the Company.

During the Reporting Period, the concession fees paid by the Company to Beijing MTR and Beijing MTR17 was RMB24,401,515.04.

The Company has confirmed that the execution and enforcement of the implementation agreements under the continuing connected transactions set above for the year ended 31 December 2024 has followed the pricing principles of such continuing connected transactions.

The Directors (including the independent non-executive Directors), after reviewing the above continuing connected transactions in item 2 to item 9, have confirmed to the Board that these transactions were: (A) entered into during the usual and ordinary course of business of the Group (except for the transaction in item 8); (B) based on normal commercial terms or better terms; and (C) based on agreements regulating relevant transactions, on fair and reasonable terms, in the interests of the Company and the Shareholders as a whole and have not exceeded any cap for the aforesaid transactions.

The Company’s auditor was engaged to report on the Group’s continuing connected transactions in accordance with No. 3101 of the Chinese Institute of Certified Public Accountants Other Verifying Business Standards — Verifying Businesses Other Than the Audit or Review of Historical Financial Information issued by the Ministry of Finance of the PRC and with reference to Practice Note 740 Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group above pursuant to Rule 14A.56 of the Listing Rules, that (i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board of the Company; (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in any material respect, in accordance with the pricing policies of the Group; (iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in any material respect, in accordance with the relevant agreements governing such transactions; and (iv) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the amount of each of the continuing connected transactions has exceeded the annual cap set by the Company.

CONNECTED TRANSACTIONS *(Continued)*

Transactions — Non-exempt Connected Transactions *(Continued)*

9. Exclusive Concession Rights Agreements *(Continued)*

Save as disclosed above, there is no related party transaction or continuing related party transaction included in Note XIII.6. “RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS” to the financial statements that constitutes a disclosable connected transaction or continuing connected transaction under the Listing Rules. During the Reporting Period, the Company has complied with Chapter 14A of the Listing Rules in respect of the disclosure of its connected transactions and continuing connected transactions.

MATERIAL LITIGATION

To the knowledge of the Directors, as at 31 December 2024, the Company was not involved in any material litigation, arbitration or claim and there was no material legal action or claim that is outstanding or may arise or occur, which may pose material threat to the business and financial condition of the Group.

RETIREMENT SCHEME

All the full-time employees of the Group are covered by a government-managed retirement benefit scheme under which the employees are entitled to an annual pension equal to their basic salaries upon their retirement. The PRC government is responsible for payment of the pension. The Group was required to make defined contributions to the pension scheme at the rate of 16% of the employees’ basic salaries for the year ended 31 December 2024 (2023: 16%), which is subject to certain caps as required by the relevant local government. Under this scheme, the Group has no obligation for other retirement benefit besides the annual contributions.

STAFF

The Group is committed to building and cultivating a diversified and high-quality talent team, maintains a working environment for diversified development, strictly forbids discrimination in gender, region, religion and nationality, etc. during recruitment, and treats different types of employees equally. As at 31 December 2024, the Group had a total of 335 staff members (31 December 2023: 346) including 214 female staff members and 121 male staff members, accounting for 64% and 36% of the total staff members, respectively. The decrease in the number of the staff as compared with 2023 was mainly due to the business adjustment of certain subsidiaries of the Company. Differences in background of the staff members and job demand and other matters are the main factors affecting the gender diversity of staff members. During the Reporting Period, the Group’s employee remuneration amounted to approximately RMB80,588 thousand in total. The staff remuneration and benefits of the Group are both determined by reference to market rates, national policies and individual performance. The Group actively encouraged the self-development of the employees, and carried out abundant staff training activities. In 2024, the Group carried out staff training in respect of management capacity of middle-level cadre, listing compliance, connected transactions, new media business, video shooting technology and new employee induction, etc., to enhance the overall quality of staff from management, business and compliance perspectives.

REMUNERATION POLICY

The Company has set up the Remuneration Committee under the Board, which is responsible for formulating the remuneration policy and making proposal regarding the remunerations of the Directors and senior management of the Company to the Board. The remunerations of the Directors of the Company are determined by the Remuneration Committee as authorised by the general meeting of the Company. The remuneration of Supervisors of the Company shall be approved by the general meeting of the Company. The remuneration policy of the Company is determined and realised according to the duties of the Directors, Supervisors and senior management and the Company's operating performance.

Position-based remuneration system was adopted for general management staff and their remuneration was determined according to the relative importance of the positions, the responsibilities assumed in the positions and other factors. Various salary models such as performance linked and piece rate wage model were adopted respectively for other employees based on the types of employees and their job nature.

The Company stringently controlled the overall salary amount management of its controlled subsidiaries and its wholly-owned subsidiaries in accordance with the applicable policy requirements of the PRC government. It sought to maintain an appropriate balance between salary increase and the growth in economic benefits, in order to achieve a win-win situation among Shareholders, management and employees and to facilitate the harmonious development of the enterprise.

The Company paid certain housing provident funds and social security funds on behalf of employees on a monthly basis, according to the relevant national and local laws and regulations on labour affairs and social security. In particular, social security funds include pension insurance, medical insurance, unemployment insurance, maternity insurance and work injury insurance, etc.

AUDITOR

WUYIGE Certified Public Accountants LLP (大信會計師事務所(特殊普通合夥)) has served as the auditor of the Company since 2017, after considering that there is a certain limitation on the number of years that a state-owned enterprise may continuously engage the same accounting firm. It was approved at the annual general meeting of the Company held on 14 June 2024 that the Company appointed ShineWing Certified Public Accountants (Special General Partnership) as the auditor of the Company for the year 2024, which shall audit the financial statements of the Company in accordance with the China Auditing Standards and take on the duties of international auditor under the Listing Rules. The Audit Committee was authorised to determine auditor's remuneration. Upon the conclusion of the AGM, WUYIGE Certified Public Accountants LLP retired as auditor of the Company.

The consolidated financial statements of the Company for the year of 2024 prepared in accordance with the China Accounting Standards were audited by ShineWing Certified Public Accountants (Special General Partnership), the auditor of the Company.

TAXATION

According to the Law on Corporate Income Tax of the PRC which came into effect on 1 January 2008, Implementing Regulations of the Law on Corporate Income Tax of the PRC and other relevant rules, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise Shareholders as appearing on the H Shares register of members of the Company. Any shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise Shareholders and therefore their dividends receivable will be subject to the withholding of the corporate income tax. Pursuant to Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document issued by the State Administration of Tax on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders is subject to individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries where they are residing and Mainland China.

By order of the Board

Sun Baojie

Chairman of the Board

28 March 2025

Beijing, the PRC

1. OVERVIEW OF CORPORATE GOVERNANCE

The Company always attaches primary priority to the implementation of a well-established, sound and rational corporate governance framework. Currently, the corporate governance documents of the Company include but are not limited to the following documents:

- (1) Articles of Association of Beijing Media Corporation Limited;
- (2) Internal Control Handbook of Beijing Media Corporation Limited, including but are not limited to the following policies and procedures:
 - Procedures of Disclosure and Inspection of Connected Transactions;
 - Procedures of Internal Fraud Management; and
 - Procedures of Investors Relationship Management.

The Board has reviewed the corporate governance documents adopted by the Company and believed that such documents are in compliance with all the requirements of code provisions set out in the Corporate Governance Code under Appendix C1 to the Listing Rules.

2. CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has been in compliance with the code provisions set out in the Corporate Governance Code under Appendix C1 to the Listing Rules.

3. COMPLIANCE WITH THE MODEL CODE

In respect of securities transactions of Directors and Supervisors, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by its Directors and Supervisors. Having made sufficient enquiries to Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with the required standards under the Model Code during the Reporting Period.

4. THE BOARD

The list below shows the composition of the Board and relevant information as at 31 December 2024:

Name	Gender	Age	Other positions in the Company	Term of directorship	Whether to receive remuneration from the Company
Executive Directors					
Jing Enji	M	52	President	From 17 June 2022 to the 2024 annual general meeting of the Company	No
Wu Min	F	48	Vice president	From 17 June 2022 to the 2024 annual general meeting of the Company	Yes
Non-executive Directors					
Sun Baojie	F	54	Chairman	From 24 February 2023 to the 2024 annual general meeting	No
Cui Ping	F	50		From 17 June 2022 to the 2024 annual general meeting of the Company	No
Wang Hao	M	42		From 19 December 2023 to the 2024 annual general meeting of the Company	No
Zhang Lei	M	40		From 17 June 2022 to the 2024 annual general meeting of the Company	Yes
Wang Zechen	M	51		From 17 June 2022 to the 2024 annual general meeting of the Company	Yes
Independent Non-executive Directors					
Shi Hongying	F	53		From 17 June 2022 to the 2024 annual general meeting of the Company	Yes
Chan Yee Ping, Michael	M	48		From 17 June 2022 to the 2024 annual general meeting of the Company	Yes
Du Guoqing	F	53		From 17 June 2022 to the 2024 annual general meeting of the Company	Yes
Kong Weiping	M	55		From 17 June 2022 to the 2024 annual general meeting of the Company	Yes

4. THE BOARD *(Continued)*

The Board is a standing decision-making body of the Company, and responsible for steering and supervising the Company in an accountable and efficiency-oriented manner. All Directors are obliged to act in the best interests of the Company. All members of the Board acknowledged that they shall take joint responsibility to all the Shareholders for the management, supervision and operations of the Company.

The Company confirms that the Board is primarily responsible for making decisions on the following matters:

- The Company confirms that the Board is primarily responsible for making decisions on the following matters:
- determination of the operational plan and investment proposals of the Company;
- formulation of the annual budget and budget implementation proposals of the Company;
- formulation of proposals on profit distribution and recovery of losses of the Company;
- formulation of proposals on increasing or reducing registered capital and issuance of corporate bonds of the Company;
- formulation of proposals on the mergers, spin-off or winding-up of the Company;
- determination on the internal management structure of the Company;
- appointment or removal of the president of the Company, appointment or removal of the vice president and other senior management members (including the chief financial officer) as nominated by the president, and determination of their respective remuneration;
- setting up the basic management systems of the Company;
- formulation of proposals for amendments to Articles of Association; and
- formulation of proposals for material acquisitions or disposals of the Company.

4. THE BOARD *(Continued)*

The Company confirms that the management is primarily responsible for making decisions and performing daily management on the following matters:

- formulation of proposal for the internal management structure of the Company;
- formulation of proposal for the basic management systems of the Company;
- formulation of the basic regulations of the Company;
- recommendation on appointment or removal of other senior management members (including the chief financial officer) of the Company;
- appointment or removal of chief officers other than those subject to the appointment and removal by the Board;
- formulation of proposal on the branch structure and determination on establishment of branch of the Company; and
- appointment, replacement and recommendation on the shareholder's representatives, directors or supervisors of subsidiaries or associated companies of the Company.

During the Reporting Period, the composition of the Board has at all times been in compliance with Rule 3.10(1) of the Listing Rules which requires a minimum of three independent non-executive directors on board, with Rule 3.10A of the Listing Rules which requires independent non-executive directors to represent at least one-third of the board, and with Rule 3.10(2) of the Listing Rules which requires that at least one of the independent non-executive directors must possess appropriate professional qualification, or accounting or relevant financial management expertise. All Directors have diversified education and culture background and occupation experience, and possess extensive professional knowledge and management experience in fields such as advertising and media industry, corporate governance, accounting and financial management. The achieved diversity in the Board composition shall be helpful to inject different views and facilitate the performance of the Board.

The Company has established a number of mechanisms to ensure that the Board has access to independent views and opinions to promote the steady development of the Company. The relevant mechanisms are set out in the Rules of Procedure of the Board and the Articles of Association of the Company and will be reviewed by the Board from time to time to ensure their reasonableness and effectiveness.

4. THE BOARD *(Continued)*

With respect to the structure, size and composition of the Board, the Company stipulates the minimum proportion and number of independent non-executive Directors of the Board to ensure a balanced composition of the Company's executive Directors, non-executive Directors and independent non-executive Directors so that the Board maintains a strong independent element. The Company will inspect the independence, professional qualifications, past experience and experience of independent non-executive Directors to ensure that independent non-executive Directors have sufficient talent, vision and opportunity to provide influential independent opinions, so as to ensure that the Board has a multi-perspective direction of thought in decision-making.

The Company has also established a guarantee mechanism for Directors to perform their duties to create good conditions for the Board to obtain independent views and opinions. Notice of Board meeting and meeting documents shall be delivered to all Directors and Supervisors in advance to allow time for Directors to understand the content of the meeting and form independent views. Where appropriate, the secretary to the Board should seek independent professional advice for Directors on their needs in performing their responsibilities in the Company, providing an effective channel for diversified views. For independent non-executive Directors, the relevant rules also include the right of information of independent non-executive Directors and the Company's inability to remove independent non-executive Directors without cause.

Besides, independent non-executive Directors also play a crucial role in matters reviewed or approved by the Board. If a substantial Shareholder or a Director has a material conflict of interest in a matter to be considered by the Board, a Board meeting shall be held for the related matter as required by the Company, and an independent non-executive Director who has no material interest in such matter is required to attend the Board meeting in order to enable real-time exchange of views between the independent non-executive Director and other Directors. If the transaction is a major connected transaction, it needs to be approved by independent non-executive Directors before it can be submitted to the Board for discussion to safeguard the interests of the Company as a whole. Independent non-executive Directors are also entitled to express independent opinions to the Board on a number of matters, including the appointment and removal of Directors, the appointment and removal of senior management, remuneration, etc.

The Board considers the implementation of the above mechanisms to be effective. The balanced structure of the Board, the efficient and transparent performance of Directors' deliberations, the protection of remuneration and appointment of non-executive Directors, combined with the conflict management mechanism of transactions, can ensure that the Board can obtain independent views and opinions.

4. THE BOARD (Continued)

A total of eleven Board meetings were convened during the Reporting Period, and the attendance rate of individual Directors at Board meetings is as follows:

	Attendance in person (attendance rate)	Attendance by proxy (attendance rate)
Executive Directors		
Jing Enji	11/11	—
Wu Min	10/11	1/11
Non-executive Directors		
Sun Baojie	6/11	5/11
Cui Ping	6/11	5/11
Wang Hao	10/11	1/11
Zhang Lei	9/11	2/11
Wang Zechen	11/11	—
Independent non-executive Directors		
Shi Hongying	11/11	—
Chan Yee Ping, Michael	10/11	1/11
Du Guoqing	9/11	2/11
Kong Weiping	11/11	—

The Company has received the annual confirmation letter from each of the independent non-executive Directors confirming their compliance with the independence requirements set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

During the Reporting Period, in order to ensure that Directors of the Company (including Jing Enji, Wu Min, Sun Baojie, Cui Ping, Wang Hao, Zhang Lei, Wang Zechen, Shi Hongying, Chan Yee Ping, Michael, Du Guoqing and Kong Weiping) continue to contribute to the Board with comprehensive information under appropriate situation, all of them actively participated in continuing professional development to develop and update their knowledge and skills. The Company regularly provided the Directors with Hong Kong Capital Market Regulatory Highlights and other relevant materials from the legal advisor, so that they were informed of the latest regulatory issues, punishment precedents and relevant regulatory documents of the Hong Kong capital market, and organised the legal advisor to provide professional trainings. During the Reporting Period, all the above Directors have actively participated in the Hong Kong capital market compliance training and trainings on the continuous obligations and violation punishments of directors of listed company from the legal advisor.

Members of the Board, Supervisory Committee and senior management did not have any financial, business, family or other material relationship with each other save for working relationship in the Company.

4. THE BOARD *(Continued)*

The Company convened two general meetings during the Reporting Period, and the attendance rate of individual Directors at the general meeting is as follows:

	Attendance in person <i>(attendance rate)</i>	Attendance by proxy <i>(attendance rate)</i>
<i>Executive Directors</i>		
Jing Enji	2/2	—
Wu Min	2/2	—
<i>Non-executive Directors</i>		
Sun Baojie	1/2	—
Cui Ping	2/2	—
Wang Hao	2/2	—
Zhang Lei	2/2	—
Wang Zechen	2/2	—
<i>Independent non-executive Directors</i>		
Shi Hongying	2/2	—
Chan Yee Ping, Michael	2/2	—
Du Guoqing	1/2	—
Kong Weiping	2/2	—

5. CHAIRMAN AND PRESIDENT

During the Reporting Period, the roles of chairman and president of the Company were performed by different individuals. As at 31 December 2024, Ms. Sun Baojie and Mr. Jing Enji took the positions of chairman and president of the Company respectively.

The two posts of the chairman and president are separate and distinct. The chairman does not assume the post of president of the Company simultaneously. Distinct written terms of reference have been adopted for these two posts. The chairman shall be responsible for overseeing the operation of the Board, while the president shall oversee the business operations of the Company. Please refer to the respective roles of the chairman and president set out in Article 102 and Article 114 of the Articles of Association of the Company for details.

6. NON-EXECUTIVE DIRECTORS

Pursuant to the Articles of Association, non-executive Directors are appointed for a term of three years.

Independent non-executive Directors are appointed for a term of three years which is renewable upon re-election. Independent non-executive Directors may not be removed without legitimate cause before expiry of their terms. Where an independent non-executive Director is removed from office before expiry of his term, the matter shall be disclosed by the Company as a special issue.

7. REMUNERATION COMMITTEE

The Remuneration Committee currently comprises two independent non-executive Directors and one non-executive Director. The Remuneration Committee is chaired by Ms. Shi Hongying with Mr. Wang Hao and Ms. Du Guoqing as members.

The Remuneration Committee consults the chairman and/or president on the remuneration of other executive Directors and seeks assistance and/or advice from external professional advisors on related matters when considered necessary.

For details of the basis of remuneration of Directors, please refer to Note XVI.3. "Remuneration of Directors, Supervisors and Employees" to the financial statements. The principal duties of the Remuneration Committee include but are not limited to:

- to advise the Board on setting up formal and transparent procedures in respect of the determination of remuneration policy and structure for the Directors and senior management members of the Company;
- to advise the Board on the remuneration of individual executive Directors and senior management;
- to advise the Board on the remuneration of non-executive Directors;
- to review and approve the management's remuneration proposals with reference to the corporate goals and objectives established by the Board;
- to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct or any compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment;
- to ensure the Board to review its performance on a regular basis; and
- to ensure that the Directors or any of their associates are not involved in the determination of their own remuneration.

7. REMUNERATION COMMITTEE (Continued)

Two meetings of the Remuneration Committee were convened during the Reporting Period, and the attendance rate of individual members at the meetings of the Remuneration Committee is as follows:

	Attendance in person (attendance rate)	Attendance by proxy (attendance rate)
Shi Hongying	2/2	—
Du Guoqing	2/2	—
Wang Hao	2/2	—

The Remuneration Committee held a meeting on 10 May 2024, at which it considered and approved the resolution on basic annual salary for executive Directors and senior management of the Company.

The Remuneration Committee held a meeting on 13 August 2024, at which it considered and approved the resolution on performance-based annual salary for executive Directors and senior management of the Company.

8. NOMINATION COMMITTEE

The Board has set up a Nomination Committee comprising one non-executive Director and two independent non-executive Directors. The Nomination Committee was chaired by Ms. Sun Baojie, the chairman of the Board of the Company, with Ms. Shi Hongying and Ms. Du Guoqing as members.

The principal duties of the Nomination Committee include but are not limited to:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least once a year and make recommendations regarding any proposed changes in the Board in line with the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become Directors, select and nominate candidates of Directors or make recommendations to the Board in this regard;
- (c) to assess the independence of independent non-executive Directors; and
- (d) to formulate criteria, procedures and methods for selecting candidates for Directors and senior management of the Company and its investees and make recommendations to the Board.

The Nomination Committee attaches importance to the diversity of Board composition, the Company has formulated a board diversity policy (as detailed in "BOARD DIVERSITY POLICY"), and believes that such diversity is beneficial to the Board as well as the Company. While reviewing and evaluating the Board composition and making recommendations to the Board on appointment of new Directors, the Nomination Committee shall take account of the benefits of diversity in various aspects, in order to maintain an appropriate scope and the balance between expertise, skills, experience and background of the Board members. The Nomination Committee makes discussion upon all the measurable targets to realise the diversity of Board composition each year. The Company has developed a nomination policy in respect of the nomination of Directors. The appointment of new Directors shall be first considered by the Nomination Committee. In considering the appointment of Directors, the Nomination Committee applies standards such as the board diversity policy. The recommendations of the Nomination Committee shall be then submitted to the Board for consideration and approval. The appointment of any Directors by the Board shall be subject to the approval at the general meeting.

9. AUDIT COMMITTEE

The Board has set up an Audit Committee comprising one non-executive Director and two independent non-executive Directors. The Audit Committee was chaired by Mr. Chan Yee Ping, Michael, with Ms. Cui Ping and Mr. Kong Weiping as members.

The principal duties of the Audit Committee include but are not limited to:

- to be responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor and to deal with any questions of its resignation or dismissal;
- to examine annual audit plan submitted by the external auditor and provide opinions;
- to review and monitor the external auditor's independence and objectivity;
- to formulate and implement policy engaging an external auditor to provide non-audit services;
- to monitor the integrity of financial statements of the Company and its annual reports, accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant opinion regarding financial reporting contained in the statements and reports;
- to review the Company's financial control, internal control and risk management systems;
- to discuss with the management in relation to system of internal control to ensure that the management has discharged its duty to set up an effective internal control system; and
- to review the Company's financial and accounting policies and practices.

Under code provision of the Corporate Governance Code, the terms of reference of the Audit Committee shall at least include reviewing the risk management and internal control systems of the issuer; discuss with the management in relation to the risk management and internal control systems, to ensure the management has established an effective internal control system according to their duties; and upon its own initiative or appointed by the Board, to consider major investigation findings on risk management and internal control matters and the management's response to these findings. The Audit Committee of the Company has reviewed the risk management and internal control systems of the Group during the Reporting Period, and has discussed with the management in relation to the risk management and internal control systems, and has been able to, upon its own initiative or appointed by the Board, consider major investigation findings on risk management and internal control matters and the management's response to these findings.

The Audit Committee will seek assistance and/or advice from external professional advisors in respect of relevant matters when considered necessary.

9. AUDIT COMMITTEE (Continued)

Six meetings of the Audit Committee were convened during the Reporting Period, and the attendance rate of individual members at the meetings of the Audit Committee is as follows:

	Attendance in person (attendance rate)	Attendance by proxy (attendance rate)
Chan Yee Ping, Michael	6/6	—
Cui Ping	5/6	1/6
Kong Weiping	6/6	—

The Audit Committee of the Board of the Company held a meeting on 22 March 2024, at which it considered and passed the results of the Group for the year of 2023 and the annual report of the Group for the year of 2023; reviewed and evaluated the risk management and internal control systems as well as the effectiveness of the internal audit function of the Group for the year ended 31 December 2023; and considered and approved the resolution to pay audit fees for the year 2023 to WUYIGE Certified Public Accountants LLP (RMB970 thousand for annual audit and RMB20 thousand for reporting on continuing connected transactions).

The Audit Committee of the Board of the Company held a meeting on 11 April 2024, at which it considered and passed the resolution to initiate the selection and appointment of the Company's auditor for the year of 2024.

The Audit Committee of the Board of the Company held a meeting on 29 April 2024, at which it considered and passed the resolution to cease the re-appointment of WUYIGE Certified Public Accountants LLP as the auditor of the Company for the year of 2024 and to recommend the appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor of the Company for the year of 2024.

The Audit Committee of the Board of the Company held a meeting on 21 June 2024, at which it considered and passed the resolution to determine the remuneration of the auditor of the Company for the year of 2024.

The Audit Committee of the Board of the Company held a meeting on 23 August 2024, at which it considered and approved the results of the Group for the first half of 2024 and the interim report of the Group for the first half of 2024; and reviewed and evaluated the risk management and internal control systems as well as the effectiveness of the internal audit function of the Group for the six months ended 30 June 2024.

The Audit Committee of the Board of the Company held a meeting on 23 December 2024, at which it considered and passed the resolution to formulate the "2024 Annual Work Summary and 2025 Annual Work Plan for Internal Audit of Beijing Media Corporation Limited" (《北青傳媒股份有限公司內部審計工作2024年度工作總結及2025年度工作計劃》), to amend the "Accountability Measures for Non-compliance Operations and Investments of Beijing Media Corporation Limited" (《北青傳媒股份有限公司違規經營投資責任追究辦法》), to amend the "Measures for Internal Control Evaluation of Beijing Media Corporation Limited" (《北青傳媒股份有限公司內部控制評價辦法》), to amend the "Management Regulations on Internal Audit of Beijing Media Corporation Limited" (《北青傳媒股份有限公司內部審計管理規定》), to formulate the "Management Measures for Rectification of Problems Listed in Audit of Beijing Media Corporation Limited" (《北青傳媒股份有限公司審計查出問題整改管理辦法》), to formulate the "Management Measures for Internal Economic Responsibility Audit of Beijing Media Corporation Limited" (《北青傳媒股份有限公司內部經濟責任審計管理辦法》) and to formulate the "Post-Evaluation Management Measures for Investment Projects of Beijing Media Corporation Limited" (《北青傳媒股份有限公司投資專案後評價管理辦法》).

9. AUDIT COMMITTEE (Continued)

The Company has been in full compliance with the requirements of Rule 3.21 of the Listing Rules throughout the period from its listing on the Hong Kong Stock Exchange to 31 December 2024.

The Board is responsible for overseeing the preparation of financial statements for each financial period, so that the financial statements give a true and fair view of the operating position, results and cash flow of the Company during the period. When preparing the financial statements for the year ended 31 December 2024, the Board has (1) selected and consistently applied appropriate accounting policies; (2) approved the adoption of all standards in line with the China Accounting Standards; and (3) made appropriate judgments and assessments in a prudent manner and adopted a going concern basis for the preparation of financial statements. For the statement of reporting responsibility issued by ShineWing Certified Public Accountants (Special General Partnership), the auditor of the Company, please refer to the Report of the Auditor set out in this annual report.

10. REMUNERATION OF THE AUDITOR

The Company appointed ShineWing Certified Public Accountants (Special General Partnership) as the auditor for the year 2024. As at 31 December 2024, annual fees for the audit services provided by ShineWing Certified Public Accountants (Special General Partnership) to the Company amounted to RMB900 thousand. The fees for providing special audit services and non-audit services to the Group amounted to RMB246 thousand.

11. COMPANY SECRETARIES

Both of Ms. Liu Jia and Mr. Yu Leung Fai, as the joint company secretaries of the Company, have confirmed their completion of relevant professional training for no less than 15 hours during the Reporting Period respectively.

12. RIGHTS OF SHAREHOLDER

The Board and senior management of the Company understand that they represent the interests of the Shareholders as a whole. As such, they take safeguarding the value of shares, maintaining the steady level and sustained growth of the investment return and enhancing the competitiveness of the business as priority.

Pursuant to the Articles of Association, an extraordinary general meeting shall be convened within two months upon request in writing by Shareholders holding individually or jointly 3% or above of the outstanding shares of the Company carrying voting rights, where shareholdings of the Shareholders shall be determined as on the date of submission of the relevant written request.

The relevant documents must state the purposes of the general meeting and be notified to all Shareholders.

The Shareholders may raise enquiries to the Board, and the Company shall provide sufficient contact information (for details, please refer to the Company's website: www.bjmedia.com.cn) so as to have the Shareholders' enquiries properly handled. The Shareholders may raise their relevant proposals directly at the general meeting.

13. INVESTOR RELATIONS

(1) Material amendments to the Articles of Association

As approved at the 2023 annual general meeting of the Company convened on 14 June 2024, the Company has made certain amendments to the Articles of Association, which mainly amend the relevant parts of the Articles of Association relating to the restriction on the distribution of corporate communications by the Company to its Shareholders by electronic means, and mainly relate to a total of four articles, namely, Article 65, Article 147, Article 190 and Article 191 of the Articles of Association. For details, please refer to the announcement dated 14 June 2024 and the circular dated 24 May 2024 published by the Company on the websites of the Hong Kong Stock Exchange and the Company.

There were no material changes to the Articles of Association of the Company during the Reporting Period.

(2) General meetings

During the Reporting Period, the Company convened one annual general meeting and one extraordinary general meeting.

The 2023 annual general meeting was held at 2:00 p.m. on 14 June 2024 at Conference Room 704, 7th Floor, Beijing Youth Daily Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the PRC, where resolutions in relation to the Report of the Directors for the year ended 31 December 2023, the Report of the Supervisors for the year ended 31 December 2023, the audited financial statements for the year ended 31 December 2023, the consolidated annual financial budget of the Company for 2024, the appointment of ShineWing Certified Public Accountants (Special General Partnership) as the auditor of the company for the year of 2024 and the authorisation of the Audit Committee of the Board of the Company to determine its remuneration and the amendments to the Articles of Association of the Company were considered and approved. Please refer to the announcement of the Company dated 14 June 2024 for details.

The first extraordinary general meeting of 2024 was held at 2:00 p.m. on 23 December 2024 at Conference Room 704, 7th Floor, Beijing Youth Daily Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the PRC, where resolutions in relation to the disposal of the Property of Grand Place by Beiqing Outdoor, a wholly-owned subsidiary of the Company, at the initial bidding price of not less than RMB20.7065 million through Public Tender; the authorisation, in the event of a successful bidder in Public Tender, of any Director(s) to execute the physical asset transaction contract with the successful bidder and to do all matters relating thereto as may be considered necessary, appropriate or expedient to complete the Proposed Disposal, and the Possible Major and Connected Transaction in relation to the Proposed Disposal in the event of the Possible Connected Purchaser being the successful bidder in Public Tender were considered and approved. Please refer to the announcement of the Company dated 23 December 2024 for details.

(3) Important matters for Shareholders for the financial year of 2024

The 2024 annual general meeting of the Company will be held at 2:00 p.m. on 13 June 2025 at Conference Room 704, 7th Floor, Beijing Youth Daily Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the PRC.

(4) Market value of public float

The highest and lowest trading prices of the Company's H Shares during 2024 were HKD0.49 and HKD0.29 per share respectively. On 31 December 2024 (the last trading day in 2024), the transaction volume was 0 shares and the closing price was HKD0.39 per share.

14. RISK MANAGEMENT AND INTERNAL CONTROL

- Risk management and internal control systems

The Company has set up a complete set of risk management and internal control systems according to the requirements of the Corporate Governance Code in Appendix C1 to the Listing Rules. The internal structure was comparatively scientific and the design of risk management and internal control systems was proper. The Company has set up relatively scientific decision-making mechanism, implementation mechanism and supervision mechanism. The Company has continued to make efforts to strengthen and improve its risk management and internal control systems as well as enhance the control procedures, so as to improve operating efficiencies and reduce operating risks. The Board is responsible for the risk management and internal control systems and shall maintain the reliability and effectiveness thereof in order to protect the interests of the Shareholders and the assets of the Company. The risk management and internal control systems aim at managing rather than eliminating the risk of failure to meet the business goals, and they can only make a reasonable rather than absolute assurance against material misstatements or losses.

Through the Audit Committee, the Board has regularly reviewed and monitored the effectiveness of the internal control and risk management systems, confirmed those areas which can be improved and taken appropriate measures to ensure that the major business and operational risks can be recognised and handled, and ensured that systems are complete and adequate. If a serious internal control defect is discovered during the review processes of the risk management and internal control systems, the Company will focus on the major work objectives and the areas of major business risks of the year aiming on the material risks of the year figured out by assessing, refining major risk control measures, timely tracking the effectiveness of the risk control, and specifying the responsible persons and their duties regarding control over major risk.

The Company is committed to setting up complete risk management and internal control systems, including the Board, the Audit Committee under the Board, the management, legal and audit department and other departments of the Company. The monitoring and the internal control measures of management at different levels of the Company are the first defense of risk management and internal control; the senior management (including risk management and financial control) of the Company is the second defense of risk management and internal control; the Audit Committee under the Board and legal and audit department are the third defense of risk management and internal control. As an independent monitoring department, the legal and audit department carries out internal audit of the risk management system of the Company. The president of the Company represents the highest authority of contact for all departments, reports to the Board in respect of all departmental operations effectively and promotes proper decision-making of the Company to cater for and coordinate various requests of the departments. As such, any matter of a material nature discovered by the staff (e.g. disclosable matters) can be reported to the decision-making management of the Company in a prompt, accurate and efficient manner. On the other hand, decisions of the Company's management can be implemented and supervised in an accurate, prompt and consistent manner. The Board undertakes the ultimate responsibility of the establishment and improvements of the risk management and internal control systems of the Company as well as the effective implementation of the risk management work, and the Board is also the highest decision-making body of risk management and internal control of the Company.

14. RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

- Risk management and internal control systems *(Continued)*

If the risk management and internal control systems are implemented effectively, it will contribute to ensure the orderly operations and management and effective risk control of the Company, thereby safeguarding the safety and integrity of the Company's properties, maintaining proper accounting records and ensuring each transaction is conducted under authorization of the management, so as to attain the Company's goal of operation and management.

The legal and audit department of the Company conducts independent review on the sufficiency and effectiveness of the risk management and internal control system, and the review plan and risk evaluation are discussed and determined by the Audit Committee annually. At each meeting held regularly in the whole year, the legal and audit department of the Company shall report to the Audit Committee the working results about whether there is sufficient internal control and its effectiveness in the previous reporting period, including but not limited to pointing out any failure to implement such internal monitoring procedures or the major weaknesses of any procedure. The audit method that focuses on risk control has been adopted by the legal and audit department of the Company. The annual working plan of the legal and audit department of the Company covers all the main tasks and procedures of all the operational, business and service units, and carries out special review according to the requirements of the management, of which the review results would be given to the Audit Committee. The legal and audit department shall monitor affairs regarding review, and follow up such affairs afterwards so as to facilitate proper implementation thereof, and shall report its progress to the Audit Committee regularly. The legal and audit department of the Company independently reports the implementation and improvement measures of internal control to the Board, the Audit Committee and the administrative management of the Company.

Besides the annual works arranged, the legal and audit department also conducts other special reviews as required. The Board and the Audit Committee actively supervise the results reported by the legal and audit department, as well as the remedial measures taken by various departments.

- Procedures of identification, assessment and management of major risks, and procedures of handling and disclosure of inside information

The Company has set up the procedures of identification, assessment and management of major risks. All functional departments and the risk management department of the Company shall execute the basic work flows of internal control and risk management of the Company, finish the routine tasks on time, and make and submit feedbacks about the information of routine risk-related works. The leaders of the risk management department shall be responsible for the examination and approval of the final appraisal results, carrying out classification of the risks that the Company finally recognised, and classifying the major risks into business risk, financial risk, operational or other risks. Furthermore, for those major risks already identified, the Company shall make an assessment according to their respective probability of occurrence, seriousness of consequences, order of priority and whether there existed alert(s). Afterwards, the management will adopt appropriate measures for the major risks based on the major risks already identified and their assessment results.

14. RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

- Procedures of identification, assessment and management of major risks, and procedures of handling and disclosure of inside information *(Continued)*

The capital risk and competition strategy risks were the major risks for 2024. Regarding the capital risk, the trend of the industry in 2024 adversely affected the print media. Companies had to adjust and optimise structures as well as explore new business domains. The capital pressure under this situation on business model driven by capital is apparent. As for the competition strategy risk, the traditional print media has been affected, the competition in the market of the new business domains was intense with little development potential, and the Company has been faced with huge pressure. In 2024, based on the actual situations of all aspects, the Company has formulated practical proposals to carry out effective management of risks in different ways. For example, the Group actively integrates online and offline resources, accelerates the advancement of optimised industrial and product integration, explores new areas, strengthens the association of integrated media and expands its customer base, while continuing to strengthen operation management, closely follow up and strengthen the supervision of customers' credit risks to reduce their risks, and improve service quality to strive for more market share and enhance the Group's competitiveness.

In order to further improve the risk and internal control management systems, establish good systems and work procedure, execute and implement monitoring work, fulfill a full work flow risk management from prevention beforehand, monitoring at present and subsequent follow-up and implementation, the Company has organised each functional department to sort out and amend the various management systems of the Group.

The management workflows of the financial reports, information disclosure of the Company strictly follow the requirements of the Listing Rules and the Company has formulated and set up standard procedures for collection, sorting, examining and disclosure of information. The Company has put great emphasis on the treatment and announcement of inside information and established the Inside Information Management Measures. Before disclosing the relevant information to the public, the Company ensures that the information is kept confidential absolutely, and makes registration and filling of the people informed of such inside information. The Supervisory Committee monitors the management of inside information.

- Review of the effectiveness of risk management and internal control

The Group has set up the internal audit function through which the Board regularly carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. For the year ended 31 December 2024, the Board has made two reviews on the effectiveness of the risk management and internal control systems of the Group through the Audit Committee, and the review period covers the year ended 31 December 2023 and the six months ended 30 June 2024, respectively. In March 2025, the Board also made a review on the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2024 through the Audit Committee. The scope of the above reviews includes all material control of the Group, including financial, operational and compliance control. In addition, the Board has reviewed the statement made by the management on the effectiveness of risk management and internal control of the Group.

14. RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

- Review of the effectiveness of risk management and internal control *(Continued)*

The Company has been actively taking the following internal control rectification measures:

1. The Company has established a connected transaction and notifiable transaction management team (the "Management Team") to monitor and implement the approval and disclosure procedures for transactions and matters as required by the Listing Rules;
2. The Company has appointed a designated person as contact of departments and subsidiaries and engaged the transaction information collection special monitoring personnel, the contact reports the latest specific transactions and major financial expenses to the transaction information collection special monitoring personnel and the Management Team on a regular basis for following-up by the Management Team in a timely manner. The major financial expenses are reviewed and approved by the management of the Company;
3. The Company continues to provide compliance training to the Directors, Supervisors and senior management of the Company and relevant responsible persons of each department of the Company and at the subsidiary level. The training includes disclosure of connected transactions, notifiable transactions, inside information, etc.;
4. The Company has sent compliance letters to the relevant personnel of the subsidiaries on a monthly basis;
5. The members of the board, supervisory committee, senior executives and connected shareholders of the material subsidiaries of the Company shall submit connected transaction declarations and conflict of interest statement at least semi-annually to the board of the subsidiaries of the Company;
6. The Company has further amended and improved the written management system and make a clear division on the functions and powers of various departments in the transactions;
7. The Company will seek advice from legal counsel and other external expert on the transactions; and
8. The Board and the Management Team of the Company are responsible for implementing the relevant reward and punishment mechanism. The legal and audit department and human resources department of the Company are responsible for implementing the compliance assessment and accountability mechanism of departments and subsidiaries.

From the above review and with reference to the review report from the internal control advisor, in the views of the Board, the Company has set up an internal auditing function. Through a series of rectification measures, the Group has an effective and adequate risk management and internal control system, and no important missing issues of risk control have been found which may affect the Company's financial, operational, compliance control and risk management function. In the course of review, the Board is of the view that the resources, qualifications and experiences of the staff related to the Company's accounting, internal audit, the financial reporting function, and environmental, social and governance performance and reporting, and the training received and budget of the staff are adequate.

15. RULE OF LAW AND COMPLIANCE MANAGEMENT

The Company thoroughly implemented the framework of governing the enterprise in accordance with the rule of law, adhered to the core concept of the rule of law compliance, consolidated the foundation of the rule of law compliance, and systematically constructed a long-term effective mechanism of the rule of law compliance management, so as to build up a firm institutional barrier for the enterprise's high-quality development. The following measures have been taken:

- Establishing a rule of law compliance organisational system, setting up a working group on rule of law construction and a leading group on compliance management to provide unified leadership, organisation and co-ordination, and deploying the implementation of the work of rule of law construction.
- Compact system construction, reasonably define management levels, powers and responsibilities, clarify management procedures and measures, achieve horizontal support and vertical integration, and improve the rule of law construction system management system.
- The risk prevention mechanism will be improved, and the rate of legal compliance audit of rules and regulations, contract audit and important decisions will reach 100%.
- Preventing and resolving legal disputes, establishing a comprehensive case management mechanism, strictly implementing the litigation management process, and preventing and controlling legal risks throughout the litigation process.
- Establishing a correct concept of legal compliance, launching publicity and education activities on legal compliance, and continuously improving employees' awareness of legal compliance.

16. CORPORATE GOVERNANCE

Pursuant to the resolutions passed at the general meeting of the Company, the Board shall be responsible for the following duties in corporate governance:

- develop and review the Company's policies and practices on corporate governance;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report of the Company; and
- set up Shareholder communication policy and ensure its effectiveness through regular review.

During the Reporting Period, the Board reviewed and supervised from time to time the implementation of a series of corporate governance policies of the Company, including the Articles of Association of Beijing Media Corporation Limited, Rules of Procedures for the Board, Rules of Procedures for the Audit Committee, Rules of Procedures for the Remuneration Committee, Rules of Procedures for the Nomination Committee and the board diversity policy of the Company; reviewed and actively organised training and continuing professional development for Directors and senior management; reviewed and monitored whether there was any violation of laws and regulatory requirements by the Company; and approved the Corporate Governance Report of the Company for the year 2024, and approved the disclosure on the website of the Hong Kong Stock Exchange and the Company's website of the same.

17. SHAREHOLDERS' COMMUNICATION POLICY (SUMMARY)

During the Reporting Period, the Company has reviewed and monitored the Shareholders' communication policy to ensure its effectiveness.

The Company has implemented the following policies to provide Shareholders, potential investors, etc. with channels for effective communication and expression of their views:

- Shareholders have the right to attend or appoint their proxies to attend and vote at general meetings;
- Shareholders have the right to supervise and manage the business operations of the Company and to make suggestions or raise questions; and
- the Company has established the corporate website for posting information such as the Company's profile and contact information, and regularly publishes announced information and documents to facilitate Shareholders and stakeholders to be informed of the latest information of the Company.

The Company has reviewed the implementation of the above Shareholder communication policy during the Reporting Period and considers the policy and its implementation to be effective.

18. BOARD DIVERSITY POLICY

The Board of the Company adopted the following board diversity policy:

Policy statement: in order to achieve sustainable and balanced development, the Company recognises an increasing diversity at the Board level as a key element in supporting the Company to reach its strategic objectives and maintaining sustainable development. All Board appointments were based on merits, and candidates were considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable objectives and progress towards the objectives: when determining the composition of the Board, the Company will consider board diversity on a range of perspectives, including but not limited to gender, age, cultural and educational background, expertise and experience, skills, knowledge and term of service, based on the specific needs in talents at different stages of the Company's business development and strategic planning, considering the advantage of the candidates and contribution the candidates will bring to the Board, and will formulate measurable targets for realising diversity of the members of the Board combined with the latest requirements of Listing Rules on the composition of the Board, including, among other things, the appointment of at least one female Director and progressive increase in the proportion of female directors by taking the opportunity to identify and promote suitable successors for Directors, and at least three independent non-executive Directors (including that at least one independent non-executive Director shall possess appropriate accounting or relevant financial management expertise). The composition of the Board (including gender, age and term of service) shall be disclosed annually in the Corporate Governance Report. During the Reporting Period and up to the date of this report, the Board of the Company maintained more than one female Director and more than three independent non-executive Directors.

Review of policy: the Nomination Committee of the Board will review this policy, when appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

19. CORPORATE CULTURE**Corporate Mission**

We innovate and lead, empower brands, capitalize on the value of convergence media, and shape the media ecosystem of the future.

Corporate Vision

We insist on a policy-oriented and customer-centered corporate vision, always keep in mind the mission of a state owned enterprise, practice the responsibility of a state-owned enterprise, and strive to become a media group with cross-media market expansion capabilities and leadership among peers.

In 2024, the Group continued to strengthen and promote corporate culture through various initiatives to ensure that corporate mission and vision can permeate all business fields. Relying on the standardized and mature modern corporate governance system, comprehensive risk prevention and control and effective internal supervision mechanism, the Group has continuously deepened and practiced corporate culture through daily operation, human resources strategy, staff training and close cooperation with business partners to promote the high-quality development of the enterprise, with a view to creating sustainable growth in value for Shareholders. The progress and achievements are set out in the "Chairman's Statement", "Group Business Review" and "Environmental, Social and Governance Report" of this report.

The current session of the Supervisory Committee has supervised the work of the Board and the management in accordance with the resolutions passed in the annual general meeting, so as to maximise Shareholders' interests and achieve a steady and sustainable growth of the Company, and to safeguard the assets and financial position of the Company, to protect and enhance the interests of the Company and the Shareholders as a whole.

1. CHANGES IN MEMBERS OF THE SUPERVISORY COMMITTEE IN 2024

There were no other changes in the members of the Supervisory Committee during the Reporting Period.

2. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2024

Over the past year, the Supervisory Committee continued to promote the improvement in the corporate governance structure, operational transparency as well as the level of compliance of the Company. It ensured that the management of the Company had endeavoured to establish a positive corporate image in the capital market. In addition, measures were implemented to safeguard the interests of investors, especially those of small and medium investors.

(1) Financial Position of the Company

The Supervisory Committee reviewed the financial system, financial reports and internal audit of the Company during the Reporting Period. The Supervisory Committee considers that the contents of financial report, audited financial statements and the annual report are true and reliable, and the audit opinion from the Company's auditor is objective and fair.

(2) Operation of the Company

The Supervisory Committee supervised the Company's operating activities. During the Reporting Period, the Supervisory Committee noticed the continued improvement of the formulating and implementation of its internal working procedures to gradually improve the Company's internal control system and to control various risks in the Company's operations. The Supervisory Committee is of the view that the Company operated in compliance with the laws and regulations of the PRC, the Articles of Association and working procedures of the Company during the Reporting Period.

(3) Directors and Management of the Company

The Supervisory Committee supervised the performance of duties by the Directors and the management, as well as the implementation of resolutions of the general meeting. The Supervisory Committee considers that the Directors and senior management have acted according to the resolutions of the general meeting and faithfully discharged their duties to achieve the operational targets. The Supervisory Committee was not aware of any violation of laws, regulations, the Articles of Association or impairment to the interests of Shareholders by the Directors or other senior management in performing their duties during the Reporting Period.

2. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2024 *(Continued)*

(4) Transactions of Merger & Acquisition or Disposal of Assets by the Group

The Supervisory Committee is responsible for reviewing the operating activities such as mergers and acquisitions and disposal of assets of the Group. The Supervisory Committee was not aware of any mergers and acquisitions as well as the disposals of assets of the Group without fair and reasonable transaction prices, and was not aware of any insider trading or acts detrimental to the interests of the Shareholders, especially the independent Shareholders, during the Reporting Period.

(5) Fairness of (Continuing) Connected Transactions

The Supervisory Committee has supervised the (continuing) connected transactions of the Group. The Supervisory Committee considers that the terms on which the (continuing) connected transactions were conducted by the Group were fair and reasonable during the Reporting Period, and was not aware of any acts detrimental to the interests of the Company or its Shareholders.

As a whole, during the Reporting Period, the current session of the Board established and implemented the Company's development strategy, actively incorporated the opinions and suggestions of the Supervisory Committee to safeguard the interest of the Company and its Shareholders according to the business targets as decided at the general meeting. In the coming year, the Supervisory Committee will continue to discharge its obligations strictly to maximise the interests of the Company and its Shareholders.

Beijing Media Corporation Limited
Supervisory Committee

28 March 2025

1. ABOUT THE REPORT

The Group considers that sound environmental, social and governance performance is crucial in maintaining the Group's future sustainability in development, achieving long-term objectives and creating long-term value for Shareholders. As a propaganda and cultural media enterprise, the Group takes the responsibility to serve the society and pays close attention to the fulfillment of corporate social responsibility and sustainable development. Concern for the environment, dedication to the society and commitment to corporate governance are not only the Group's response to the support and concern of all parties, but also important guarantee for the Group to achieve sustainable development, realise its development strategy, achieve its goals and enhance quality and efficiency. While steadily improving its financial performance, the Group firmly bears in mind the fundamental attributes of a cultural enterprise and takes an active approach in creating and realising value, striving to expand market and optimising business model. Meanwhile, the Company integrates corporate social responsibilities into its business operation and development, and pursues the common progress and development with its customers, employees, Shareholders and the society.

The Board presents the Group's Environmental, Social and Governance (ESG) report in accordance with the ESG Reporting Guide issued by the Hong Kong Stock Exchange, as set out in Appendix C2 of the Listing Rules. The Group proactively undertakes corporate social responsibility, contributes to meeting the environmental, social and governance requirements and challenges faced by society, and has implemented a number of significant initiatives related to environmental protection, employment and labor practices, operating practices and community investment.

We consider ESG input as part of our corporate social responsibility and we have pledged to incorporate ESG considerations into our decision-making process. Therefore, we have developed a core governance framework to ensure the alignment of ESG governance with our strategic growth, while advocating the ESG integration into our business operations. Our corporate social responsibility framework is divided into two components, namely the Board and an ESG Working Group.

The Board has the ultimate responsibility for overseeing the Group's ESG issues, including ESG management approaches, strategies and policies. In order to better manage the Group's ESG performance and identify potential risks, the Board conducts materiality assessments regularly, and takes into account the views of stakeholders to assess and prioritize material ESG-related issues with the assistance of the ESG Working Group.

The ESG Working Group is composed of core members from various departments, which are coordinated by the office of the Board to assist the Board in overseeing ESG issues. The ESG Working Group is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations and preparing ESG Report. The ESG Working Group arranges regular meetings to evaluate the effectiveness of current policies and procedures, and formulates appropriate solutions to improve the overall effectiveness of ESG policies. At the meeting, the ESG Working Group discussed the current and future plans to monitor and manage the Group's strategic objectives in terms of sustainable development, reduce potential risks, and minimise the negative impact on the Group's business operations. The Group strives to reduce the impact of its operations on the environment by setting ESG goals and targets. The Group is actively pursuing its commitment to integrating sustainable development into its business operations and fulfilling its corporate responsibility. The ESG Working Group periodically reports to the Board to assist in assessing and identifying ESG risks and opportunities of the Group, evaluate the implementation and effectiveness of internal control mechanisms and review the progress of the targets and indicators set.

1. ABOUT THE REPORT *(Continued)*

Reporting Reference and Scope

This report has been prepared in accordance with Appendix C2 “Environmental, Social and Governance Reporting Guide” to the Listing Rules. The scope of this report covers the relevant situation of the Company and its subsidiaries during the period from 1 January 2024 to 31 December 2024. There were no changes to the statistical methods or key performance indicators used in this report from the 2023 Environmental, Social and Governance Report contained in the Company’s 2023 Annual Report.

Stakeholder Engagement

Hong Kong Stock Exchange has set forth principles for reporting in the ESG Guide: Materiality, Quantitative and Consistency, which should form the basis for preparing the ESG report. As Hong Kong Stock Exchange emphasises, stakeholder engagement is the method by which materiality is assessed. Through stakeholder engagement, companies can obtain different views and identify material environmental and social issues.

The Group believes that effective feedback from stakeholders not only contributes to a comprehensive and impartial assessment of its ESG performance, but also enables it to improve the performance based on the feedback. Therefore, the Group has engaged in open and regular communication with our stakeholders, including shareholders, employees, suppliers, government and regulatory authorities and the general public. Over the years, the Group has continued to refine its sustainability focus to respond to the demands. We have implemented and reviewed our ESG Strategy in five aspects as described below.

Stakeholders and engagement methods

Stakeholder	Interests and concerns	Engagement channels
Shareholders and investors	Return on investment Corporate strategy and governance Information transparency	Announcements, Annual General Meeting and official websites of the Company
Employees	Employee welfare Career development Healthy working environment	Employee satisfaction surveys, employee training and performance review
Suppliers	Long-term business relationship Supplier assessment criteria	Procurement processes, open tender, meetings and other visits
Government and regulatory authorities	Compliance with laws and regulations Business sustainability	Review of compliance with local laws and regulations, and routine reports
General public	Community involvement Environmental awareness	Regular listing reports and announcements, the Company’s official website and public welfare activities

The business of the Group affects different stakeholders, and stakeholders have different expectations on the Group. The Group will maintain communication with stakeholders, collect opinions of stakeholders more extensively through different forms, and better improve the substantive analysis. At the same time, the Group will enhance the implementation and commission of the reporting principles of quantification and consistency, and define the content and presentation of the ESG Report in a way that better meet the expectations of stakeholders.

2. ENVIRONMENTAL PROTECTION

The Group belongs to media advertising industry, which does not involve in manufacturing and is thus a low polluting industry. No significant impact has been found in its production and business management, and the Group requires all departments to study and strictly implement the “Environmental Protection Law of the PRC”, the “Atmospheric Pollution Prevention and Control Law of the PRC”, the “Law of PRC on the Prevention and Control of the Environmental Pollution by Solid Waste”, the “Water Pollution Prevention and Control Law of the PRC”, the Beijing “Emission Standard of Volatile Organic Compounds for Printing Industry”, and other laws, regulations and industry regulations.

The Group regularly assesses the risks of business environment, reviews environmental practices and adopts necessary preventive measures to reduce risks to ensure the compliance with relevant laws and regulations.

2.1 Response to Climate Change

Climate change is one of the most complicated challenges faced by humanity. Global warming has given rise to more frequent extreme weather conditions, including changes in precipitation patterns, droughts, floods and forest fires. Sea level rise will make people in densely populated coastal areas and island countries homeless. Faced with all sorts of problems, individuals, corporations and governments must take immediate actions to tackle climate change.

Excessive greenhouse gas emissions are the main cause of global climate change. To achieve a low carbon economy, the Group is committed to reducing its greenhouse gas emissions through the approaches of mitigation and adaptation. For example, the Group has adopted various environmental policies and measures and promoted energy saving measures and practices in the office to mitigate the risks of climate change. The Group has also considered potential physical risks of climate change to its daily operations, such as heavy wind and fire, and through implementation of the relevant protective measures to minimise the risks.

The Group focuses on reducing emissions during its operations, engaging suppliers to reduce emissions in supply chains.

2.2 Emission Management

The emission of greenhouse gases and wasted gases of the Group is mainly attributable to the use of vehicles for business and travelling purposes during the operating periods. The Group tries to reduce the use of vehicles by telephone and mail instead of in-person meetings, and arranges regular inspections and maintenance for vehicles to ensure their components, including engines and tires, are working properly, so as to improve the efficiency of gasoline consumption and ultimately reduce the emission of greenhouse gases and waste gases. The Group has upgraded two new energy vehicles during the Reporting Period in order to reduce the use of conventional fuel vehicles, thereby reducing carbon emissions. The use of new energy vehicles will help improve air quality, reduce environment pollution and promote green travel for the Company.

The Group has always attached great importance to waste management and has implemented green office practice. We use electronic transmission for our daily office documents, promote double-sided photo copying of paper for printing requisite documents, and encourage recycling of paper to reduce the unnecessary use of resources and associated waste generation. We conduct telephone conferences whenever it is possible to reduce waste emissions from physical meetings and long-distance journeys using transportation. The Group follows “Regulations of Beijing Municipality on Domestic Waste Management” and promotes the concept of waste sorting by installing waste sorting and recycling facilities in office area. The Group regularly invites specialised recycling service providers to collect and recycle various used products. The Group has replaced the desktop computers with over 20 laptops during the Reporting Period. By doing so, the Company is not only able to reduce electricity consumption, but also can provide greater flexibility and convenience to its employees, thereby improving work efficiency.

2. ENVIRONMENTAL PROTECTION (Continued)

2.2 Emission Management (Continued)

During the Reporting Period, the emission of greenhouse gases of the Group is set out below:

	2024	2023	Changes
The emission of greenhouse gases:			
Direct emission of greenhouse gases (Scope 1) (ton)	7.61	12.33	-38%
Indirect emission of greenhouse gases (Scope 2) (ton)	0.21	0.33	-36%
The emission density of greenhouse gases (ton per capita)	0.02	0.04	-50%
Total emission of greenhouse gases per floor area (KG per square meter)	2.78	2.54	9%
Hazardous waste (ton)	4.96	14.46	-67%
Hazardous waste per capita (KG per capita)	14.81	41.79	-65%
Non-hazardous waste (ton)	1.34	1.38	-3%
Non-hazardous waste per capita (KG per capita)	4	4.00	—

Scope 1: direct emission of greenhouse gases incurred from the sources owned and controlled by the Group (gasoline consumption caused by vehicles)

Scope 2: the emission of greenhouse gases indirectly caused by electricity, heating, and cooling (electricity power supply for office and water consumption)

Notes:

1. Hazardous waste produced by the Group's office buildings mainly includes waste toner cartridges and waste ink cartridges from printing equipment. Waste toner cartridges and waste ink cartridges are centrally managed and disposed of. Such data covers all office buildings of the Group in Mainland China.
2. Non-hazardous waste produced by the Group's office buildings mainly includes domestic waste and non-hazardous office waste. As domestic waste is disposed of by the property management companies and kitchen waste recyclers and cannot be measured separately. Office waste is collected and recycled by professional waste collectors. Therefore, the domestic waste and office waste generated from office buildings were estimated. These statistics cover all the office buildings of the Group.
3. The number of people used in the calculation of emission density, resource density and domestic waste estimation is the annual average number of people working in office buildings.

2. ENVIRONMENTAL PROTECTION (Continued)

2.3 Use and Management of Resources

The Group puts priority on saving during its operation and takes a series of energy saving and emission reduction measures to improve resource utilization efficiency, reduce corporate costs and contribute to environmental protection. For instance, the Group has actively promoted the coordinated office platform to reduce the waste of paper and office consumables. The Group has reused a series of supplies when holding on-site events and exhibitions. The Group strongly advocates the water and electricity saving through various measures, including turning off lights and electrical appliances in idle rooms, placing save water signs in the pantries and lavatories to encourage our employees to conserve water, and promoting reuse of non-edible water, such as watering plants or cleaning floor with the water used for cleaning items, etc.

In 2024, the Company has formally sent out notification letters to shareholders in the form of electronic communications through announcements and despatch, and fully launched the 'paperless' notification mechanism. Through the implementation of the 'paperless' mechanism, the Company will significantly reduce the number of paper versions of announcements, periodic reports and other related materials commissioned for printing and sent to shareholders, avoiding the consumption of large amounts of paper, manpower and material resources, as well as energy consumption, carbon emissions and pollution indirectly caused by commissioning external organisations to print. At the same time, this measure effectively enhances the company's office efficiency, reduces office costs, and further promotes the establishment of a green image of the company and the realisation of high-quality and sustainable development.

As a result of the aforesaid measures, during the Reporting Period, the Group has continued to maintain relatively low levels of energy, water and paper consumption, and the utilisation of resources of the Group is as follows:

	2024	2023	Changes
Energy consumption			
Consumption volume of gasoline (Liter)	3,477.4	5,637.61	-38%
Consumption density of gasoline (Liter per capita)	10.38	16.29	-36%
Consumption volume of electricity (kWh)	327,185.93	528,122.24	-38%
Consumption density of electricity (kWh per capita)	976.67	1,526.36	-36%
Total energy consumption per floor area (kWh per square meter)	83.26	106.11	-22%
Water consumption			
Total water consumption (ton)	1,733.83	2,681.15	-35%
Consumption density of water (ton per capita)	5.18	7.75	-33%
Paper consumption			
Total paper consumption (KG)	1,274.73	1,542.57	-17.36%
Consumption density of paper (KG per capita)	3.81	4.41	-13.66%

Notes:

1. Data on packaging does not apply to the Group.

The Company did not have any issue in sourcing water that is fit for the purpose. Although the core business of the Group has remote impact on the environment and natural resources, as a good company, the Group promises to endeavor to minimise the negative environmental impact of our business operations and our investment in order to achieve sustainable development.

3. STAFF MANAGEMENT

During the Reporting Period, the Group has strictly followed the requirements of the laws and regulations including the "Labour Law of the PRC", the "Labour Contract Law of the PRC", the "Implementing Regulations of the Labour Contract Law of the PRC", the "Prevention and Control of Occupational Diseases Law of the PRC", the "Law of the PRC on the Protection of Minors", and "Prohibition of Child Labour", and it has formulated certain human resources management systems such as the Attendance and Leave Management Regulations and the Remuneration Administrative Measures, in accordance with the law to thoroughly protect the legal rights of staff, and jointly create a good labour-management relation. We have distributed an Employee Manual to every newly hired employee, so that the employees are aware of their rights and responsibilities in terms of group culture, employment arrangements, code of conduct, and career development, etc.

3.1 Employment and Labour Standards

During the recruitment process, the overall qualities of applicants were the most important assessment elements for us, and all interviewees must undergo a series of strict selection process before being officially employed, including written tests regarding the related professional skill, comprehensive ability tests and interviews with the supervisors, etc. The Group would strictly keep confidential all the interviewees' data. The Group has strictly followed the requirements of the labour laws and regulations, and shall not allow child labour or forced labour to be involved in its operation. During the recruitment process, the Group strictly inspected the ages and identities of the applicants to ensure that the applicants have the legal working qualifications. During the Reporting Period, the Group did not find any use of child labour or forced labour. At the same time, the Group handles matters such as the termination of employment relations strictly in accordance with the provisions of the Labour Law, and its permanent employees may resign by making resignation applications 30 days in advance; and for those under probation, the resignation applications will need to be 3 days in advance.

As of 31 December 2024, the number of staff of the Group is set out below:

Classification	2024	2023	Changes
Total number of staff	335	346	-3%
Delineation by gender:			
Female	213	224	-5%
Male	122	122	—
Delineation by age group:			
Under the age of 30	104	116	-10%
The age of 30 to 50	212	210	1%
Over the age of 50	19	20	-5%
Delineation by employment types:			
Ordinary staff	284	304	-7%
Middle management	37	28	32%
Senior management	14	14	—
Delineation by area:			
Beijing	333	333	—
Chongqing	2	13	-85%

3. STAFF MANAGEMENT *(Continued)*

3.1 Employment and Labour Standards *(Continued)*

The Group is committed to maintaining a diversified development of the working environment, giving female employees the same rights and equal opportunities as male employees in pay, promotion and other aspects. The Group strictly prohibits all forms of discrimination, such as gender, region, religion and nationality, and treats all types of employees equally. In respect of employee remuneration, the remuneration that the Group paid to the employee will not be less than the minimum wage standard specified by the local government, and we have been committed to offering employees competitive remuneration in the industry. At the same time, the Group has strictly followed the relevant national or local labour laws and regulations, and provided employees with welfare. Our employees can enjoy the social insurances required by the state (including pension, unemployment, medical and work injury), housing provident fund, medical subsidy, paid annual leave, paid sick leave, work-related injury leave, long-term sick leave, mourning leave and marriage leave, etc.

3.2 Health and Safety of Employees

The Group has always been focusing on the health and safety of employees. The Group arranges the employees to conduct comprehensive physical examination every year. The Group regularly cleans the working areas thoroughly and is committed to creating a safe and hygienic working environment for employees. In principle, the Group adopts a working and rest hour system of 8 working hours a day, 40 working hours a week with 2 rest hours at noon a day, and provides lunch subsidy. The working and rest time varies according to different regions and business requirements. The Group does not encourage employees to work overtime, respects the employees' schedule, and encourages the employees to complete their work efficiently within 8 hours. The Group takes care of the interest and needs of female employees according to the "Special Rules on the Labour Protection for Female Employees", and has implemented a special short working hour system for the lactation period. The Group focuses on the physical health of its employees and advocates a green travel lifestyle, and has held many activities such as walking, badminton, football and cycling. The Group attaches great importance to the opinions of employees and the labour union and has built a formal monitoring and management channel to maximise the protection for the interest of employees. The Group cares for the employees and has established a system to care for those employees in distress and sickness.

During the past three financial years, the Group did not have any employee death accidents due to work. During the Reporting Period, the number of loss for business day caused by work injury was zero.

3.3 Vocational Development for Employees

The Group attaches great importance to the personal development of employees by motivating the employees to participate in trainings to enhance their expertise, personal skills and their comprehensive abilities to meet the development needs of the Company. The Human Resources Department of the Group was responsible for developing the training programs. Upon completion of the trainings, the employees who took part in the training programs were required to submit the training satisfaction questionnaire or training reports to help the relevant department continue to improve the contents of the training.

The Group actively encouraged the self-development of the employees, and carried out abundant staff training activities. In 2024, the Group conducted various training programs on management skills of middle-level cadres, connected transactions and listing compliance, rule of law advocacy, new media business, AI-powered, creative industries, video shooting technology, metro advertising sales system and new employee orientation to enhance the overall quality of employees at the management and business levels respectively. At the same time, Beijing Community Media, a subsidiary of the Company, launched the "Sailing Program" (揚帆計劃) Talent Building Reserve Specialized Training in 2024, and set up a diversified and multi-level course system and promotion mechanism to provide employees with clear guidance and help for their career advancement and achieve effective incentives.

3. STAFF MANAGEMENT (Continued)

3.3 Vocational Development for Employees (Continued)

During the Reporting Period in 2024, participations in trainings of the employees of the Group are set out below:

	Number of employees participating in trainings	Number of employees	Proportion of trained employees
Delineation by employment types:			
Ordinary staff	275	294	94%
Middle management	41	44	93%
Senior management	20	21	95%
			Average training hours of each employee (hour per capita)
Delineation by gender:			
Female employee			13.17
Male employee			15.20
Delineation by employment types:			
Ordinary staff			12.17
Middle management			19.50
Senior management			11.80

The Group respects every employee, and has launched a variety of user-friendly arrangements and leisure activities for the staff to achieve work-life balance. During the Reporting Period, the Group held various cultural and sports activities, such as walking, cycling, badminton and football, to promote its corporate culture and enrich the cultural life of its employees.

4. SUPPLY CHAIN MANAGEMENT

Pursuant to relevant legislations and regulations, the Group has formalized the Measures for Procurement Management and the Intermediary Agency Service Management Measures and other systems, which, with procedures of suppliers’ admittance included, rules the behavior of the staff engaging in purchasing, to standardize the Group’s purchasing events and build up refined purchasing management system. The Purchasing Department seeks for qualified suppliers in the market and carries out regular assessment on their overall ability, assets’ condition, business nature, reputation in the industry, quality of the products, delivery of the products and compliance with the laws and regulations. We will conduct investigations (including qualification reviewing and onsite inspection) on the suppliers’ background before engagement. Participants in the investigations come from departments in the demand end and professional team (if applicable). We typically offer price consultation to not less than three suppliers. Other factors such as the delivery time, and the technical capability of the suppliers, are also taken into consideration in choosing suppliers. The adverse effect of the services or products provided by suppliers on environment is one of the main considerations when the Group looks for new suppliers. Suppliers are the Group’s joint development partners. As customers are increasingly concerned about environmental problems and emphasize the importance of applying environment-friendly materials, the Group will continue to shoulder its responsibility as an enterprise citizen to communicate and highlight relevant environmental issues to our suppliers. Cooperation and contract will be terminated with those suppliers which fail to meet the applicable compliance standard. We believe that, through the above assessment process, we can minimise the potential environmental and social risks associated with the supply chain management.

As of 31 December 2024, the number of suppliers of the Group is set out below:

	Number of suppliers
Delineation by area:	
Beijing	271
Hebei	15
Guangdong	17
Shanghai	7
Tianjin	4
Zhejiang	15
Shandong	6
Anhui	3
Hubei	2
Sichuan	5
Jiangxi	1
Shaanxi	3
Xinjiang	2
Fujian	2
Hainan	1
Henan	1
Jiangsu	8
Jiangxi	1
Qinghai	1
Hong Kong	1
Japan	2

Note: The area refers to the place of registration of suppliers

5. PRODUCT RESPONSIBILITY MANAGEMENT

Followed by the spirit of undertaking responsibility for consumers, the advertiser requiring to publish an advertisement shall have an identity of legal operating entity, while advertisement reviewer shall conduct affirmation on the identity of legal operating advertiser. Upon the affirmation of the advertisers' legal identity, more reviews shall be carried out on the contents of advertisement provided by advertisers in accordance with the relevant laws and regulations, including the "Advertising Law of the PRC" and the "Anti-Unfair Competition Law of the PRC". The Group also follows the applicable laws governing health and safety standards, advertising and labeling. We uphold the principles of truth, objectiveness and fairness, reject compensated news and false news, and ensure the quality of production services without producing, endorsing or disseminating false advertisement, in order to spread positive energy, and pursue a healthy and progressive cultural taste. If there are complaints against the content of advertisements from readers, the department of advertisement review will, in coordination with the department of advertisement business, actively compensate the loss of readers based on specific situation.

During the Reporting Period, the Group did not receive any complaints about advertising due to violations of the regulations of the press, publication, radio, film and television industry and applicable advertising laws and regulations.

The Group attaches great importance to customers' privacy management in strict compliance with the "Law of the PRC on Guarding State Secrets" and other applicable laws and regulations in the PRC. In order to ensure that the data and privacy of clients are adequately safeguarded, the Group formulates systems such as the Provisions on Confidentiality of Employee Information and the Measures for File Management, and relevant responsible persons shall strictly keep confidentiality of all the confidential materials and information, and shall not expand the scope of insiders without authorisation. Meanwhile, they shall do proper work in keeping the confidential materials and information, and shall not allow confidential materials and information to be leaked out due to poor management. Without authorisation, they shall not duplicate, copy, make copies by writing of confidential documents and data.

6. PROTECTION OF INTELLECTUAL PROPERTY AND CONSUMER'S PRIVACY

The Group understands how important it is to protect intellectual property and consumer's privacy. The Group has obtained relevant licenses for the software and data used in business operations. The Group only purchases genuine products.

Meanwhile, the Group will process all information provided by customers, employees and business partners in accordance with the "Civil Code of the People's Republic of China" and relevant laws and regulations to ensure that such data is properly protected.

7. ANTI-CORRUPTION MANAGEMENT

The Group adopts a zero-tolerance approach to corruption in any form and strives to maintain an ethical corporate culture. We have strictly abided by Hong Kong's relevant anti-corruption and anti-money laundering laws and regulations, including Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance. We have also formulated the Anti-fraud System in accordance with the relevant laws and regulations. Any employee who engages in any form of corruption or money laundering will be subject to disciplinary action or even dismissal. The Group has established a whistle-blowing channel for employees and the public to report any misconduct to the Audit Committee. The Audit Committee will investigate any suspicious activity or illegal act to safeguard the interests of the Group. All investigations are conducted in a confidential manner and management will take corrective action to address the proven fraud. The Audit Committee will report misconduct to the Board and the Supervisory Committee, and if the misconduct is in breach of the relevant laws, it will forward the relevant report to the law enforcement agency for follow-up.

The Group plans to conduct regular training for all directors and employees on anti-corruption and anti-fraud policies and procedures and set up an anti-fraud reporting hotline to maintain employees' awareness of anti-corruption.

During the Reporting Period, the Group has complied with the relevant anti-corruption and anti-money laundering laws and regulations and there have been no concluded corruption proceedings against the Group or its employees (2023: Nil).

8. COMMUNITY INVESTMENT

Over the years, the Group has been committed to corporate social responsibility and has spared no effort to build a cohesive and caring society. During the Reporting Period, our corporate social responsibility team organized diversified community caring activities and our employees actively participated in these activities in the hope of helping the needy. We believe that these community caring activities can enhance our staffs' sense of responsibility, interpersonal skills and teamwork ability. During the Reporting Period, the Group's community caring activities were as follows:

Practising public welfare

In 2024, the Company actively undertook its social responsibility, effectively played the function of media publicity, and took advantage of the resources of outdoor metro advertising media. Throughout the year, the Company published more than 20 public welfare brand advertisements, including Beijing Model (北京榜樣), Beijing Psychological Assistance Hotlines (北京市心理援助熱線), Beijing Emergency Pioneer Model (北京應急先鋒榜樣人物), World Tuberculosis Day, Beijing Tobacco Control, World Hepatitis Day, Beijing Disease Prevention and Control, World Mental Health Day, and Beijing Pu Hui Jian Kang Bao (北京普惠健康保) on Beijing Metro Line 4, Daxing Line, the northern and southern sections of Beijing Metro Line 17. At the same time, the Company gave full play to the advantages of its communication capabilities and actively fulfilled its social responsibility as a state-owned enterprise by crafting public welfare advertisements and short videos with high-quality content and innovative forms to convey a new style of civilisation and help the capital's development. Among them, the public welfare advertisement of barrier-free environment construction, "Building a warm travel scene (《共建有溫度的出行場景》)", won the "2024 Hand in Hand with Creating the City • "Benefit" Wonderful Public Welfare Advertisement Collection and Display Activity (2024攜手創城•“益”起精彩公益廣告徵集展示活動)" — "Excellence Award in the Video Category" organised by the Capital Civilization Office by virtue of its profound social insights and excellent production. The popularizing-law micro-video "Law in the Heart, Action within the Boundaries (《法在心中行於界內》)" participated in the 2024 Beijing Legal Micro-film, Micro-animation and Micro-video Works Collection Activity. The public welfare advertisement of barrier-free environment construction, "Here and in the Heart (《在這裏·也在心裏》)", participated in the "2024 Hand in Hand with Creating the City • "Benefit" Wonderful Public Welfare Advertisement Collection and Display Activity (2024攜手創城•“益”起精彩公益廣告徵集展示活動)". By showcasing the achievements of the capital in the construction of barrier-free facilities for public transportation, it advocates caring for special groups and promotes the improvement of social civilization.

8. COMMUNITY INVESTMENT (Continued)

Practising public welfare (Continued)

In 2024, the Company successfully launched the third series of “Beijing Ride (騎樂北京)” public welfare cycling activities for Taiwanese in Beijing by leveraging its media enterprise’s strengths in publicity content and activity planning and combining its own special IPs. By advocating green travelling, healthy and environmental protection, the activity organised nearly 300 Taiwanese youths to participate. Through the public welfare cycling, elements of culture, history, humanities and distinctive neighbourhoods of the ancient capital of Beijing were integrated, so as to enable Taiwanese youths in Beijing to experience the urban pulse and long-lasting culture of the ancient capital of Beijing from all aspects. The series of activities further promoted cross-strait integration, served the development of the capital, facilitated cross-strait youth exchanges, promoted Chinese culture, and consolidated the cultural foundation for the peaceful development of cross-strait relations. In addition, by virtue of its superior outdoor cycling IP and rich project experience, the Company organised the Beijing International Cycling Culture Festival, highlighting the “immersive” cycling experience by creating cycling routes through a number of landmark scenic spots and parks in Yanqing District, demonstrating the green ecology of “sports + culture and tourism” and injecting rich connotations of green development into cycling activities.

In 2024, the Company joined hands with 14 benchmark companies in the capital’s pension industry to establish the Beijing Pension Service Brand Alliance, which jointly promoted the synergistic development of the financial and pension industries, deeply explored the model of high-standard and high-quality pension services, and mapped out the practical experience and development prospects of the financial and pension undertakings in the new era and landscape. Meanwhile, in October 2024, the Company joined the “Party Building + Dual Carbon” Elderly Service Industry Alliance organised by BEH, opening a new chapter in helping the silver economy. The Company will continue to play a role in the media, promote the “Party Building + Dual Carbon” action, deepen industry empowerment and cooperation, and empower the “industry chain, supply chain, innovation chain and talent chain” through the “Party Building Chain”, and join hands with our industry partners to explore the synergy between the financial and pension fields, expand the pension business, and contribute to the high-quality development of the capital’s pension industry.

In 2024, Beijing Community Media, a subsidiary of the Company, together with multiple sub-districts in Beijing, organised a series of “Volunteer Service for Communities in the New Era” activities themed “Tea Aroma Meets Book Fragrance, Experiencing the Joy of Zen Life (茶香融書香·品禪悅生活)”. Through savoring the fragrance of tea and indulging in the scent of books, community residents shared their reading insights and pleasures, enhancing emotional communication and creating a harmonious and positive community atmosphere. At the same time, Community Media has set up the first “Beijing Community HUI (北青社區HUI)” community space in Haidian District’s Yangguang Beili Community, organising all kinds of public welfare and cultural activities in the form of “reading + activities”, setting up a platform of communication and interaction, learning and charging, and voluntary services for community residents. It also provides a platform for government and enterprises to connect with the grassroots community, so as to improve the quality of community services, cultivate residents’ sense of social responsibility, promote the spirit of mutual help and love, and promote more volunteers who care about community building, are enthusiastic about public welfare, and are equipped with professional skills to participate in the construction of a harmonious community.

In 2024, Beijing Community Media, a subsidiary of the Company, together with Postal Savings Bank of China, Beijing Branch held a series of theme activities for “Qingxiaoyou (青小郵)” community journalists group, which not only provided teenagers with volunteer service opportunities, but also dedicated their care to the elderly and disadvantaged groups in the surrounding communities. The Company also actively creates thematic brand activities that achieve both social and market benefits and ensure sustainable development through the provision of public welfare services, thus enhancing its corporate market image.

8. COMMUNITY INVESTMENT (Continued)

Practising public welfare (Continued)

In June 2024, Beijing Community Media, a subsidiary of the Company, organised the “Silver Age e-Enjoyment (銀齡e享)” science popularisation activity in Langqingyuan South Community, Tongzhou. Experts and lecturers were invited to explain the knowledge and culture of healthcare in summer preservation to the elderly in the community in plain language with the theme of “Nourishing the Lungs in Summer”, and put forward dietary precautions and preventive measures, so as to help the elderly understand how to regulate their bodies from aspects such as the environment, diet, and psychology, and raise their health awareness.

In October 2024, Beijing Community Media, a subsidiary of the Company, together with Beijing Agriculture Guaranty Co., Ltd.* (北京農業擔保公司) successfully organised a series of public welfare activities in support of agriculture under the theme of “Premium Public Welfare Choice, Farm-Fresh Produce Directly from the Suburban Beijing”. Such activities successfully built a bridge between urban and rural areas, enabling selected agricultural products to directly reach the dining tables of urban residents from the fields. By leveraging its media and publicity advantages, the Company continuously promoted the public welfare activities took concrete actions to support agriculture, promote the development of new rural areas, and inject new momentum into the high-quality development of the capital’s agriculture.

Low-carbon and environmental protection

In November 2024, the Company carried out the “Chuanqi 20 (傳騎20)” themed cycling activity for the 20th anniversary of Beijing Media Corporation Limited, organizing nearly more than 40 employees to participate in the activity, which started from the Office of the Government of the Hong Kong Special Administrative Region in Beijing, passed through the Capital Building* (首創大廈), and ended at the BYDA Building, with a total cycling mileage of 20 kilometers. The activity celebrated the 20th anniversary of the Company’s listing in Hong Kong through a healthy and environmentally friendly way of cycling by virtue of the Company’s advantages in brand publicity, showing the employees’ good style of the Company while actively enhancing their awareness of low-carbon and environmental protection.

In November 2024, in order to highlight the corporate culture, improve team cohesion, enhance the physical fitness of employees, and advocate low-carbon travel, the Company’s labor union to “practice public welfare power with the footsteps” as the main theme, organizing and carrying out the “Walk Together. Donate Steps (一塊走•步數捐贈)” public welfare walking activities. The activity lasted for one month, and more than 80 employees participated in it, walking a total of 37 million steps and donating about RMB1,900 through the WeChat Steps Donation Platform.

In 2024, Beijing Community Media, a subsidiary of the Company, carried out a series of activities entitled “Volunteer in Action • Service Shows Style (《志願在行動•服務展風采》)” to give full play to its media publicity advantages, fulfill its social responsibility and make positive contributions to building a safe and harmonious community environment. In September, a volunteer service activity with the theme of “Protecting Green Mountains and Waters, Building a Beautiful Home (守護青山綠水·共建美麗家園)” was carried out in Tao Ranting Park in Xicheng District. The activity attracted the active participation of nearly 30 youth volunteers aged 8 to 15 and their parents, aiming to raise the children’s awareness of environmental protection and social responsibility through social practice. The activity not only skillfully combined garbage picking with education on garbage classification to effectively raise the participants’ awareness of environmental protection, but also inspired patriotism by visiting martyrs’ cemeteries and reciting poems collectively, realizing the double effect of environmental public welfare and patriotism education. In October, the Company joined hands with Beijing Television Station to conduct a series of thematic visits in the Shijingshan Citizen’s Fire Safety Education and Experience Center (石景山市民消防安全教育體驗館) for the “Fire Prevention Month”. Through physical display, vivid video introduction, multimedia interaction and VR escape experience, the young volunteers felt the importance of fire safety and learned a wealth of fire safety knowledge in a relaxed and pleasant atmosphere.

8. COMMUNITY INVESTMENT *(Continued)*

Low-carbon and environmental protection *(Continued)*

In 2024, Jingjian Media, a subsidiary of the Company, carried out in-depth cooperation with the Beijing Municipal Ecology and Environment Bureau and five ecological and environmental departments in Chaoyang District, Fengtai District, Shijingshan District and Mentougou District of Beijing. With their professional and quality operation teams, they combined the business contents and core publicity standards of the ecological and environmental industry, and presented the latest trends and future impacts in the ecological and environmental field in an exciting manner through the multi-faceted and complex publicity modes, such as operation of the double micro-agency, online and offline activities, video filming and production, production of publicity exhibition halls and customisation of publicity materials. Through the “5 June” Environment Day activities, the popularisation of biodiversity science and the establishment of the first National Ecology Day, they have made outstanding contributions to the protection of the capital's ecological field.

In 2024, Beiqing Innovation Cultural, a subsidiary of the Company, successfully launched an overseas public welfare study activity, which designed a series of in-depth and wide-ranging study activities around various disciplines such as “low-carbon environmental protection”, “medical care and elderly care” and “finance and insurance”. In particular, the visit to ECO Special Waste Management Pte Ltd of Capital Group in Singapore allowed the young campers to experience the advanced waste and sewage treatment equipment and the workflow of industrial hazardous waste treatment up close, and also to have a more intuitive and in-depth understanding of the social contribution of leading enterprises in the field of special hazardous waste management services, thus comprehensively enhancing their awareness of environmental protection and social responsibility.

"Articles of Association"	The articles of association of the Company as amended from time to time
"Audit Committee"	The audit committee under the Board
"Beiqing CéCi"	Beiqing CéCi Advertising (Beijing) Limited, a subsidiary of the Company
"Beiqing Community Media"	Beiqing Community Media Technology (Beijing) Co., Ltd., a subsidiary of the Company
"Beiqing Innovation Cultural"	Beijing Beiqing Innovation Cultural Industry Development Co., Ltd., a subsidiary of the Company
"Beiqing Long Teng"	Beiqing Long Teng Investment Management (Beijing) Co., Limited, a subsidiary of the Company
"Beijing MTR"	Beijing MTR Corporation Limited (北京京港地鐵有限公司), an associate of Capital Group under the Listing Rules
"Beijing MTR17"	Beijing Jinggang Line 17 Metro Co., Ltd. (北京京港十七號線地鐵有限公司), a wholly-owned subsidiary of Beijing MTR and an associate of Capital Group under the Listing Rules
"Beiqing Network Culture"	Beiqing Network Culture Communication Co., Ltd., a subsidiary of the Company
"Beiqing Outdoor"	Beijing Beiqing Outdoor Advertisement Co., Ltd., a subsidiary of the Company
"Beiqing Top"	Beijing Beiqing Top Advertising Limited, an associate of the Company
"Board"	The board of directors of the Company
"BYD Logistics"	BYD Logistics Company Limited, a subsidiary of the Company
"Capital Group"	Beijing Capital Group Company Limited, the de facto controller of the Company
"Capital Securities"	Capital Securities Co., Ltd. (首創證券股份有限公司), a subsidiary of Capital Group
"CBEX"	China Beijing Equity Exchange* (北京產權交易所有限公司), an institution authorised by the State-owned Assets Supervision and Administration Commission of the State Council for transaction of assets and equity of state-owned enterprises, under the jurisdiction of the Government of the PRC
"China Accounting Standards"	The Accounting Standards for Business Enterprises in the PRC
"Chongqing Media"	Chongqing Youth Media Company Limited, a subsidiary of the Company
"Company", "we", "us" or "Beijing Media"	Beijing Media Corporation Limited, a joint stock limited company incorporated under the laws of the PRC and whose H Shares are listed and traded on the Hong Kong Stock Exchange

"Company Law"	The Company Law of the PRC
"Custodian Bank"	Beijing Branch of Bank of Communications Co., Ltd.
"Director(s)"	The director(s) of the Company
"Domestic Share(s)"	The ordinary share(s) of RMB1.00 per share in the share capital of the Company
"Entrusted Assets"	the entrusted assets managed by Capital Securities for the Company under the Scheme pursuant to the Single Asset Management Contract
"Exclusive Concession Rights Agreements"	Agreements dated 11 December 2023 entered into between the Company and Beijing MTR and Beijing MTR17 respectively in relation to, among other things, the grant of the exclusive rights to the Company to use and operate the major advertising resources in Beijing Metro Line 4 and Daxing Line operated by Beijing MTR, and the major advertising resources in the northern section of Beijing Metro Line 17 operated by Beijing MTR17
"Group"	The Company and its subsidiaries
"H Share(s)"	The foreign share(s) listed overseas of RMB1.00 per share in the ordinary share capital of the Company
"HK\$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Jingjian Media"	Jingjian (Beijing) Culture Media Co., Ltd. (鏡鑑(北京)文化傳媒有限公司), a subsidiary of the Company
"Listing Rules"	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Main Board"	The main board of the Hong Kong Stock Exchange
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix C3 to the Listing Rules
"Nomination Committee"	The nomination committee under the Board
"Parent" or "BYDA"	Beijing Youth Daily Agency, the controlling shareholder of the Company
"Parent Group" or "BYDA Group"	Beijing Youth Daily Agency and its subsidiaries (excluding the Group)

"PRC" or "China"	The People's Republic of China, for the purpose of this report, excluding Hong Kong, Macau Special Administration Region and Taiwan
"Remuneration Committee"	The remuneration committee under the Board
"Reporting Period"	The year ended 31 December 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme"	The open-end, fixed-income single asset management scheme provided by Capital Securities to the Company under the Single Asset Management Contract
"SFO"	Securities and Futures Ordinance, Chapter 571 of Hong Kong Laws
"Shareholder(s)"	The shareholder(s) of the Company
"Single Asset Management Contract"	the single asset management contract for Capital Securities — Beijing Media Single Asset Scheme entered into by the Company, Capital Securities and Beijing Branch of Bank of Communications Co., Ltd. dated 19 April 2022 and extended on 25 April 2023 pursuant to its supplemental agreement
"Supervisor(s)"	The supervisor(s) of the Company
"Supervisory Committee"	The supervisory committee of the Company



To all shareholders of Beijing Media Corporation Limited:

I. OPINION

We have audited the financial statements of Beijing Media Corporation Limited (hereafter referred to as “Beijing Media”), which comprise the consolidated and the Parent’s balance sheets as at 31 December 2024, the consolidated and the Parent’s statements of income, the consolidated and the Parent’s statements of cash flows and the consolidated and the Parent’s statements of changes in equity for the year 2024, and notes to the related financial statements.

In our opinion, the accompanying financial statements were prepared in accordance with Accounting Standards for Business Enterprises in all material aspects, which give a fair view of the consolidated and the Parent’s financial position of Beijing Media as at 31 December 2024, and of its consolidated and the Parent’s results of operations and cash flows for the year 2024.

II. BASIS FOR OPINION

We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Our responsibilities under those standards are further described in the section headed “Auditor’s Responsibilities for the Audit of the Financial Statements” of our report. We are independent of Beijing Media in accordance with the Code of Ethics for Chinese Certified Public Accountants and have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Revenue recognition

1. The Matter

For policies and disclosures on revenue recognition and classification, please refer to notes “V.23. Revenues” and “VIII.34. Operating income and operating costs”. Operating income is a key performance indicator of Beijing Media, and there is an inherent risk that the management manipulates the timing of revenue recognition to achieve specific goals or expectations. Therefore, we identified the recognition of revenue as a key audit matter.

2. *Audit response*

The audit procedures we performed to measure revenue recognition, mainly include:

- (1) understanding and evaluating the effectiveness of the design of the internal control related to the recognition of revenue and testing whether such controls have been implemented effectively;
- (2) understanding the business models and the corresponding policies of revenue recognition of the company and sampling the contracts and revenue recognition methods under different business models, to evaluate whether this method complies with the requirements of Accounting Standards for Business Enterprises;
- (3) implementing analysis procedures on operating revenues and gross profit margin, to identify and analyze material or abnormal fluctuations;
- (4) sampling the sales contracts, identifying the contract terms and conditions that related to the transfer of control and evaluating whether method and timing for revenue recognition is compliant with the requirements of Accounting Standards for Business Enterprises;
- (5) selecting samples for current year's revenue-generating transactions by sampling, checking the revenue-related sales contracts, sales invoices, dispatch list, placing order, advertising spaces, customer receipts and other documents, and verifying authenticity, accuracy and completeness of the revenue recognition;
- (6) enquiring transaction amounts during the reporting period from significant clients;
- (7) for the revenue recognised before and after the balance sheet date, selecting samples and checking the related sales contracts, sales invoices, dispatch list, placing order, advertising spaces, customer acceptance reports and other documents, in order to evaluate whether the revenue was recognised during the proper accounting period.

IV. **OTHER INFORMATION**

The management of Beijing Media (hereafter referred to as "the management") are responsible for the other information. The other information comprises all of the information included in the 2024 annual report of Beijing Media other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and design, implement and maintain the necessary internal control to enable the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management are responsible for assessing Beijing Media's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate Beijing Media or to cease operations or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Beijing Media's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (3) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Beijing Media's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Beijing Media to cease to continue as a going concern.
- (5) evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- (6) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Beijing Media to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SHINEWING CERTIFIED PUBLIC ACCOUNTANTS, LLP Certified Public Accountant of China:
(Project partner)

Certified Public Accountant of China:

China • Beijing

28 March 2025

For the year ended 31 December 2024

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

		RMB'000		
Items	Notes	As at 31 December 2024	As at 31 December 2023 (Restated)	As at 31 December 2022 (Restated)
Current assets:				
Bank balances and cash	VIII.1	81,523	77,384	84,409
Financial assets held for trading	VIII.2	114,270	156,523	162,663
Notes receivable	VIII.3	636	151	382
Accounts receivable	VIII.4	28,235	23,595	19,294
Prepayments	VIII.5	6,061	3,883	2,533
Other receivables	VIII.6	28,712	15,698	11,947
Inventories	VIII.7	5,282	4,007	4,853
Other current assets	VIII.8	29,595	27,203	27,351
Total current assets		294,314	308,444	313,432
Non-current assets				
Long-term equity investment	VIII.9	—	3,041	3,271
Investment in other equity instruments	VIII.10	341,253	303,414	282,017
Other non-current financial assets	VIII.11	—	253	250
Investment properties	VIII.12	53,633	77,602	89,696
Fixed assets	VIII.13	1,432	799	592
Right-of-use assets	VIII.14	1,390	2,748	—
Intangible assets	VIII.15	16,450	17,248	18,147
Long-term deferred expenses	VIII.16	4,281	1,362	766
Total non-current assets		418,439	406,467	394,739
Total assets		712,753	714,911	708,171

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

For the year ended 31 December 2024

		RMB'000		
Items	Notes	As at 31 December 2024	As at 31 December 2023 (Restated)	As at 31 December 2022 (Restated)
Current liabilities:				
Notes payable	VIII.20	1,365	15,593	6,086
Accounts payable	VIII.21	21,184	21,278	14,922
Contract liabilities	VIII.22	9,674	14,581	22,505
Employee benefits payable	VIII.23	6,981	7,143	8,425
Taxes payable	VIII.24	1,528	732	522
Other payables	VIII.25	18,006	19,763	28,840
Non-current liabilities due within one year	VIII.26	1,106	1,004	—
Other current liabilities	VIII.27	3,274	924	1,141
Total current liabilities		63,118	81,018	82,441
Non-current liabilities:				
Leased liabilities	VIII.28	—	1,467	—
Deferred income tax liabilities	VIII.17	706	3,163	3,901
Total non-current liabilities		706	4,630	3,901
Total liabilities		63,824	85,648	86,342
Shareholders' equity:				
Share capital	VIII.29	197,310	197,310	197,310
Capital reserves	VIII.30	918,976	934,606	934,606
Other comprehensive income	VIII.31	231,238	193,326	171,846
Surplus reserves	VIII.32	130,931	130,931	130,931
Undistributed profits	VIII.33	(840,719)	(838,677)	(823,478)
Total equity attributable to shareholders of the Company		637,736	617,496	611,215
Non-controlling interest		11,193	11,767	10,614
Total shareholders' equity		648,929	629,263	621,829
Total liabilities and shareholders' equity		712,753	714,911	708,171
Net current assets		231,196	227,426	230,991
Total assets less current liabilities		649,635	633,893	625,730

For the year ended 31 December 2024

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

		RMB'000	
Items	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Total operating income	VIII.34	209,192	211,950
Total operating costs		243,148	241,307
Operating costs	VIII.34	185,108	180,469
Taxes and surcharges	VIII.35	2,129	2,208
Selling expenses	VIII.36	13,310	16,980
Administrative expenses	VIII.37	43,337	41,725
Finance costs	VIII.38	(736)	(75)
Including: Interest expenses		172	256
Interest income		975	434
Add: Other income	VIII.39	65	71
Investment income (Loss represented in "—")	VIII.40	17,820	17,584
Including: Gain from investments in associates		(3,041)	(230)
Gain on the changes in fair value (Loss represented in "—")	VIII.41	3,163	4,132
Credit impairment losses (Loss represented in "—")	VIII.42	11,645	(7,103)
Impairment loss of assets (Loss represented in "—")	VIII.43	—	(416)
Gain on disposal of assets (Loss represented in "—")	VIII.44	1	4
Operating profit		(1,262)	(15,085)
Add: Non-operating income	VIII.45	1,602	294
Less: Non-operating expenses	VIII.46	53	113
Total profit		287	(14,904)
Less: Income tax expenses	VIII.47	2,952	(795)
Net profit		(2,665)	(14,109)
Net profit attributable to:		—	—
Net profit from continuing operations		(2,665)	(14,109)
Net profit from discontinued operations		—	—
Shareholders of the Company		(2,042)	(15,199)
Non-controlling shareholders		(623)	1,090

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

For the year ended 31 December 2024

		RMB'000	
Items	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Other comprehensive income, net after tax	VIII.31	37,961	21,543
Other comprehensive income, net after tax attributable to Shareholders of the Company		37,912	21,480
Including: Other comprehensive income unqualified for subsequent reclassification into profit or loss		37,839	21,387
Including: Change in fair value of investment in other equity instruments		37,839	21,387
Including: Other comprehensive income subsequently reclassified into profit or loss	VIII.31	73	93
Including: Exchange differences from retranslation of financial statements		73	93
Other comprehensive income, net after tax attributable to non-controlling shareholders		49	63
Total comprehensive income		35,296	7,434
Total comprehensive income attributable to shareholders of the Parent		35,870	6,281
Total comprehensive income attributable to non-controlling shareholders		(574)	1,153
Earnings per share:			
Basic earnings per share (RMB)		(0.01)	(0.08)
Diluted earnings per share (RMB)		(0.01)	(0.08)

For the year ended 31 December 2024

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

		RMB'000	
Items	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
1. Cash flows from operating activities:			
Cash received from the sale of goods and provision of services		190,278	203,698
Tax refund received		679	169
Other cash received from operating activities		10,468	12,738
Subtotal of cash inflows from operating activities		201,425	216,605
Cash paid for goods purchased and services received		144,278	143,205
Cash paid to and on behalf of employees		80,588	74,532
Payments of taxes and surcharges		5,801	6,266
Other cash payments relating to operating activities		24,710	31,086
Subtotal of cash outflows from operating activities		255,377	255,089
Net cash flow from operating activities	VIII.48	(53,952)	(38,484)
2. Cash flows from investment activities:			
Cash received from sales of investments		47,082	14,188
Cash received from returns on investments		13,638	13,206
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		20,665	5
Net cash received from disposal of subsidiaries and other business units		—	—
Other cash received from investing activities		—	—
Subtotal of cash inflows from investing activities		81,385	27,399
Cash paid to acquire fixed assets, intangible assets and other long-term assets		4,239	2,073
Net cash paid to acquire subsidiaries and other business units		2,089	—
Other cash payments relating to investing activities		—	20
Subtotal of cash outflows from investing activities		6,328	2,093
Net cash flow from investing activities		75,057	25,306

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

For the year ended 31 December 2024

		RMB'000	
Items	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
3. Cash flows from financial activities:			
Cash received from investors		—	—
Including: Cash investments from non-controlling shareholders of subsidiaries		—	—
Cash received from borrowings obtained		—	—
Other cash received from financing activities		—	—
Subtotal of cash inflows from financial activities		—	—
Cash paid for repayment of borrowings		—	—
Cash paid for distribution of dividends or profits or interest expenses		—	—
Including: Dividends or profits paid to non-controlling shareholders by subsidiaries		—	—
Other cash payments relating to financing activities		1,624	1,821
Subtotal of cash outflows from financial activities		1,624	1,821
Net cash flows from financial activities		(1,624)	(1,821)
4. Effect of exchange rate changes on cash and cash equivalents		—	70
5. Net increase in cash and cash equivalents	VIII.48	19,481	(14,929)
Add: Opening balance of cash and cash equivalents		60,314	75,243
6. Closing balance of cash and cash equivalents	VIII.48	79,795	60,314

For the year ended 31 December 2024

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

RMB'000

Items	As at 31 December 2024							
	Attributable to shareholders equity of the Parent						Non-controlling interest	Total owners' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserves (note)	Undistributed profits	Subtotal		
Balance as at 31 December 2023	197,310	934,606	193,326	130,931	(832,966)	623,207	11,767	634,974
Effects of business combination under the same control	—	—	—	—	(5,711)	(5,711)	—	(5,711)
Balance as at 1 January 2024 (Restated)	197,310	934,606	193,326	130,931	(838,677)	617,496	11,767	629,263
Net profit	—	—	—	—	(2,042)	(2,042)	(623)	(2,665)
Other comprehensive income	—	—	37,912	—	—	37,912	49	37,961
Retained earnings carried forward from other comprehensive income	—	—	—	—	—	—	—	—
Others	—	(15,630)	—	—	—	(15,630)	—	(15,630)
Subtotal of the changes during the year	—	(15,630)	37,912	—	(2,042)	20,240	(574)	19,666
Balance as at 31 December 2024	197,310	918,976	231,238	130,931	(840,719)	637,736	11,193	648,929

Items	As at 31 December 2023							
	Attributable to shareholders equity of the Parent						Non-controlling interest	Total owners' equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserves (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
Effects of business combination under the same control	—	—	—	—	(5,832)	(5,832)	—	(5,832)
Balance as at 1 January 2023 (Restated)	197,310	934,606	171,846	130,931	(823,478)	611,215	10,614	621,829
Net profit	—	—	—	—	(15,199)	(15,199)	1,090	(14,109)
Other comprehensive income	—	—	21,480	—	—	21,480	63	21,543
Retained earnings carried forward from other comprehensive income	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
Subtotal of the changes during the year	—	—	21,480	—	(15,199)	6,281	1,153	7,434
Balance as at 31 December 2023 (Restated)	197,310	934,606	193,326	130,931	(838,677)	617,496	11,767	629,263

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

For the year ended 31 December 2024

BEIJING MEDIA CORPORATION LIMITED

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 and ultimate holding company of the Company is Beijing Youth Daily Agency (“BYDA”) which is a state-owned entity established in the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section in this annual report.

The consolidated financial statements are presented in Renminbi (“RMB”) which is the functional currency of the Company.

The Company and its subsidiaries are collectively referred to as the Group hereinafter (the “Group”). The Group is principally engaged in the provision of the sales of multi-interface convergence media advertising, event planning, new media operation and maintenance, printing and trading of printing-related materials and youth student travel services in the PRC.

II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

The subsidiaries which are included in the scope of consolidated financial statements for the year ended 31 December 2024 of the Group are as follows:

Name of units	Shareholding (%)	
	Direct	Indirect
Beijing Beiqing Outdoor Advertisement Co., Ltd. (“Beiqing Outdoor”)	100	—
Beiqing Network Culture Communication Co., Ltd. (“Beiqing Network”)	100	—
BYD Logistics Company Limited (“BYD Logistics”)	92.84	—
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	—
Beijing Beiqing Innovation Cultural Industry Development Co., Ltd. (“Beiqing Innovation Cultural”)	100	—
Chongqing Youth Media Company Limited (“Chongqing Media”)	60	—
CHONG QING YOUTH (AMERICA) LLC (“Chong Qing America”)	—	60
Jingjian (Beijing) Culture Media Co., Ltd. (“Jingjian Media”)	100	—

III. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**1. Basis of preparation**

The financial statements of the Group are prepared based on actual transactions and events according to the “Accounting Standards for Business Enterprises — Basic Standards” and its application guidelines, interpretations and other relevant regulations (hereinafter referred to collectively as the “Accounting Standards for Business Enterprises”) issued by the Ministry of Finance, the “Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reports” (Revised in 2023) and relevant provisions issued by the China Securities Regulatory Commission (“CSRC”), as well as applicable disclosure requirements of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and the Hong Kong Companies Ordinance; and as stated in Note V. “Significant accounting policies and accounting estimates” of the “Notes to the Financial Statements” of the Group’s 2024 annual report.

2. On a going concern basis

The Group has evaluated its ability to continue as a going concern for the next twelve months since 31 December 2024, and has found no events or circumstances that cast significant doubt on its ability to continue as a going concern. The financial statements are presented on a going concern basis.

IV. STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

These financial statements give a true, accurate and complete view of the financial position as at 31 December 2024, operation results, cash flows and other information for the year 2024 of the Company and the Group in accordance with the Accounting Standards for Business Enterprises.

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.

2. Reporting currency

The reporting currency of the Group is RMB.

The financial statements of the Group are expressed in RMB.

3. Basis of preparation and principle of measurement

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

4. Methodology for determining materiality criteria and basis for selection**(1) Significance of financial statement items**

The Group determines the materiality of financial statement items based on the principle of whether it affects the financial statement users in making economic decisions, and considers both nature and amount. The significance of financial statement items in terms of amount is based on the proportion of the relevant items to total assets, total liabilities, total owners’ equity, operating revenues and net profit; the significance of financial statement items in terms of nature is based on factors that have a significant impact on financial position and operating results, such as whether they are part of daily operating activities, whether they lead to changes in profit or loss, and whether they affect regulatory indicators.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

4. Methodology for determining materiality criteria and basis for selection (Continued)

(2) Significance of line items in the notes to the financial statements

The Group determines the materiality of line items in the notes to the financial statement items on the basis of the materiality of the financial statement items, determined as a percentage of the specific item, or a combination of amounts, taking into account the nature of the specific item. Certain items that are not material to the financial statements may be material to the notes and still require separate disclosure in the notes. The materiality criteria related to the notes to the financial statement items are:

Item	Disclosure sections of matters in the notes to the financial statements	Materiality criteria
Significant individually bad debt provisioned receivables	There were no significant individually bad debts provisioned receivables during the period	Accounting 15% or more of the amount of the corresponding receivable, and the amount exceeds RMB10 million, or the provision for bad debts in the current period affects the change of profit and loss
Recovery or reversal of bad debt provision for significant receivables	VIII.4	Affecting the reversal of bad debt provision of more than 10% of the current bad debt provision reversal and amounting to more than RMB5 million, or affecting the change in profit or loss for the period
Significant receivable write-offs	VIII.4	Accounting more than 10% of the amount of receivables write-offs during the period and the amount exceeds RMB1 million
Significant changes in the carrying value of contract liabilities and contract assets	There were no significant changes in the carrying values of contract liabilities and contract assets during the period	Variation range surpasses 30% and the amount exceeds RMB1 million
Significant accounts payable and other payables aged over 1 year	There were no significant accounts payable and other payables aged over 1 year during the period	Accounting more than 20% of the balance of accounts payable or other accounts payable and the amount exceeds RMB1 million

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***4. Methodology for determining materiality criteria and basis for selection** *(Continued)***(2) Significance of line items in the notes to the financial statements** *(Continued)*

Item	Disclosure sections of matters in the notes to the financial statements	Materiality criteria
Subsidiaries with significant minority interests	X.1	Minority shareholders hold more than 5% of the equity, and the total assets, net assets, operating revenues and net profits account for more than 10% of the corresponding items in the consolidated statements of income
Significant joint ventures or associates	X.3	Carrying value accounts for 10% or more of long-term equity investments, or investment income (loss in absolute amount) derived from joint ventures or associates accounts for 10% or more of net profits in the consolidated financial statements
Significant asset swaps and asset transfers and disposals	VIII.12	Total assets, net assets, operating revenues, and net profits account for more than 10% of the corresponding items in the consolidated financial statements, and the absolute amount exceeds RMB10 million (the absolute amount of net profits exceeds RMB1 million)
Significant contingencies	There were no significant contingencies during the period	Amounts is larger than RMB10 million and accounts for 10% or more of the absolute value of net assets in the consolidated financial statements

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***5. 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, the carrying amounts of the ownership interests held by the Company of the acquiree in the ultimate controlling party's consolidated financial statements at the acquisition date should be deemed as the original investment costs of the long-term equity. If the acquirer pays consideration by issuing 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 of long-term equity investment and the carrying amounts (or the total par value of shares issued) will be adjusted to the capital reserves. If the capital reserves are insufficient to absorb the difference, the retained earnings shall be adjusted.

(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 identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition criteria are measured at their fair value. The Company shall recognise 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 recognise 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.

6. Criteria for judging control and preparation of consolidated financial statements**(1) Criteria for judging control**

The scope of consolidation of the consolidated financial statements is determined on the basis of control. An investee is recognized as being controlled if the following three elements are present: power over the investee, a variable return as a result of participating in the relevant activities of the investee, and the ability to use the power over the investee to affect the amount of the return.

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

If the subsidiaries adopt different accounting policies or accounting period from those of the Company, the Company shall make necessary adjustments to the subsidiaries' financial statements according to its accounting policies or accounting period in preparing the consolidated financial statements.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***6. Criteria for judging control and preparation of consolidated financial statements** *(Continued)***(3) Eliminations in the consolidated financial statements**

The consolidated financial statements are prepared based on the individual financial statements of the Company and the subsidiaries, after elimination of the transactions incurred among the Company and the subsidiaries. The shares of owners' equity of subsidiaries that are not attributable to the Company and the shares of net profit or loss, other comprehensive income, and total comprehensive income for the period that are attributable to non-controlling interests are presented in the consolidated financial statements under "non-controlling interests, gains or losses on non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests", respectively. The long-term equity investment of the Company held by one subsidiary shall be treated as the Company'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 has been acquired through a business combination involving enterprises under common control, the combination shall be deemed to take place from the date when the ultimate controlling party commences exercising control over the obtained subsidiary, and its 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. For a subsidiary acquired through a business combination not involving enterprises under common control, its individual financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date when preparing the consolidated financial statements.

(5) Accounting treatment for disposal of subsidiaries

In respect of disposal of long-term equity investment in subsidiaries without losing control, the difference between disposal consideration and the net assets of subsidiaries attributable to the long-term equity investment continually calculated since the date of acquisition or combination shall be adjusted to capital reserve (capital premium or share capital premium) in the consolidated financial statements. In case the capital reserve is insufficient for offset, retained earnings will be adjusted.

When the control over the investee is lost due to reasons such as disposal of part of the equity investment, remaining shareholding will be re-measured based on the fair value on the date of loss of control when preparing the consolidated financial statements. The difference between the sum of disposal consideration and fair value of the remaining equity less the net assets attributable to the original shareholdings calculated from the date of acquisition or combination shall be recorded into the investment income for the period when the control is lost, and goodwill will be written off at the same time. Other comprehensive income related to the original equity investment in the subsidiary will be transferred to investment income for the period when control is lost.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***7. Classification of joint arrangement and accounting treatment of joint operations****(1) The classification of joint arrangement**

Joint arrangements are classified as joint operations or joint ventures. A joint arrangement will be classified as joint operation when the joint arrangement achieves not 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 achieves through incorporating an individual entity. When changes of 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.

(2) The accounting treatment of joint operation

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

The Group, as a party involved in joint operations without common control power, shall account for its investments referring to the treatment method of joint operation participants if it is entitled to relevant assets and undertake relevant liabilities of the joint operations, otherwise, it accounts for their investments according to related requirements of Accounting Standards for Business Enterprises.

(3) The accounting treatment of joint ventures

The Group, as a party participating in a joint venture, accounts for its investment in accordance with Accounting Standards for Business Enterprises No.2 Long-term equity investment. And as a party not involved in joint ventures, the Group accounts for its investments according to its influence extent on the joint ventures.

8. Recognition standard for cash and cash equivalents

Cash recognised when the Group's preparing statement of cash flows represents cash on hand and deposits that can be readily drawn on demand. Cash equivalents recognised when the Group's preparing statement of cash flows represent investments which are held for less than three months, highly liquid and are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***9. Foreign currency transaction and translation of foreign currency financial statements****(1) Foreign currency transaction**

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 profit or loss for the current period, except for foreign exchange difference 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 exchange rate at the date when fair value was determined and the differences between the translated functional currency amount and the prior translated amount are treated as changes in fair value (including change in exchange rate) and recorded in profit or loss for the current period or other comprehensive income.

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

If, among others, the Group's subsidiaries, joint ventures and associates adopt different reporting currencies from those of the Company, their financial statements denominated in foreign currency shall be translated to financial statements in RMB when preparing consolidated financial statements. The assets and liabilities are translated to RMB amounts using the spot exchange rate at the balance sheet date. Items of the shareholder's equity, except for "undistributed profits", are translated at the spot exchange rate at the dates on which such items occurred. The revenue and expenditures in the statement of income are translated using the spot exchange rate at the transaction date. The difference arising from foreign currency financial statements translation is presented in other comprehensive income at the consolidated balance sheet within shareholder's equity. Foreign currency cash flows are translated at the spot exchange rate prevailing on the date when the cash flow occurs. Effect arising from changes of exchange rates on cash is presented separately in the statement of cash flows. When disposing of foreign operations, exchange differences of foreign currency financial statements attributable to the foreign operations are transferred to profit or loss for the current period entirely or in proportion with the disposal portion of the foreign operations.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***10. Financial instruments****(1) Classification and reclassification of financial instruments**

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

1) Financial assets

The Group will recognise its financial assets as financial assets measured at amortised cost if both of the following conditions are met: ① Where the Group'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 Group will recognise its financial assets as financial assets at fair value through other comprehensive income if both of the following conditions are met: ① Where the Group'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 Group 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 Group classifies it as financial assets at fair value through profit or loss. At initial recognition, if accounting mismatch can be eliminated or reduced, the Group may irrevocably designate financial assets as financial assets at fair value through profit or loss.

When the Group 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 is applied prospectively from the reclassification date. The Group does not retroactively adjust any previously recognised gains, losses (including impairment losses or gains) or interests.

2) Financial liabilities

On initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss; financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or continuing involvement in the transferred financial assets; financial liabilities at amortised cost. All financial liabilities are not reclassified.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***10. Financial instruments** *(Continued)***(2) Measurement of financial instruments**

On initial recognition, the Group'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 profit or loss for the current period. 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 Group. 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 in which they incurred when derecognised, reclassified, amortised or recognised the impairment under the effective interest method.
- 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 in 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 in which they incurred, and other gains or losses are recognised in other comprehensive income. When derecognised, the accumulated gains or losses previously recognised in other comprehensive income are transferred out from other comprehensive income and included in profit or loss in the period in 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, other relevant gains or losses are included in other comprehensive income, and would not be transferred to profit or loss in the period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***10. Financial instruments** *(Continued)***(2) Measurement of financial instruments** *(Continued)***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 as 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. 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 recognised 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 Group 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 Group determine their fair value using the quoted prices in active markets. If there is no active market, the Group determine their fair value using valuation techniques. 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 Group 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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***10. Financial instruments** *(Continued)***(4) Recognition and measurement of transfer of financial assets and financial liabilities**

1) Financial assets

Financial assets of the Group are derecognised where: ① the contractual rights to receive cash flows from such financial assets have terminated; ② the Group has transferred substantially all the risks and rewards associated with ownership of such financial assets; ③ the Group 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.

In the case that the Group has neither transferred nor retained substantially all the rewards associated with ownership of such financial assets and has retained control of such financial assets, the Group 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 Group will include the difference of the following two amounts in profit or loss in the period: ① the carrying amount of the transferring financial assets on the derecognition date; ② the sum of the consideration obtained from transferring the financial assets, 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 transferring financial assets is allocated between the part subject 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 date of derecognition; and 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 Group, the accumulated gains or losses previously included in other comprehensive income are transferred out from other comprehensive income and included in retained earnings.

2) Financial liabilities

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

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***11. Determination and accounting treatment methods of expected credit loss****(1) Scope of expected credit loss**

Based on the expected credit loss, the Group made the impairment accounting for financial assets at amortised cost (including accounts receivable), financial assets (including financing of accounts receivable) at fair value through other comprehensive income, and rental receivable, and recognised the provision for such losses.

(2) Determination method for expected credit loss

The general approach to expected credit loss means that the Group 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 Group 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; (2) second stage, where the credit risk of financial instruments is significantly increased since its initial recognition but no impairment of credits existed, the Group 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; (3) third stage, where impairment of credits existed since its initial recognition, the Group 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.

A simplification approach to expected credit loss, where the loss allowance is always measured at an amount equivalent to the expected credit loss in the lifetime.

(3) Accounting treatment for expected credit losses

In order to reflect the changes in the credit risk of financial instruments since its initial recognition, the Group 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 (loan commitments or financial guarantee contracts).

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***11. Determination and accounting treatment methods of expected credit loss** *(Continued)***(4) Method of measuring loss allowance for accounts receivable and rental receivables**

- ① Accounts receivable that do not contain significant financing elements. For accounts receivable that do not contain significant financing elements arising from the transactions regulated under the Accounting Standards for Business Enterprises No. 14 — Revenue, the Group 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 Group assesses whether credit risk has increased significantly on the basis of a single financial asset or combination of financial assets. According to the credit risk characteristics, the Group divides the notes receivable and accounts receivable into several combinations, and calculates the expected credit losses on a combined basis. The basis for determining the combination is as follows:

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

For accounts receivable designated to a group, the Group makes the comparison based on the aging of accounts receivable and the corresponding lifetime expected credit loss rates 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 notes receivable designated to a combination, the Group 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 containing significant financing elements and lease 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.

(5) Method of measuring loss allowance 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 Group measures loss provisions with the general method, i.e. the “three-stage” model.

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

Other receivables group 1:	Aging group
Other receivables group 2:	Related party payments

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***12. Inventories**

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 measured 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.

13. Contract assets and contract liabilities**(1) Contract assets**

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

If there is an impairment loss on contract assets, the Group 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 Group makes the opposite accounting record.

(2) Contract liabilities

The obligation of the Group 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 Group.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***14. 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 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 shall be determined according to related requirements of Accounting Standards for Business Enterprises No.7 — Non-monetary Asset Exchange.

(2) Subsequent measurement and recognition of profit or loss

Where the Group is able to exercise control over an investee, the long-term equity investment is accounted for using the cost method. Where the Group has investment 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 Group shall account 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 Group's holding of above 20% to 50% voting capital of the investee presents it can exercise significant influence over the investee. The Group usually can exercise significant influence over the investee even its voting capital is less than 20% if it can meet one of the following conditions: appointing representatives in the Board or similar governing body of the investee; participating in the strategy and policy decision process; delegating management personnel; the investee relying on the Group's technique or technical material; significant transactions occur between the Group and the investee.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***15. Investment properties**

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

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

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 profit or loss for the current period.

16. Fixed assets**(1) Recognition criteria of the fixed assets**

Fixed assets are tangible assets that are held for the purpose of producing goods, providing labor services, leasing or operation and management. The useful lives of fixed assets are more than one accounting year. It is recognised when the following conditions are met: it is probable that the economic benefits associated with the fixed asset will flow to the enterprise; and the cost of the fixed asset can be measured reliably.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***16. Fixed assets** *(Continued)***(2) Classification and depreciation methods of fixed assets**

The Group's fixed assets are mainly classified as buildings, plant and machinery, electronic equipment, motor vehicles and others. Fixed assets are depreciated using the average life method. The Group determines the useful life and estimated net residual value of a fixed asset based on the nature and utilization of the fixed asset. The Group reassesses the estimated useful life and estimated net residual value of a fixed asset and the depreciation method at the end of each year. Any changes on original estimates will be adjusted. Depreciation is provided for all fixed assets, except for the fixed assets that are fully depreciated and remain in use and the land that is accounted for separately.

Category	Estimated 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 furniture	5	0.00	20.00
Electronic equipment	3	0.00	33.33

17. Construction in progress

The Group's construction in progress is classified into two types: self-operated construction and contracted construction. Construction in progress is carried forward to fixed assets when the construction work is completed and reaches its intended useable condition. The criteria for determining the intended useable status shall be one of the following: the physical construction (including installation) of the fixed assets has been completed or substantially completed; production or trial run has been conducted and the results indicate that the assets are capable of normal operation or stable production of qualified products, or the trial run results indicate that they are capable of normal operation or business; the amount of expenditure on the fixed assets constructed is minimal or almost non-recurring; the fixed assets acquired have met the design or contractual requirements, or are basically in conformity with the design or contractual requirements.

18. Borrowing costs**(1) Principle for recognition of capitalising borrowing costs**

The Group's borrowing costs are capitalised when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognised as expenses and recorded in profit or loss for the current period when incurred. Qualifying assets that meet conditions for capitalization are fixed assets, investment property, inventory or other assets that take over 1 year for construction or production in order to get ready for their intended use or sale.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***18. Borrowing costs** *(Continued)***(2) Calculation of capitalisation cost**

Capitalisation period refers to the period from commencement of capitalization of borrowing costs to its termination. The period during which capitalization is suspended is excluded. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months.

For designated borrowings, the amount of interest to be capitalised is the actual interest expense incurred on that borrowing less any bank interest earned from unused funds of the designated borrowings or any investment income on the temporary investment of those funds. For funds borrowed for general purpose, the amount of interest to be capitalised on such borrowings is calculated by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of designated borrowings. Capitalisation rate is determined by calculating weighted average interest rate of general borrowings. If there is any discount or premium of the borrowings, the interest cost shall be adjusted in every accounting period by the amortised amount of premium or discount calculating by effective interest method.

Effective interest method is the method to calculate the amortisation amount of discount or premium or interest expenses by the effective interest rate of the borrowings. The effective interest rate is the interest rate to discount the future cash flow of the borrowing during its expected duration to the present carrying amount of the borrowing.

19. Intangible assets**(1) Calculation of intangible assets**

The Group's intangible assets are initially calculated at cost. 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 the case where the agreed consideration of the contracts or agreements is not justified, the assets are measured at fair value. The cost of a self-developed intangible asset is the total amount of expenditures incurred before reaching its intended use.

The Group's subsequent measurement methods for intangible assets are as follows: intangible assets with finite useful lives are amortised using the straight-line method, and at the end of each financial year, the useful lives and amortisation methods of intangible assets are re-assessed and will be adjusted accordingly if they differ from the original estimates; intangible assets with indefinite useful lives are not amortised, but at the end of each financial year, the useful lives are re-assessed and when there is conclusive evidence that the useful lives are finite, the useful lives are estimated and amortised using the straight-line method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***19. Intangible assets** *(Continued)***(2) Judgment basis for uncertainty of useful life**

The Group identifies an intangible asset with an indefinite useful life if an asset cannot be foreseen to provide economic benefits to the Company or has an indefinite useful life. The uncertain useful life is determined based on the following criteria: the intangible asset is derived from contractual rights or other legal rights, but the contractual or legal provisions do not specify the useful life; the intangible asset cannot be judged to bring economic benefits to the Company after taking into account industry conditions or relevant experts' opinions.

At the end of each financial year, the estimated useful lives of Intangible assets with uncertain useful lives are reassessed mainly through the bottom-up method by the department concerned with the use of intangible assets, to evaluate whether there are changes in the basis of indefinite useful life judgment, etc.

20. 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, etc., the Group shall perform an impairment test. If the outcome of impairment test indicates the recoverable amount of the asset is lower than its carrying amount, the Group shall recognise 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 an asset is estimated and recognised on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group 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.

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

21. Long-term deferred expenses

Long-term deferred expenses of the Group are expenditures which have incurred but shall be amortised over a period of more than 1 year of benefit period (excluding 1 year). The long-term deferred expenses are amortised over the benefit period of the expense item. If long-term deferred expense is not able to benefit the Group in the subsequent periods, the remaining balance of the long-term deferred expense shall be recognised as expense in profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***22. Employee benefits**

Employee benefits are all forms of rewards or compensation provided by the Group in exchange for services rendered by employees or for the termination of employment. Employee benefits mainly include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(1) Short-term benefits

In the accounting period in which employees have rendered services, the Group recognises the short-term benefits actually incurred as a liability, and charges it to current profit or loss, except where the same is included in the cost of relevant assets as required or permitted by the Accounting Standards for Business Enterprises. Welfare benefit are charged to current profit or loss or included in the cost of relevant assets when incurred. Non-monetary welfare benefits are measured at fair value. Contribution to social security schemes including medical insurance, work injury insurance, and maternity insurance and housing provident fund for employees, as well as appropriation to trade union funds and employee education funds are calculated on required basis and at required percentage, recognized as relevant liability and charged to current profit or loss or included in the cost of relevant asset over the period when employees provide services.

(2) Post-employment benefits

During the accounting period in which employees provide the service, the Group recognises a liability based on the amount payable under the defined contribution plan and records it in current profit or loss or in the cost of relevant asset. Benefit obligations arising under the defined benefit plan are attributed to the period over which employees provide services using the projected accumulated benefit unit credit method, and recorded in current profit or loss or in the cost of related asset.

(3) Termination benefits

Termination benefits provided by the Group to employees are recognised as an employee benefit liability and charged to current profit or loss at the earlier of the following dates: the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; when the Group recognises 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 Group 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 the defined contribution plan. Besides, net obligations or net assets of other long-term employee benefits are recognised and measured in accordance with the above requirements relating to the defined benefits plan.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***23. Revenue**

When the Group has implemented the performance obligation in the contract, namely, when the customer obtains the right to control relevant goods or services, revenues will be recognized as per transaction prices allocated to such performance obligation. 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. Performance obligation represents the Group's commitment to transfer distinct goods to the customer in the contract. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

The satisfaction of performance obligation over time or at a point in time is determined by contractual terms or relevant law. For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. Otherwise, the Group recognises revenue at the point in time at which the customer obtains control of relevant assets.

The business revenues of the Group are mainly generated from sale of advertising spaces, printing, trading of print-related materials, travel services and leasing services. 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).

(2) Revenue from printing

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

(3) Revenue from trading of printing-related materials

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

(4) Rental income

Rental income is recognised in accordance with the Group's accounting policy for lease.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***24. Government grants****(1) Category and accounting treatment of government grants**

Government grants are the monetary assets and 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 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.

The government grants which are clearly defined in the government documents to be used for acquisition, construction or other projects that form a long-term asset are recognised as asset-related government grants. Regarding the government grant that is not clearly defined in the government documents and can form long-term assets, the part of government grant which can be referred to the value of the assets is classified as government grant related to assets and the remaining part is government grant related to income. For the government grant that is difficult to distinguish, the entire government grant is classified as government grant 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 profit or loss for the current period.

Where the Group 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 Group that shall recognise 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.

(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.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***25. Deferred income tax assets and deferred income tax liabilities****(1) Recognition of deferred income tax**

Deferred income tax assets or deferred income tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (for items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws, tax base is recognized as the difference) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

(2) Measurement of deferred income tax

Deferred income tax assets are recognized to the extent of the amount of the taxable income, which it is most likely to obtain to deduct from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior accounting periods are recognized. The carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilized.

The taxable temporary differences associated with investments in subsidiaries and associates shall be recognised deferred tax liabilities; except the Group 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, 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 utilised.

(3) Basis for net offsetting of deferred income tax

Deferred income tax assets and deferred income tax liabilities are presented net of offset when the following conditions are met: the enterprise has the legal right to settle the current income tax assets and current income tax liabilities on a net basis; deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax administration department on the same taxable entity or different taxable entities, however, in the future period when each significant deferred income tax asset and deferred income tax liability are reversed, the taxable entities involved intend to settle the current income tax assets and current income tax liabilities on a net basis or acquire assets and settle debts simultaneously.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***26. Lease****(1) The accounting treatment for leased assets**

At the beginning of the lease term, the Group recognises 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 Group includes lease payments for short-term leases and leases of low-value assets into current expenses on a straight-line basis in each period of the lease term.

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 Group is categorised 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 Group determines whether the right-of-use assets have been impaired and treats any impairment in accordance with the relevant provisions under the Accounting Standards for Business Enterprises No. 8 — Asset Impairment.

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 payment include: 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 Group 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 Group should be used as the discount rate. The Group calculates the interest expenses of lease liabilities for each period over the lease term based on the fixed periodic rate and recognises them in finance costs. Such periodic rate is the discount rate or revised discount rate adopted by the Company.

The variable lease payments that are excluded in the measurement of lease liabilities are recognised in the current profit and loss when they actually occur.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***26. Lease** *(Continued)***(1) The accounting treatment for leased assets** *(Continued)***2) Lease liabilities** *(Continued)*

If there are any changes in the Group'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.

(2) Accounting treatment of leased assets**1) Accounting treatment of operating leases**

During each period of the lease term, the Group recognises the lease payments from operating leases as rental income on a straight-line basis. The initial direct costs incurred by the Group 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 lease term, the Group recognises the difference between the sum of finance lease receivables and the unguaranteed residual value, and the present value thereof as unrealised finance income, and recognises the same as rental income over the periods when rent is received in the future. The Group's initial direct costs associated with rental transactions shall be included in the initial measurement of the finance lease receivables.

27. 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. an enterprise 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.

On initial measurement or remeasurement on the balance sheet date of a non-current asset or a disposal group held for sale, where the book value is higher than the fair value less cost of disposal, the book value is written down to the fair value less cost of disposal. The amount of write-down is recognised as an impairment loss of the asset and charged to profit and loss of the period. At the same time, provision is made for impairment of assets held for sale.

Non-current asset held for sale in balance sheet or asset within disposal group held for sale is presented as asset held for sale, and liabilities within disposal group held for sale are presented as liabilities held for sale.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***27. Held-for-sale and discontinued operations** *(Continued)*

Discontinued operation refers to a component that meets one of the following conditions and can be distinguished separately and has been disposed of or classified by the Group as held for sale:

- (1) represents a separate major line of business or geographical area of operations;
- (2) is part of a single coordinated 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.

28. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates

In the application of accounting policies, the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates of the Group. The key assumptions and uncertainties in accounting estimates of the Group that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods are as follows:

(1) 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.

(2) Accounts receivable and expected credit loss

As stated in V.11, the Group calculates expected credit loss of accounts receivable by assessing the default risk exposure of accounts receivable and expected credit loss rate, which is determined based on probability of default and default loss rate. 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 customers.

(3) 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 amounts.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)***28. Critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates** *(Continued)***(4) Impairment for inventories**

The management of the Group determines 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 realizable value for such items based primarily on the latest invoice prices and current market condition. The Group carries out an inventory review on a product basis at the end of each reporting period and makes allowance for obsolete items. Where the actual future cash flows are less than expected, impairment provisions will be made accordingly.

(5) 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 Group, the absence of Building Ownership Certificates of these buildings will not impair the value of the buildings and investment properties of the Group.

(6) Depreciation of fixed assets

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

VI. EXPLANATION OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**1. Changes in accounting policies and their effect**

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

2. Changes in accounting estimates and their effect

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

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

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BEIJING MEDIA CORPORATION LIMITED

VII. TAXATION

1. Main types of taxes and corresponding tax rates

Taxes	Tax basis	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	13%, 9%, 6%
Cultural construction fee	Taxable revenue from advertising	3%
Urban maintenance and construction tax	Turnover tax payable	7%
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Enterprise income tax	Taxable income	25%

2. Significant tax incentives and official approvals

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 (Cai Shui [2019] No. 16) issued by the MoF, State Administration of Taxation and Publicity Department of the Communist Party of China (《財政部、國家稅務總局、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 which completed the transformation prior to 31 December 2018 may continue to be exempted from a five-year enterprise income tax since 1 January 2019.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Business (Announcement of MOF and SAT [2023] No.6) (《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》(財政部稅務總局公告2023年第6號)), for the part of small and low-profit enterprises whose annual taxable income does not exceed RMB1 million, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The implementation period is from 1 January 2023 to 31 December 2024.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Announcement of MOF and SAT [2022] No. 13) (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》(財政部稅務總局公告2022年第13號)), for the part of small and low-profit enterprises whose annual taxable income exceeds RMB1 million but does not exceed RMB3 million, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The implementation period is from 1 January 2023 to 31 December 2024.

According to the Announcement on the Tax Policies for the Transformation of Profit-making Cultural Institutions into Enterprises during the Cultural System Reform (Announcement of MoF, SAT and Publicity Department of CPC [2024] No. 20) issued by MoF, State Administration of Taxation and Publicity Department of the Communist Party of China (《財政部、稅務總局、中央宣傳部關於文化體制改革中經營性文化事業單位轉制為企業稅收政策的公告》(財政部、稅務總局、中央宣傳部公告2024年第20號)), the units of the operative cultural institutions that have been converted into enterprises before 31 December 2022 are exempted from EIT from the date of registration of the conversion until 31 December 2027.

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

1. Monetary fund

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Bank balances and cash:	79,795	60,314
Cash in hand	—	—
Bank deposits	79,784	60,314
Other monetary fund	11	—
Restricted bank deposits:	1,728	17,070
Bank deposits	—	—
Other monetary fund	1,728	17,070
Total	81,523	77,384

Note: The balances of the Group's restricted bank deposits at the end of the period represent marginal deposit for bank acceptance notes and carry market interest rates of 0.1% (2023: 0.05% to 1.85%) per annum.

The Group's bank balances are deposited at banks in the PRC and carry interest at market interest rates ranging from 0.05% to 1.95% (2023: 0.2% to 1.7%) per annum.

2. Financial assets held for trading

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Financial assets at fair value through profit or loss	114,270	156,523
Including: Securities companies' asset management products	114,270	156,523
Total	114,270	156,523

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

For the year ended 31 December 2024

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

3. Notes receivable

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Bank acceptance notes	636	151
Less: Provision for bad debts	—	—
Total	636	151

4. Accounts receivable

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Accounts receivable	361,354	402,519
Less: Provision for bad debts	333,119	378,924
Net accounts receivable	28,235	23,595
For reporting purpose, analysis as:		
Current assets — accounts receivable	28,235	23,595
Total	28,235	23,595

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

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
0–90 days	19,995	12,400
91–180 days	1,241	3,653
181–365 days	1,499	3,270
1–2 years	3,325	1,378
Over 2 years	2,175	2,894
Total	28,235	23,595

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(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)**4. Accounts receivable** (Continued)**(2) Disclosure of accounts receivable**

Types	As at 31 December 2024			
	Book balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)
Accounts receivable with bad debt provision made on individual basis	208,031	57.57	208,031	100.00
Accounts receivable with bad debt provision made on group basis	153,323	42.43	125,088	81.58
Including: Aging group	129,398	35.81	108,836	84.11
Related party group	23,925	6.62	16,252	67.93
Total	361,354	100.00	333,119	92.19

Types	As at 31 December 2023 (Restated)			
	Book balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)
Accounts receivable with bad debt provision made on individual basis	225,433	56.01	225,433	100.00
Accounts receivable with bad debt provision made on group basis:	177,086	43.99	153,491	86.68
Including: Aging group	150,459	37.38	129,934	86.36
Related party group	26,627	6.61	23,557	88.47
Total	402,519	100.00	378,924	94.14

Accounts receivable with bad debt provision made on group basis

Aging	As at 31 December 2024			As at 31 December 2023 (Restated)		
	Expected			Expected		
	Book balance	credit losses rate (%)	Provision for bad debts	Book balance	credit losses rate (%)	Provision for bad debts
Within 1 year	25,438	10.63	2,704	21,691	10.92	2,369
1-2 years	5,046	34.11	1,721	3,011	54.23	1,633
2-3 years	1,873	66.68	1,249	4,783	73.36	3,509
Over 3 years	120,966	98.72	119,414	147,601	98.90	145,980
Total	153,323	81.58	125,088	177,086	86.68	153,491

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

For the year ended 31 December 2024

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

4. Accounts receivable (Continued)

(3) Provision for bad debts

Type	As at 31 December 2023 (Restated)	Movement			Other changes	As at 31 December 2024
		Provision	Recovered or reversed	Written off		
Provision for bad debts	378,924	6,235	16,996	35,044	—	333,119
Total	378,924	6,235	16,996	35,044	—	333,119

- 1) The significant amount of provision for bad debts recovered or reversed during the year

Name of units	Amount recovered or reversed	Reason for reversal	Method of recovery	Basis for determining the proportion of the original provision for bad debts and its reasonableness
BYDA	6,327	Recoveries	Bank transfer	Calculation of bad debts provision based on the migration rate of accounts receivable

(4) Accounts receivable actually written off during the year

Items	As at 31 December 2024
Accounts receivable	35,044

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**4. Accounts receivable** (Continued)**(4) Accounts receivable actually written off during the year** (Continued)

1) Write-off of significant accounts receivable:

Name of units	Nature of accounts receivable	Write-off amount	Write-off reason	Write-off procedure performed	Whether the amount is caused by a related party transaction
Beijing Xindu Fengfan Advertising Co., Ltd. (北京信都風帆廣告有限公司)	Advertising receivables	8,987	Unit in arrears have been deregistered, resulting in bad debt losses	Written off after consideration by the Board of the Company	No
Beijing Xingrui Dafeng Advertising Co., Ltd. (北京星瑞德峰廣告有限公司)	Advertising receivables	8,265	No expectation of recovery	Written off after consideration by the Board of the Company	No
Tianjin Zhongsheng Tengfei Investment Co., Ltd. (天津中升騰飛投資有限公司)	Advertising receivables	5,167	No expectation of recovery	Written off after consideration by the Board of the Company	No
Beijing Jinjiu Advertising Communication Co., Ltd. (北京今久廣告傳播有限責任公司)	Advertising receivables	4,020	No expectation of recovery	Written off after consideration by the Board of the Company	No
Total		26,439			

(5) The balance of the top five accounts receivable as at 31 December 2024 was RMB184 million, representing 51.02% of the total accounts receivable, and the balance of provision for bad debts was RMB184 million.

(6) As at 31 December 2024, there were no accounts receivable that were past due but not impaired.

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

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

5. Prepayments

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Prepayments	6,061	3,883

(1) Prepayments by aging

Aging	As at 31 December 2024		As at 31 December 2023 (Restated)	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	5,978	98.63	3,807	98.04
1–2 years	34	0.56	54	1.39
2–3 years	27	0.45	—	—
Over 3 years	22	0.36	22	0.57
Total	6,061	100.00	3,883	100.00

- (2) The balance of the top five prepayments as at 31 December 2024 was RMB5,012 thousand, representing 82.69% of the total prepayments.

6. Other receivables

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Dividends receivable	8,196	9,416
Other receivables	221,806	208,441
Less: Provision for bad debts	201,290	202,159
Total	28,712	15,698

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

6. Other receivables (Continued)

(1) Dividends receivable

1) Classification of dividends receivable

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Investment bonus	8,196	9,416
Less: Provision for bad debts	135	1,145
Total	8,061	8,271

2) Provision for bad debts

Provision for bad debts	First stage Expected credit losses for the next 12 months	Second stage Expected credit losses for the entire duration (no credit impaired)	Third stage Expected credit losses for the entire duration (credit impaired)	Total
As at 31 December 2023 (Restated)	1,145	—	—	1,145
Provision for this period	135	—	—	135
Reversal of this period	1,145	—	—	1,145
Written off during this period	—	—	—	—
Other changes	—	—	—	—
As at 31 December 2024	135	—	—	135

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

For the year ended 31 December 2024

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

6. Other receivables (Continued)

(2) Other receivables

1) Disclosure by nature

Nature	As at 31 December 2024	As at 31 December 2023 (Restated)
Related-party current account	2,473	1,714
Deposit and margin	9,635	769
External unit current	205,446	203,785
Reserve funds	1,580	1,867
Other	2,672	306
Less: Provision for bad debts	201,155	201,014
Total	20,651	7,427

2) Disclosure by aging

Aging	As at 31 December 2024		As at 31 December 2023 (Restated)	
	Book balance	Percentage (%)	Book balance	Percentage (%)
Within 1 year	15,085	6.80	6,931	3.33
1-2 years	5,221	2.35	741	0.36
2-3 years	676	0.30	3,660	1.76
3-4 years	3,715	1.67	118	0.06
Over 4 years	197,109	88.88	196,991	94.49
Total	221,806	100.00	208,441	100.00

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**6. Other receivables** (Continued)**(2) Other receivables** (Continued)

3) Provision for bad debts

Provision for bad debts	First stage Expected credit losses for the next 12 months	Second stage Expected credit losses for the entire duration (no credit impaired)	Third stage Expected credit losses for the entire duration (credit impaired)	Total
Balance at 31 December				
2023 (Restated)	7,766	—	193,248	201,014
Provision for this period	380	—	617	997
Reversal of this period	856	—	—	856
Written off during this period	—	—	—	—
Other changes	—	—	—	—
Balance at 31 December 2024	7,290	—	193,865	201,155

- (3) The balance of the top five other receivables as at 31 December 2024 was RMB197 million, representing 88.82% of the total other receivables, and the balance of provision for bad debts was RMB190 million.

7. Inventories**(1) Classification of inventories**

Category of inventories	As at 31 December 2024			As at 31 December 2023 (Restated)		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Goods in stock	6,661	1,379	5,282	5,406	1,399	4,007
Total	6,661	1,379	5,282	5,406	1,399	4,007

As at 31 December 2024, there were goods in stock sold which had been written down to net realizable value in prior years (2023: existed).

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

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

7. Inventories (Continued)

(2) Changes in provision for inventory impairment and impairment provision for contract performance costs

Category of inventories	As at 31 December 2023 (Restated)	Provision amount in current period	Amount decreased in current period		As at 31 December 2024
			Transfer	Others	
Goods in stock	1,399	—	4	16	1,379
Total	1,399	—	4	16	1,379

8. Other current assets

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
VAT to be deducted	29,595	27,168
Prepaid income tax	—	35
Total	29,595	27,203

9. Long-term equity investment

(1) Types for long-term equity investment

Type	As at 31 December 2024	As at 31 December 2023 (Restated)
Investments in associates — under equity method	—	3,989
Less: Provision for impairment for investments in associates	—	948
Total	—	3,041

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in the notes to the financial statements)**VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)**9. Long-term equity investment** (Continued)**(2) Investments in associates**

Investees	Changes in the current year										As at 31 December 2024	Impairment provision as at 31 December 2024
	As at 31 December 2023 (Restated)	Additional investment	Decrease in investment	Investment gain or loss recognized under equity method	Other comprehensive income adjustment	Changes in other equity	Declaration of cash dividend or profit	Provision for impairment	Others			
I. Associates												
Beijing Leisure Trend Advertising Company Limited (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—
Beijing Shengyi Automobile Technology Co., Ltd.	—	—	—	—	—	—	—	—	—	—	—	—
Beijing Beisheng United Insurance Agency	1,763	—	—	(1,763)	—	—	—	—	—	—	—	—
BY Times Consulting Co., Ltd.	—	—	—	—	—	—	—	—	—	—	—	—
Beijing Beiqing Top Advertising Limited	—	—	—	—	—	—	—	—	—	—	—	—
Chongqing Soyang Internet Technology (Note 2)	—	—	948	—	—	—	—	(948)	—	—	—	—
Beijing Shangyou Network Technology Co. Ltd.	1,278	—	—	(1,278)	—	—	—	—	—	—	—	—
Total	3,041	—	948	(3,041)	—	—	—	(948)	—	—	—	—

Note 1: The bankruptcy and liquidation of Beijing Leisure Trend Advertising Company Limited filed by the Company was accepted by the court on 28 November 2023, and in January 2024, the court appointed Beijing City Zhong Zhou Law Firm* (北京市中洲律師事務所) as the administrator of Beijing Leisure Trend Advertising Company Limited.

Note 2: Chongqing Soyang Internet Technology was accepted by the court on 17 October 2024 to start bankruptcy and liquidation procedures.

Investments of the Group in associates including Beijing Shengyi Automobile Technology Co., Ltd., Beijing Beisheng United Insurance Agency, BY Times Consulting Co., Ltd., Beijing Beiqing Top Advertising Limited, Chongqing Soyang Internet Technology and Beijing Shangyou Network Technology have been written down to nil under the equity method.

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

10. Investment in other equity instruments

(1) Investment in other equity instruments

Item	As at 31 December 2023 (Restated)	Changes during the current year					Others	As at 31 December 2024	Dividend income recognised during the year	Gain accumulated in other comprehensive income at the end of the year	Loss accumulated in other comprehensive income at the end of the year	Reasons for designation as at fair value through other comprehensive income
		Additions to investments	Decrease in investments	Gain included in other comprehensive income	Loss included in other comprehensive income							
Beijing International Advertising & Communication Group Co., Ltd.	20,602	—	—	16,251	—	—	—	36,853	—	3,735	—	Strategic investment
Beyang Publishing & Media Co., Ltd.	242,369	—	—	22,010	—	—	—	264,379	8,197	161,379	—	Strategic investment
Beijing Keyin Media Culture Co., Ltd.	37,120	—	—	—	676	—	—	36,444	662	29,884	—	Strategic investment
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	3,323	—	—	254	—	—	—	3,577	—	3,077	—	Strategic investment
Total	303,414	—	—	38,515	676	—	—	341,253	8,859	198,075	—	—

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

Type	As at 31 December 2024	As at 31 December 2023 (Restated)
Unlisted equity investments, PRC	341,253	303,414
Total	341,253	303,414

Note: The basis for recognizing the fair value of investments in other equity instruments is described in detail in "XI. Fair value".

11. Other non-current financial assets

(1) Other non-current financial assets

Item	As at 31 December 2024	As at 31 December 2023 (Restated)
Suzhou Huaying Culture Industry Investment Enterprise (limited partnership)	—	253
Total	—	253

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***11. Other non-current financial assets** *(Continued)***(2) Other non-current financial assets are analysed as follows:**

Type	As at 31 December 2024	As at 31 December 2023 (Restated)
Unlisted equity investments, PRC	—	253
Total	—	253

12. Investment properties**(1) Investment properties measured at fair value**

Items	Buildings	Total
1. As at 31 December 2023 (Restated)	77,602	77,602
2. Changes during the period	(23,969)	(23,969)
Less: Disposal <i>(note)</i>	22,773	22,773
Less: Changes in fair value	1,196	1,196
3. As at 31 December 2024	53,633	53,633

Note: Disposal of investment properties represents the effect of the Group's transaction on 26 December 2024 with Capital Securities Co., Ltd.

The fair value of the Group's investment properties as at 31 December 2024 was determined by reference to recent market prices for similar properties in the same locations and conditions.

During the year, the rental income generated from investment properties is RMB2,292 thousand (2023: RMB2,142 thousand).

(2) Investment properties are analysed by the place where they locate and years of period as follows:

Items	Fair value as at 31 December 2024	Fair value as at 31 December 2023 (Restated)
Located within the PRC		
Medium term (10–70 years)	53,633	77,602
Total	53,633	77,602

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

12. Investment properties (Continued)

(3) Investment properties are detailed as follows:

No.	Area	Subdivision name	Quantity	Usage
1	Beijing	Yuelianghe Chengbaogongyu	3	Residential
2	Beijing	Jinyufenglinzhou	3	Office
3	Weihai, Shandong	Zhuoda Scotland City	5	Residential
4	Wuqing, Tianjin	Evergrande Splendor	6	Residential
5	Wuqing, Tianjin	Evergrande Splendor	12	Residential
6	Haikou, Hainan	Jinwanwei, Boao	1	Residential
7	Huludao, Liaoning	ShanghaiTongwan	7	Residential
8	Qingdao, Shandong	Xihu Huafu	1	Residential
9	Haikou, Hainan	Guanlan Hu Saish Apartment	3	Residential
10	Qinhuangdao, Hebei	Daihehai Park	1	Residential

(4) Investment properties with outstanding title deeds

Items	Fair value as at 31 December 2024	Reasons for non- completion of title deeds
Zhuoda Xiangshuihai Scotland City 5 units	4,099	The real estate developer was in abnormal operation and could not apply for certificate

As at 31 December 2024, the carrying amount of the Group's investment properties for which no formal title had been granted was RMB4,099 thousand. The Group is of the view that the lack of formal title for these investment properties will not result in an impairment of the value of the related properties. The directors of the Company are also of the opinion that the Group will obtain the formal title of these properties in due course.

13. Fixed assets

Category	As at 31 December 2024	As at 31 December 2023 (Restated)
Fixed assets	1,432	799
Less: Provision of impairment	—	—
Total	1,432	799

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**13. Fixed assets** (Continued)**(1) Fixed assets**

Items	Buildings	Plant and machinery	Motor vehicles	Office equipment	Electronic equipment	Total
i. Cost						
1. As at 31 December 2023 (Restated)	15,775	3,672	2,017	325	7,527	29,316
2. Increase during the period	—	—	318	34	869	1,221
(1) Purchase	—	—	318	34	869	1,221
3. Decrease during the period	—	—	355	67	392	814
(1) Disposal or scrapping	—	—	355	67	392	814
4. As at 31 December 2024	15,775	3,672	1,980	292	8,004	29,723
ii. Accumulated depreciation						
1. As at 31 December 2023 (Restated)	15,775	3,672	1,961	248	6,861	28,517
2. Increase during the period	—	—	31	31	525	587
(1) Provision	—	—	31	31	525	587
3. Decrease during the period	—	—	355	67	391	813
(1) Disposal or scrapping	—	—	355	67	391	813
4. As at 31 December 2024	15,775	3,672	1,637	212	6,995	28,291
iii. Provision for impairment						
1. As at 31 December 2023 (Restated)	—	—	—	—	—	—
2. Increase during the period	—	—	—	—	—	—
3. Decrease during the period	—	—	—	—	—	—
4. As at 31 December 2024	—	—	—	—	—	—
iv. Carrying amount						
1. Carrying amount at the end of the period	—	—	343	80	1,009	1,432
2. Carrying amount at the beginning of the period (Restated)	—	—	56	77	666	799

During the period, the depreciation of fixed assets recognized in the consolidated income statement amounted to RMB587 thousand (2023: RMB534 thousand).

During the period, the net gain on disposal of fixed assets recognized in the consolidated income statement amounted to RMB1 thousand (2023: RMB4 thousand).

During the period, the rental income generated from fixed assets recognized in the consolidated income statement amounted to RMB4,515 thousand (2023: RMB4,414 thousand).

(2) Fixed assets leased-out through operating lease

As at 31 December 2024, a fixed asset with carrying amount of RMB0 (cost of RMB8,093 thousand) was leased out through operating lease (2023: carrying amount of RMB0, cost of RMB8,093 thousand).

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For the year ended 31 December 2024

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

14. Right-of-use assets

(1) Breakdown of right-of-use assets

Items	Buildings	Total
i. Cost		
1. As at 31 December 2023 (Restated)	4,122	4,122
2. Increase during the period	47	47
(1) New leases	47	47
3. Decrease during the period	—	—
4. As at 31 December 2024	4,169	4,169
ii. Accumulated depreciation		
1. As at 31 December 2023 (Restated)	1,374	1,374
2. Increase during the period	1,405	1,405
(1) Provision	1,405	1,405
3. Decrease during the period	—	—
4. As at 31 December 2024	2,779	2,779
iii. Provision for impairment		
1. As at 31 December 2023 (Restated)	—	—
2. Increase during the period	—	—
3. Decrease during the period	—	—
4. As at 31 December 2024	—	—
iv. Carrying amount		
1. Carrying amount at the end of the period	1,390	1,390
2. Carrying amount at the beginning of the period (Restated)	2,748	2,748

During the period, the depreciation in right-of-use assets recognised in the consolidated income statement amounted to RMB1,405 thousand (2023: RMB1,374 thousand).

(2) The net value of buildings in the right-of-use assets by region is analysed as follows:

Item	As at 31 December 2024	As at 31 December 2023 (Restated)
Located within the PRC	1,390	2,748
Total	1,390	2,748

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**15. Intangible assets****(1) Breakdown of intangible assets**

Items	Land use rights	Software	Operation rights	Total
i. Cost				
1. As at 31 December 2023 (Restated)	40,226	1,790	10,800	52,816
2. Increase during the period	—	99	—	99
3. Decrease during the period	—	—	—	—
4. As at 31 December 2024	40,226	1,889	10,800	52,915
ii. Accumulated amortisation				
1. As at 31 December 2023 (Restated)	22,981	1,787	2,340	27,108
2. Increase during the period	888	9	—	897
(1) Provision	888	9	—	897
3. Decrease during the period	—	—	—	—
4. As at 31 December 2024	23,869	1,796	2,340	28,005
iii. Provision for impairment				
1. As at 31 December 2023 (Restated)	—	—	8,460	8,460
2. Increase during the period	—	—	—	—
3. Decrease during the period	—	—	—	—
4. As at 31 December 2024	—	—	8,460	8,460
iv. Carrying amount				
1. Carrying amount at the end of the period	16,357	93	—	16,450
2. Carrying amount at the beginning of the period (Restated)	17,245	3	—	17,248

During the period, the amortisation of intangible assets recognized in the consolidated income statement was RMB897 thousand (2023: RMB900 thousand).

- (2) The Group's land use rights are located in the PRC and are held under medium-term lease (less than 50 years but not less than 10 years).

16. Long-term deferred expenses

Category	As at 31 December 2023 (Restated)	Increase during the period	Amortisation during the period	As at 31 December 2024
Renovation costs	785	3,114	1,221	2,678
Broad Group parking fee	39	—	17	22
Broad Group property fee	281	—	281	—
Beijing Channel of YNET.com	—	1,769	295	1,474
Cloud Dreams Star Camp (雲夢星空營地)	257	—	150	107
Total	1,362	4,883	1,964	4,281

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

17. Deferred income tax assets and deferred income tax liabilities

(1) Unoffsetting deferred income tax assets and liabilities

Items	As at 31 December 2024		As at 31 December 2023 (Restated)	
	Deductible/ taxable temporary differences	Deferred income tax assets/ liabilities	Deductible/ taxable temporary differences	Deferred income tax assets/ liabilities
Deferred income tax assets:				
Lease liabilities	1,390	347	2,748	687
Subtotal	1,390	347	2,748	687
Deferred income tax liabilities:				
Changes in fair value of financial assets included in other comprehensive income	2,823	706	2,823	706
Changes in fair value of investment properties	—	—	9,830	2,457
Right-of-use assets	1,390	347	2,748	687
Subtotal	4,213	1,053	15,401	3,850

(2) Deferred income tax assets and liabilities, net after offsetting

Item	Offset amounts of deferred tax assets and liabilities at 31 December 2024	Balance of deferred tax assets and liabilities after offset at 31 December 2024	Offset amounts of deferred tax assets and liabilities at 31 December 2023 (Restated)	Balance of deferred tax assets and liabilities after offset at 31 December 2023 (Restated)
Deferred income tax assets	347	—	687	—
Deferred income tax liabilities	347	706	687	3,163

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***17. Deferred income tax assets and deferred income tax liabilities** *(Continued)***(3) Breakdown of unrecognised deferred income tax assets**

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Deductible temporary difference	568,248	614,014
Deductible loss	150,396	155,442
Total	718,644	769,456

(4) The deductible losses for which no deferred income tax assets have been recognised will expire in the following years

Year	As at 31 December 2024	As at 31 December 2023 (Restated)
2024	—	29,847
2025	19,134	19,342
2026	34,326	35,015
2027	38,775	35,345
2028	26,676	35,893
2029	31,575	—
Total	150,396	155,442

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

18. Other non-current assets

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Prepayments for film project	24,000	24,000
Less: Provision for impairment	24,000	24,000
Total	—	—

Prepayments for film project represent project prepayment for the film and television production of “Oriental King of Soccer” (《東方球王》) that the Group involved in. The project settlement period exceeds one year. The Group 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 31 December 2024, the balances of prepaid expenses related to “Oriental King of Soccer” were RMB24,000 thousand. “Oriental King of Soccer” has not been released.

19. Breakdown of provision for asset impairment

Items	As at 31 December 2023 (Restated)	Increase during the period		Decrease during the period		As at 31 December 2024
		Provision	Other transfer-in	Reversal	Other transfer-out	
Provision for bad debts	581,083	7,367	—	18,997	35,044	534,409
Provision for impairment of inventories	1,399	—	—	—	20	1,379
Provision for impairment of investments in associates	948	—	—	—	948	—
Provision for impairment of intangible assets	8,460	—	—	—	—	8,460
Provision for impairment of other non-current assets	24,000	—	—	—	—	24,000
Total	615,890	7,367	—	18,997	36,012	568,248

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***20. Notes payable**

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Bank acceptance notes	1,365	15,593
Total	1,365	15,593

As at 31 December 2024, the above notes payable were aged within 6 months.

21. Accounts payable**(1) The aging analysis of accounts payable based on the invoice date is as follows:**

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
0–90 days	7,180	16,844
91–180 days	8,954	70
181–365 days	10	308
Over one year	5,040	4,056
Total	21,184	21,278

(2) Material accounts payable aged over 1 year or overdue

There were no material accounts payable aged over 1 year or overdue during the period.

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

22. Contract liabilities

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Contract receipts in advance	9,674	14,581
Total	9,674	14,581

(1) Breakdown of contract receipts in advance by nature is as follows:

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Advertising amount	9,033	13,428
Trading amount of printing materials	17	243
Others	624	910
Total	9,674	14,581

23. Employee benefit payables

(1) Employee benefit payables presented by category

Items	As at 31 December 2023 (Restated)	Increase during the period	Decrease during the period	As at 31 December 2024
Short-term remuneration	5,608	70,013	69,153	6,468
Post-employment benefit				
— defined contribution plan	1,535	8,022	9,044	513
Termination benefits	—	2,391	2,391	—
Total	7,143	80,426	80,588	6,981

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***23. Employee benefit payables** *(Continued)***(2) Short-term employee remuneration**

Items	As at 31 December 2023 (Restated)	Increase during the period	Decrease during the period	As at 31 December 2024
Salaries, bonuses, allowances and subsidies	1,461	58,294	56,719	3,036
Staff benefits	—	610	610	—
Social insurance	914	4,871	5,481	304
Including: Medical insurance	902	4,648	5,256	294
Work-related injury insurance	12	178	180	10
Maternity insurance	—	45	45	—
Housing provident fund	—	5,224	5,223	1
Trade union fund and staff education fund	3,233	1,014	1,120	3,127
Total	5,608	70,013	69,153	6,468

(3) Defined contribution plan

Items	As at 31 December 2023 (Restated)	Increase during the period	Decrease during the period	As at 31 December 2024
Basic pension insurance	1,472	7,789	8,780	481
Unemployment insurance	63	233	264	32
Total	1,535	8,022	9,044	513

The Group participated in the social insurance plans set up by the government according to the regulations. According to the plans, the Group makes deposits into the plans according to the regulations of local government. Other than the deposits mentioned above, the Group does not assume any obligation for further payments. The corresponding expenses shall be charged to the profit or loss in the period or cost of related assets as and when incurred.

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

24. Taxes payable

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Value added tax	366	392
Corporate income tax	862	4
Individual income tax	233	285
Urban maintenance and construction tax	13	16
Education surcharge	6	7
Local education surcharge	4	5
Cultural construction fee	43	22
Stamp duty	1	1
Total	1,528	732

25. Other payables

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Other payables	18,006	19,763
Total	18,006	19,763

(1) Other payables are classified by nature:

Nature of payment	As at 31 December 2024	As at 31 December 2023 (Restated)
Current account	15,789	12,878
Margin and deposit	1,200	5,115
Collection and payment for other persons	383	989
Others	634	781
Total	18,006	19,763

(2) Material other payables aged over 1 year or overdue

There were no material other payables aged over 1 year or overdue during the period.

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

26. Non-current liabilities due within one year

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Lease liabilities due within one year	1,106	1,004
Total	1,106	1,004

27. Other current liabilities

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Output VAT to be transferred	3,274	924
Total	3,274	924

28. Lease liabilities

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Lease payments	1,109	2,622
Less: Unrecognised finance costs	3	151
Less: Lease liabilities due within one year	1,106	1,004
Total	—	1,467

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

29. Share capital

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Domestic shares	142,409	142,409
H shares	54,901	54,901
Total	197,310	197,310

The ordinary shares of RMB1.00 each are registered, issued and fully paid.

30. Capital reserves

Category	As at 31 December 2023 (Restated)	Increase during the period	Decrease during the period	As at 31 December 2024
Share capital premiums	934,606	—	15,630	918,976
Total	934,606	—	15,630	918,976

The decrease in capital reserves during the period was mainly due to the disposal of investment properties arising from the Company's business combination under the same control during the period and the corresponding reversal of the capital reserves recognised originally during the period.

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in the notes to the financial statements)**VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)**31. Other comprehensive income**

Items	Amount for the period							
	As at 1 January 2024 (Restated)	Amount before income tax for the period	transferred to profit or loss in current period	Less: Included in other comprehensive income in prior period and transferred to retained earnings in current period		Less: Income tax expenses	Amount after tax attributable to the Parent	Amount after tax attributable to non-controlling shareholders
				Less: Included in other comprehensive income in prior period and transferred to retained earnings in current period	in other comprehensive income in prior period and transferred to retained earnings in current period			
1. Other comprehensive income								
subsequently unable to be reclassified into profit or loss	192,648	37,839	—	—	—	—	37,839	—
Changes in fair value of investments in other equity instruments	192,648	37,839	—	—	—	—	37,839	—
2. Other comprehensive income will be subsequently reclassified into profit or loss	678	(17,933)	(13,541)	—	(4,514)	73	49	751
Including: Items attributable to investees under equity method								
subsequently reclassified to profit or loss	550	—	—	—	—	—	—	550
Disposal of investment properties	—	(18,055)	(13,541)	—	(4,514)	—	—	—
Translation differences on foreign currency financial statements	128	122	—	—	—	73	49	201
Total other comprehensive income	193,326	19,906	(13,541)	—	(4,514)	37,912	49	231,238

32. Surplus reserves

Item	As at 31 December 2023 (Restated)	Increase during the period	Decrease during the period	As at 31 December 2024
Statutory surplus reserves	130,931	—	—	130,931
Total	130,931	—	—	130,931

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

33. Undistributed profits

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Undistributed profits at the end of the previous period before adjustment	(832,966)	(817,646)
Adjustments to the total undistributed profits at the beginning of the period (upward +, downward -)	(5,711)	(5,832)
Of which: Change in scope of consolidation under common control	(5,711)	(5,832)
Undistributed profits at the beginning of the period after adjustment	(838,677)	(823,478)
Add: Net profit attributable to owners of the Parent for the current period	(2,042)	(15,199)
Merger of enterprises under common control		
Less: Withdrawal of statutory surplus reserves		
Withdrawal of discretionary surplus reserves		
Ordinary share dividends payable		
Capitalized ordinary share dividends		
Undistributed profit at the end of the period	(840,719)	(838,677)

34. Operating income and operating costs

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Principal operating income	180,714	198,893
Other operating income	28,478	13,057
Total operating income	209,192	211,950
Principal operating costs	171,884	176,315
Other operating costs	13,224	4,154
Total operating costs	185,108	180,469
Gross profit	24,084	31,481

For the year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)**34. Operating income and operating costs** (Continued)**(1) Principal operating income for the period by business**

Items	For the year ended 31 December 2024		For the year ended 31 December 2023 (Restated)	
	Principal operating income	Other operating costs	Principal operating income	Other operating costs
Advertising	117,494	112,816	98,908	80,883
Printing	4	2	1,009	881
Trading of print-related materials	42,451	39,002	77,659	75,386
Other revenue	20,765	20,064	21,317	19,165
Total	180,714	171,884	198,893	176,315

(2) Principal operating income for the period by timing of recognition

Timing of revenue recognition	Advertising	Printing	Trading of print- related materials	Other revenue	Other business revenue
Recognised at a point in time	117,494	4	42,451	20,765	21,666
Total	117,494	4	42,451	20,765	21,666

- (3)** For the year ended 31 December 2024, the sum of operating income from the top five customers was RMB68,872 thousand, representing 32.92% of total operating income.

(Amounts expressed in thousands of RMB unless otherwise stated
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For the year ended 31 December 2024

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

35. Taxes and surcharges

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Urban maintenance and construction tax	163	174
Education surcharge	64	74
Local education surcharge	41	50
Vehicle and vessel tax	4	6
Stamp duty	100	77
Land use tax	15	15
Cultural construction fee	461	485
Property duty	1,281	1,299
Others	—	28
Total	2,129	2,208

36. Selling expenses

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Employee benefits	11,240	15,971
Sale service fees	673	10
Business entertainment expenses	419	45
Others	298	267
Rental expenses	290	235
Storage and warehousing expenses	214	255
Depreciation charge	108	41
Repair costs	43	121
Loading and unloading fees	25	35
Total	13,310	16,980

For the year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)***37. Administrative expenses**

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Employee benefits	27,057	24,192
Agency fees	7,950	9,323
Office expenses	4,112	3,828
Depreciation and amortisation expenses	2,939	2,599
Others	713	1,080
Business entertainment expenses	225	284
Travelling expenses	199	171
Insurance premiums	102	162
Repair costs	29	73
Litigation costs	11	13
Total	43,337	41,725

38. Finance costs

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Interest expenses	172	256
Less: Interest income	975	434
Exchange loss	5	19
Commissions and other expenses	62	84
Total	(736)	(75)

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

For the year ended 31 December 2024

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

39. Other income

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)	Related to asset/related to income
Government grants from routine activities	65	71	Related to income
Total	65	71	—

40. Investment income

Category	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Share of profit of associates	(3,041)	(230)
Investment income received from the disposal of financial assets at fair value through profit or loss	12,002	(833)
Investment income received from holding investments in other equity instruments	8,859	15,081
Others	—	3,566
Total	17,820	17,584

41. Gain or loss on changes in fair value

Source of gain from change in fair value	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Financial assets at fair value through profit or loss	(3,866)	9,730
Investment properties at fair value	7,029	(5,598)
Total	3,163	4,132

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**42. Credit impairment losses**

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Credit impairment loss of accounts receivable	10,760	(4,495)
Credit impairment loss of other receivables	885	(3,071)
Credit impairment loss of notes receivable	—	463
Total	11,645	(7,103)

43. Asset impairment losses

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Loss due to decline in value of inventories	—	(416)
Total	—	(416)

44. Gain on disposal of assets

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Gains on disposal of fixed assets	1	4
Total	1	4

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

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

45. Non-operating income

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Gains on disposal of fixed assets	16	—
Others	1,586	294
Total	1,602	294

46. Non-operating expenses

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Retirement of assets	—	92
Compensation and late payment charges	14	16
Others	39	5
Total	53	113

47. Income tax expenses

(1) Breakdown of income tax expenses

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Current income tax expenses calculated based on tax law and relevant regulations	896	(48)
Deferred income tax expenses	2,056	(747)
Total	2,952	(795)

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***47. Income tax expenses** *(Continued)***(2) Current income tax expenses**

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Current income tax — PRC	895	3
Under-provision in prior years — PRC	1	(51)
Total	896	(48)

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

(3) Adjustment process of accounting profits and income tax expenses

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Total profit	287	(14,904)
Income tax expenses calculated at statutory/applicable tax rates	72	(3,726)
Adjustments in respect of income tax of previous periods	1	(51)
Effect of non-taxable income	(5,204)	(3,770)
Influence of non-deductible costs, expenses and losses	518	34
Effect of using the deductible temporary differences or deductible losses related to deferred income tax assets unrecognised in previous period	(666)	(1,761)
Effect of deductible temporary differences or deductible losses from deferred income tax assets unrecognised in the current period	8,231	8,479
Income tax expenses	2,952	(795)

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For the year ended 31 December 2024

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

48. Supplementary information to the statement of cash flow

(1) Supplementary information to the statement of cash flow

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
1. Adjustment of net profit to cash flows from operating activities		
Net profit	(2,665)	(14,109)
Add: Provision for impairment of assets	—	416
Credit impairment loss	(11,645)	7,103
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets, and depreciation of investment property	587	534
Depreciation of right-of-use assets	1,405	1,374
Amortisation of intangible assets	897	900
Amortisation of long-term deferred expenses	1,964	888
Losses on disposal of fixed assets, intangible assets and other long-term assets ("—" for gains)	(1)	(4)
Losses on retirement of fixed assets ("—" for gains)	(8)	(93)
Losses on changes in fair value ("—" for gains)	(3,163)	(4,132)
Finance costs ("—" for gains)	172	186
Investment losses ("—" for gains)	(17,820)	(17,584)
Decreases in deferred income tax assets ("—" for increases)		
Increases in deferred income tax liabilities ("—" for decreases)	(2,458)	(737)
Decreases in inventories ("—" for increases)	(1,255)	263
Decreases in operating receivables ("—" for increases)	(14,821)	(9,309)
Increases in operating payables ("—" for decreases)	(5,141)	(4,180)
Others		
Net cash flow from operating activities	(53,952)	(38,844)

VIII. EXPLANATORY NOTES TO SIGNIFICANT ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)***48. Supplementary information to the statement of cash flow** *(Continued)***(2) Cash and cash equivalents**

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
I. Cash	79,795	60,314
Including: Cash on hand	—	—
Demand bank deposit	79,784	60,314
Demand other monetary funds	11	—
II. Cash equivalents	—	—
III. Closing balance of cash and cash equivalents	79,795	60,314

49. Leasing**(1) The Group as lessee**

Items	As at 31 December 2024	As at 31 December 2023 (Restated)
Interest expense on lease liabilities	78	170
Short-term lease payments with simplified processing included in profit or loss for the period	591	410
Lease payments of low-value asset with simplified processing included in profit or loss for the period (other than short-term leases)	—	—
Variable lease payments that are not included in the lease liabilities	—	—
Including: Portion arising from sale-and-leaseback transactions	—	—
Income from subletting of right-to-use assets	—	—
Total cash outflows relating to leases	799	437
Related gains and losses arising from sale-and-leaseback transactions	—	—
Cash inflows from sale-and-leaseback transactions	—	—
Cash outflows from sale-and-leaseback transactions	—	—

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

For the year ended 31 December 2024

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

49. Leasing (Continued)

(2) The Group as lessor

Item	Rental income	Including: Income related to variable lease payments not included in lease receipts
Premises leasing	6,812	—
Total	6,812	—

IX. CHANGES IN CONSOLIDATED SCOPE

1. Business combination involving enterprises under common control

(1) Business combination involving enterprises under common control during the year

Name of the combined party	Percentage of equity acquired in business combinations	Basis for constituting a business combination under common control	Date of combination	Basis for determining the date of combination	Revenue of the combined party from the beginning of the year of consolidation to the date of combination	Net profit of the combined party from the beginning of the year of consolidation to the date of combination	Revenue of the combined party for the comparative period	Net profit of the combined party for the comparative period
Jingjian (Beijing) Culture Media Co., Ltd.	100.00%	The merged enterprise is ultimately controlled by the same party before and after the merger	19 December 2024	On the date when the relevant transaction is legally approved and substantial control is obtained over the merged party	15,106	1,641	11,790	88

(2) Combination costs

Item	Cash
Jingjian (Beijing) Culture Media Co., Ltd.	2,089
Total combination costs	2,089

IX. CHANGES IN CONSOLIDATED SCOPE *(Continued)***1. Business combination involving enterprises under common control** *(Continued)***(3) Book value of the combined party's assets and liabilities at the date of combination**

Items	Jingjian (Beijing) Culture Media Co., Ltd.	
	Date of combination	Prior year-end
Assets:		
Monetary fund	1,539	1,099
Receivables	1,549	2,216
Prepayments	299	29
Other receivables	52	62
Inventories	5	5
Other current assets	2,015	24
Fixed assets	131	100
Long-term deferred expenses	1,474	—
Liabilities:		
Accounts payable	3,032	3,617
Contract liabilities	1,107	908
Employee benefits payable	46	24
Taxes payable	224	280
Other payables	4,632	4,265
Other current liabilities	2,125	183
Net assets	(4,102)	(5,742)
Net assets acquired	(4,102)	(5,742)

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

For the year ended 31 December 2024

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Constitutions for the Group

Name of subsidiary	Place of registration	Principal place of operation	Business nature	Shareholding percentage (%)		Acquisition methods
				Direct	Indirect	
BYD Logistics Company Limited	Beijing, the PRC	Beijing, the PRC	Logistics and warehousing	92.84	—	Establishment
Beijing Beijing Outdoor Advertisement Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	100.00	—	Business combinations under common control
Beijing Network Culture Communication Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	100.00	—	Establishment
Beijing Long Teng Investment Management (Beijing) Co., Limited	Beijing, the PRC	Beijing, the PRC	Investment management	80.84	—	Establishment
Chongqing Youth Media Company Limited	Chongqing, the PRC	Chongqing, the PRC	Newspaper distribution, advertising services	60.00	—	Establishment
CHONG QING YOUTH (AMERICA) LLC	United States	United States	Travel and rental	—	60.00	Establishment
Beijing Beijing Innovation Cultural Industry Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Education culture	100.00	—	Establishment
Beijing Community Media Technology (Beijing) Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	57.95	—	Establishment
Jingjian (Beijing) Culture Media Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Advertising services	100.00	—	Business combinations under common control

Note: During the Reporting Period, none of the above subsidiaries had issued any share capital and debt securities.

(2) Significant non-wholly owned subsidiaries

No.	Name of subsidiaries	Percentage of non-controlling interest	Profit or loss attributable to non-controlling shareholders in the current period	Dividend declared for distribution to non-controlling shareholders in the current period	Accumulated interests of non-controlling shareholders at the end of period
1	BYD Logistics Company Limited	7.16%	213	—	(673)
2	Beijing Community Media Technology (Beijing) Co., Ltd.	42.05%	(409)	—	14,853

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(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**X. INTERESTS IN OTHER ENTITIES** *(Continued)***1. Interests in subsidiaries** *(Continued)***(3) Key financial information of significant non-wholly owned subsidiaries (other than those classified as held for sale)**

Name of subsidiaries	As at 31 December 2024						As at 31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
BYD Logistics Company Limited	21,679	9	21,688	31,083	—	31,083	37,226	22	37,248	49,616	—	49,616
Beiqing Community Media Technology (Beijing) Co., Ltd.	42,513	242	42,755	7,432	—	7,432	41,412	1,420	42,832	6,536	—	6,536

Names of subsidiaries	As at 31 December 2024				As at 31 December 2023			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
BYD Logistics Company Limited	50,752	2,973	2,973	(1,035)	88,209	1,024	1,024	1,563
Beiqing Community Media Technology (Beijing) Co., Ltd.	43,843	(973)	(973)	(5,384)	55,441	4,060	4,060	(5,441)

2. Transactions that led to changes in the ownership interest in, but without losing of control of the subsidiary**(1) Transactions that led to changes in the ownership interest in, but without losing of control of the subsidiary**

Nil.

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

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X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in associates

(1) Basics of associates

Company name	Place of registration	Principal place of operation	Business nature	Shareholding (%)		Accounting treatment for investments
				Direct	Indirect	
Beijing Leisure Trend Advertising Company Limited	Beijing	Beijing	Design, production, and provision of agency service of advertisements	49.04	—	Equity method
Beijing Shengyi Automobile Technology Co., Ltd.	Beijing	Beijing	Provision of car decoration services, market research, marketing planning	20.00	—	Equity method
Beijing Beisheng United Insurance Agency Co., Limited	Beijing	Beijing	Provision of car insurance agency services	20.00	—	Equity method
BY Times Consulting Co., Ltd.	Beijing	Beijing	Economic information consulting, organizing cultural activities	30.00	—	Equity method
Beijing Beiqing Top Advertising Limited	Beijing	Beijing	Design, production, and provision of agency service of advertisements	41.60	—	Equity method
Chongqing Soyang Internet Technology Co., Ltd.	Chongqing	Chongqing	Network, e-Commerce	—	35.00	Equity method
Beijing Shangyou Network Technology Co., Ltd.	Beijing	Beijing	Design, production, and provision of agency service of advertisements	—	30.00	Equity method

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

(2) Combined financial information of associates

Items	For the year ended 31 December 2024	For the year ended 31 December 2023
Total book value in investment	—	3,041
Aggregated amounts per shareholding percentage for the followings:		
Net profit	(3,799)	(230)
Other comprehensive income		
Total comprehensive income	(3,799)	(230)

X. INTERESTS IN OTHER ENTITIES (Continued)**3. Interests in associates (Continued)****(3) Excess losses from associates**

Names of associates	Unrecognised loss in the period (or net profits shared in the period)	Accumulated unrecognised losses at the end of the period
Beijing Leisure Trend Advertising Company Limited	—	(5,988)
Beijing Beisheng United Insurance Agency Co., Limited	(728)	(728)
Beijing Shengyi Automobile Technology Co., Ltd.	—	(1,333)
Beijing Beiqing Top Advertising Limited	—	(12,619)
BY Times Consulting Co., Ltd.	(10)	(187)
Beijing Shangyou Network Technology Co., Ltd.	(20)	(20)

As of the date of this report: Beijing Beiqing Top Advertising Limited has not yet provided the Group with its 2024 financial statements.

4. Equity in investment in other equity instruments**(1) Basic information of relevant investees in relation to investment in other equity instruments**

Company name	Place of registration	Principal place of operation	Business nature	Shareholding (%)	Fair value at the end of the period	Proportion of total assets (%)
Beiyang Publishing & Media Co., Ltd.	Shijiazhuang	Shijiazhuang	Production, printing, publishing and distribution of books, newspapers and magazines	2.43	264,379	37.09
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	36,444	5.11
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	Beijing	Beijing	Internet information service	5.00	3,577	0.50
Beijing International Advertising & Communication Group Co., Ltd.	Beijing	Beijing	Design, production and provision of agency service of advertisements	11.44	36,853	5.17

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

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X. INTERESTS IN OTHER ENTITIES *(Continued)*

4. Equity in investment in other equity instruments *(Continued)*

(2) Major financial information of significant investee among other equity instruments investment:

Company name	Net profit attributable to owners of the Parent for the year	Accumulated undistributed profits at the end of the year	Dividend income recognised for the year
Beiyang Publishing & Media Co., Ltd.	1,284,182	7,429,112	8,197
Beijing Keyin Media and Culture Co., Ltd.	(96)	167,572	662

(3) 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 thousand shares of Beiyang Media, representing 2.43% of the aggregate share capital of Beiyang Media. The Group’s investment in Beiyang Media is mainly based on: 1) Beiyang Media’s good operating condition; and 2) its capital operation plan, such as its share reform and listing, in order to obtain a better investment return. Upon the Company’s investment, Beiyang Media has been operating well in recent years 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.

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 thousand shares of Keyin Media, representing 16% of the aggregate share capital of Keyin Media. The Group’s investment in Keyin Media is mainly based on its good operating conditions and listing plans. Upon the Group’s investment, Keyin Media has been operating well in recent years 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.

X. INTERESTS IN OTHER ENTITIES (Continued)**5. Interest in financial assets held for trading****(1) Basic information of financial assets held for trading**

Company name	Types of products	Investment cost at the year-end	Unrealised gains and losses in this year	Changes in fair value in this year	Fair value at the year-end	Proportion to total assets (%)
Capital Securities Co., Ltd.	Fixed-income wealth management products	108,011	6,259	6,259	114,270	16.03

(2) Investment strategies for financial assets held for trading

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

XI. FAIR VALUES**1. Analysis of assets and liabilities measured at fair value by fair value level**

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	As at 31 December 2024
(I) Fair value measurement on recurred basis				
(I) Financial assets held for trading	—	114,270	—	114,270
(II) Investment in other equity instruments	—	—	341,253	341,253
(III) Investment properties	—	53,633	—	53,633
1. Leased buildings	—	53,633	—	53,633
Total assets at fair value on recurred basis	—	167,903	341,253	509,156

The fair value of the Group's investment in other equity instruments as at 31 December 2024 was determined with reference to the valuation of net assets of investees.

The fair value of the Group's investment properties as at 31 December 2024 was determined based on the recent market value of properties located at the same place with similar condition.

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XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

Major financial instruments of the Group include bank balances and cash, financial assets available for sale, notes receivable, accounts receivable, other receivables, other current assets, other non-current financial assets, notes payable, accounts payable, other payables, non-current liabilities due within one year and lease liabilities, etc. Details of the financial instruments are disclosed in their respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Classification of financial instruments

Items	As at 31 December 2024	As at 31 December 2023
Financial assets:		
Financial assets at fair value through profit or loss	114,270	156,776
Financial assets at fair value through other comprehensive income	341,253	303,414
Loans and accounts receivable (including cash and cash equivalents)	168,701	144,031
Financial liabilities:		
At amortised cost	47,536	63,777

Objective and policies of risk management

The Group engages in risk management with the aim of achieving an appropriate balance between risks and returns, where the negative effects of risks against the operating results of the Group are minimised, in order to maximise the benefits of shareholders and other stakeholders. Based on such objective in risk management, the underlying strategy of risk management of the Group is to ascertain and analyse all types of risks exposures of the Company, establish appropriate risk tolerance thresholds, carry out risk management procedures and perform risk monitoring on all kinds of risks in a timely and reliable manner, thus confining risk exposures within a prescribed scope.

1. Currency risk

The Group's functional currency is RMB in which most of the transactions are denominated. However, certain other payables of the Group are denominated in foreign currencies.

2. Interest rate risk

The Group is exposed to fair value interest rate risk through bank fixed deposits. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is also exposed to cash flow interest rate risk in relation to variable interest rate bank balances due to the fluctuation of the prevailing market interest rate. The management will continuously monitor interest rate fluctuation and will consider hedging significant interest rate risk should the need arises.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of base rate published by the People's Bank of China arising from the Group's RMB bank balances.

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS *(Continued)***Objective and policies of risk management** *(Continued)***3. Credit risk**

As at 31 December 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from: The carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each year to ensure that adequate provision for impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on current assets is limited because the majority of the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group is subject to concentration risk on geographical location as its business is mainly operated in the PRC. However, the Group has no significant concentration of credit risk as the Group's credit exposure spreads over a wide range of different counterparties and customers.

4. Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The management monitors the utilisation of bank loans and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curve at end of the year.

Items	Less than 1 year		1-5 years	
	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2023
Notes payable	1,365	15,593	—	—
Accounts payable	21,184	21,278	—	—
Other payables	18,006	19,763	—	—
Non-current liabilities due within one year	1,106	1,004	—	—
Leased liabilities	—	—	—	1,467

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

For the year ended 31 December 2024

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

Objective and policies of risk management (Continued)

4. Liquidity risk (Continued)

Items	Total undiscounted cash flow		Carrying amount	
	31 December 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)
Notes payable	1,365	15,593	1,365	15,593
Accounts payable	21,184	21,278	21,184	21,278
Other payables	18,006	19,763	18,006	19,763
Non-current liabilities due within one year	1,132	1,113	1,106	1,004
Leased liabilities	—	1,509	1,467	1,467

5. Fair value

The fair values of financial assets and liabilities are determined as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;

The fair value of financial guarantee contracts is determined by professional appraiser using default valuation model where the values of the liabilities associated with the guarantees are estimated based upon an analysis of the guaranteed companies' ability to repay their debts and the potential financial loss for the guarantors, assuming future defaults happen in different time periods.

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated balance sheet approximate their fair values.

XIII. RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS**1. The Company's Parent**

Name	Type of enterprise	Place of registration	Business nature	Legal representative	Unified social credit code
BYDA	State-owned enterprise	Beijing	Media and publishing	Tian Kewu	91110105MA008QJ53Y

(1) Parent's registered capital and its changes

Name	As at 31 December 2023	Increase in this period	Decrease in this period	As at 31 December 2024
BYDA	22,439	—	—	22,439

(2) Shares or equity held by Parent and its changes

Name	Shareholding amount		Shareholding percentage (%)	
	As at 31 December 2024	As at 31 December 2024	As at 31 December 2024	As at 31 December 2023
BYDA	124,840	124,840	63.27	63.27

2. The Company's ultimate controller

Name	Type of enterprise	Place of registration	Business nature	Legal representative	Unified social credit code
Beijing Capital Group Company Limited	State-owned enterprise	Beijing	Business services	He Jiangchuan	91110000101138949N

3. The Company's subsidiaries

For details of the Company's subsidiaries, see Note "X. Interests in Other Entities".

4. The Group's associates

For details of the Group's associates, see Note "X. Interests in Other Entities".

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

For the year ended 31 December 2024

XIII. RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS (Continued)

5. The Group's related parties

Relationship	Names of related parties
Subsidiary of BYDA	Beiqing International Investment Consultancy (Beijing) Co., Limited
Subsidiary of BYDA	Beiqing M-Media (Beijing) Culture Media Co., Ltd.
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 Beiqing Education and Media Co., Ltd.
Subsidiary of BYDA	Beiqing Film & Television (Beijing) Co., Ltd.
Subsidiary of BYDA	Beijing Beiqing Culture and Arts Company
Subsidiary of BYDA	Beijing China Open Promotion Co., Ltd.
Subsidiary of BYDA	Beijing Youth Daily Network Communication Technology Co., Ltd.
Subsidiary of BYDA	Beijing Youth Travel Service Co., Ltd.
Subsidiary of BYDA	Ding Lin Tai He Trade (Beijing) Limited Company* (鼎麟泰和貿易(北京)有限公司)
Subsidiary of BYDA	Beijing Youth Camp Education Technology Co., Ltd.* (北京青年營教育科技有限責任公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing MTR Corporation Limited (北京京港地鐵有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Jinggang Line 17 Metro Co., Ltd. (北京京港十七號線地鐵有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Capital City Development Group Co., Ltd.* (北京首創城市發展集團有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Capital Securities Co., Ltd.
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing East Ring Xinrong Investment Management Co., Ltd.
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Chuangyue Xinke Real Estate Co., Ltd.
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Agriculture Guaranty Co., Ltd.* (北京市農業融資擔保有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Kangyuan Real Estate Management Co., Ltd.

XIII. RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS *(Continued)***5. The Group's related parties** *(Continued)*

Relationship	Names of related parties
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Rural Area Equity Exchange Co., Ltd.
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Agricultural Investment Co., Ltd.
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Municipal Economic Development and Investment Co., Ltd.
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Zhicheng Xinda Property Management Limited* (北京致誠鑫達物業管理有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Tianjin Ruitai Property Co., Ltd.* (天津瑞泰置業有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Green Buffer Zone Infrastructure Development & Construction Company Limited* (北京市綠化隔離地區基礎設施開發建設有限公司)
Subsidiary of Beijing Capital Group Co., Ltd.	Beijing Hengsheng Huaxing Investment Management Co., Ltd.* (北京恒盛華星投資管理有限公司)
Associate of the Group	Beijing Beiqing Top Advertising Limited
Associate of the Group	Beijing Leisure Trend Advertising Company Limited
Associate of the Group	Beijing Beisheng United Insurance Agency Co., Limited
Associate of the Group	Beijing Shengyi Automobile Technology Co., Ltd.
Associate of the Group	BY Time Consulting Co., Ltd.
Associate of the Group	Chongqing Soyang Internet Technology Co., Ltd.
Associate of the Group	Beijing Shangyou International Travel Agency Limited
Other related parties	Chongqing Youth Industrial Co., Ltd. <i>(Note)</i>
Key Management Personnel of the Company	Directors, supervisors and senior management personnel including Sun Baojie

Note: As of 11 November 2024, Chongqing Youth Industrial Co., Ltd. is one of the shareholders of Chongqing Media.

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

For the year ended 31 December 2024

XIII. RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS (Continued)

6. Related party transactions

(1) Related party transactions involving the purchase and sale of goods, the provision and receipt of services

Name of related party	Type of related transactions	Content of related transactions	Pricing methods and decision-making procedures for related transactions	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Purchase of goods and receipt of services:					
BYDA (Note 1)	Acceptance of services	Advertising space operating rights, advertising agents, advertising release fee, personnel service	Contracted price	10,570	11,577
Subsidiaries of BYDA	Acceptance of services	Advertising agents, advertising release fee	Contracted price	1,585	2,704
Subsidiary of Beijing Capital Group Co., Ltd. (Note 2)	Acceptance of services	Concession fees, property management fee	Contracted price	24,497	1,365
Others	Acceptance of services	Editorial fee	Contracted price	—	255
Sale of goods and provision of services:					
BYDA	Provision of services	Operation and maintenance, agency printing agency, advertising	Contracted price	2,852	5,491
Subsidiaries of BYDA	Provision of services	Operation and maintenance agency, advertising, activities, tickets	Contracted price	14,867	20,279
Subsidiary of Beijing Capital Group Co., Ltd.	Provision of services	Advertising and activities	Contracted price	4,955	2,379

Note 1: Pursuant to the advertising space operating rights and options subscription agreement entered into between the Group and BYDA, the Group agreed to pay 16.50% of the advertising revenue to BYDA for the period from 1 October 2004 to 30 September 2033.

Note 2: On 11 December 2023, the Group entered into the "Exclusive Concession Rights Agreement for Advertising Publication of Major Advertising Resources of Beijing Metro Line 4 and Daxing Line" (《北京地鐵四號線、大興線主要廣告資源廣告發佈獨家代理經營協議》) with Beijing MTR Corporation Limited, whereby the Group pays concession fees to Beijing MTR Corporation Limited on the basis of "guarantee fees + extra revenue commission fees" for the period from 1 January 2024 to 31 December 2025; and the Group entered into the "Exclusive Concession Rights Agreement for Advertising Publication of Major Advertising Resources of the Northern Section of Beijing Metro Line 17" (《北京地鐵十七號線北段主要廣告資源廣告發佈獨家代理經營協議》) with Beijing Jinggang Line 17 Metro Co., Ltd., whereby the Group pays concession fees to Beijing Jinggang Line 17 Metro Co., Ltd. on the basis of "guarantee fees + extra revenue commission fees" for the period from 1 January 2024 to 31 December 2025.

For the year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**XIII. RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS** *(Continued)***6. Related party transactions** *(Continued)***(2) Disposal of property**

On 26 December 2024, the Group disposed of the idle office properties at the Yuanda Center owned by Beiqing Outdoor, a subsidiary of the Company, through the Public Tender and recognised income of RMB20,449 thousand from the disposal of property, which obtained post-tax income of RMB15,198 thousand.

(3) Asset Management

To increase the cash revenue of the Group, the Group entered into the single asset management contract with Capital Securities and Bank of Communications Co., Ltd. Beijing Branch on 19 April 2022 to effectively manage existing idle funds through low-risk investment activities without affecting the ordinary operating liquidity of the Group. Pursuant to the single asset management contract, the Group 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 held on 17 June 2022 and on 31 December 2024, the fair value of the asset management product was RMB114,270 thousand.

(4) Related lease

Name of lessor	Name of lessee	Type of assets leased	Rental income/ expenses	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Beijing Media Corporation Limited	Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	Building	Rental income	1,614	1,494
Beijing Media Corporation Limited	Beijing Rural Area Equity Exchange Co., Ltd.	Building	Rental income	1,447	1,604
Beijing Media Corporation Limited	Beijing Rural Area Equity Exchange Co., Ltd.	Building	Rental income	1,188	1,317
Beijing Municipal Economic Development and Investment Co., Ltd.	Beijing Media Corporation Limited	Building	Rental expenses	1,592	1,544

(5) Remuneration for key management personnel

Remuneration for key management personnel	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Total	1,371	1,177

(6) Financial guarantee from related parties

There was no financial guarantee from related parties during the period.

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

For the year ended 31 December 2024

XIII. RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS (Continued)

6. Related party transactions (Continued)

(7) Continuing related party transactions

Save as the related party transactions and continuing related party transactions disclosed in the Report of the Board of Directors of the 2024 annual report of the Company, there is no related party transaction or continuing related party transaction included in this note that constitutes a disclosable related party transaction or continuing related party transaction under the Listing Rules. The Group has complied with the Chapter 14A of the Listing Rules in respect of the disclosure of its related party transactions and continuing related party transactions.

For the year ended 31 December 2024, the following continuing related party transactions of the Group constitute continuing related party transactions under the Chapter 14A of the Listing Rules.

Names of transactions	Names of transaction parties	For the year ended 31 December 2024			
		Date of announcement	Nature of transaction	Maximum annual cap	Amount for the period
Advertising Management Right Transfer Agreement	BYDA	2021/11/12	Advertising placement expense	8,000	819
Advertising Agency Framework Agreement	BYDA	2021/11/12	Advertising placement expense	16,000	1,692
Personnel Service Agreement	BYDA	2023/12/29	Personnel service expense	1,400	1,234
Integrated Service Agreement	BYDA	2022/12/28	Integrated service income	50,000	15,508 ^{Note 1)}
Mobile Client and YNET Advertising Agency Contract	BYDA	2024/02/06	Advertising placement expense	8,500	7,548
Asset Management Agreement	Capital Securities Co., Ltd.	2023/05/24	Entrusted wealth management	200,000	114,270
Premises Leasing Agreement	Beijing Rural Area Equity Exchange Co., Ltd.	2022/03/31	Rental income	1,881 ^{Note 2)}	1,447
Premises Leasing Agreement	Beijing Agricultural Investment Co., Ltd.	2022/03/31	Rental income	1,544 ^{Note 3)}	1,188

Note 1: Of which, RMB832 thousand represented the amount of transactions between Jingjian Media (鏡鑑傳媒), which was combined by the Company under the same control, and Beijing Youth Daily Network Communication Technology Co., Ltd., a subsidiary of BYDA.

Note 2: The maximum annual cap of rental income with Beijing Rural Area Equity Exchange Co., Ltd. is from 1 April 2024 to 31 March 2025. Among the amount for the year, the transaction amount from 1 January to 31 March was RMB406 thousand.

Note 3: The maximum annual cap of rental income with Beijing Agricultural Investment Co., Ltd. is from 1 April 2024 to 31 March 2025. Among the amount for the year, the transaction amount from 1 January to 31 March was RMB333 thousand.

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(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**XIII. RELATED PARTIES RELATIONSHIPS AND ITS TRANSACTIONS** (Continued)**7. Related parties receivables and payables****(1) Receivables**

Name of items	Related parties	As at 31 December 2024		As at 31 December 2023 (Restated)	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	BYDA	8,095	6,044	14,777	12,394
Accounts receivable	Associates of the Group	46,253	46,253	46,253	46,253
Accounts receivable	Subsidiaries of BYDA	119,056	114,526	121,130	120,933
Accounts receivable	Subsidiaries of Beijing Capital Group Company Limited	1,885	899	600	110
Prepayments	BYDA	2,650	—	—	—
Other receivables	Associates of the Group	69	39	39	39
Other receivables	BYDA	2,000	—	—	—
Other receivables	Subsidiaries of BYDA	2,062	1,014	1,014	1,014
Other receivables	Subsidiaries of Beijing Capital Group Company Limited	6,672 ^(Note 1)	—	731	201
Other receivables	Other related parties	—	—	287	287

Note 1: The book balance mainly represents deposits receivable from Beijing MTR Corporation Limited.

(2) Payables

Name of items	Related parties	As at 31 December 2024	As at 31 December 2023 (Restated)
Accounts payable	BYDA	630	1,262
Accounts payable	Subsidiaries of BYDA	2,063	2,439
Accounts payable	Subsidiaries of Beijing Capital Group Company Limited	1,509	541
Other payables	BYDA	2,341	2,247
Other payables	Subsidiaries of BYDA	1,688	1,757
Other payables	Associates of the Group	—	100
Other payables	Subsidiaries of Beijing Capital Group Company Limited	315	315
Contract liabilities	Subsidiaries of BYDA	111	482
Contract liabilities	Subsidiaries of Beijing Capital Group Company Limited	18	328

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

For the year ended 31 December 2024

XIV. COMMITMENTS AND CONTINGENCIES

1. 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 of 31 December 2024, the Group had contracted for the minimum lease payments under non-cancelable operating leases during following periods:

Periods	As at 31 December 2024	As at 31 December 2023 (Restated)
Within one year	1,132	1,717
1–2 years	—	1,234
2–3 years	—	—
Total	1,132	2,951

(2) The Group as lessor

As of 31 December 2024, the Group had contracted with tenants for the following future minimum lease receivables:

Periods	As at 31 December 2024	As at 31 December 2023 (Restated)
Within one year	502	8,640
1–2 years	286	2,303
2–3 years	—	2,288
After 3 years	—	—
Total	788	13,231

2. Contingencies

The Group has no other material contingencies to be disclosed up to 31 December 2024.

XV. POST BALANCE SHEET EVENTS**1. Petition for liquidation of subsidiaries within the scope of the merger**

On 10 January 2025, the First Intermediate People's Court of Beijing ruled that the case of compulsory liquidation of Beiqing Long Teng Investment Management (Beijing) Co., Limited was accepted pursuant to the petition of the Group, and Beijing Tian Tai Law Firm*(北京天馳君泰律師事務所) was confirmed as the liquidation team upon random balloting by the Beijing High People's Court.

2. Others

The Group has no other major post-balance sheet events that need to be disclosed as of 31 December 2024.

XVI. OTHER SIGNIFICANT EVENTS**1. Segment information**

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

Business segments	Principal activities
Advertising	Comprehensive services including the sales of multi-interface convergence media advertising, event planning, new media operation and maintenance.
Printing	Provision of printing services.
Trading of print-related materials	Sales of newsprint, ink, lubricants, films, presensitized plate and rubber sheets used for printing and other print-related materials.
Other	Provision of other services such as youth cultural activities, group camps receptions and curriculum development.

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

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XVI. OTHER SIGNIFICANT EVENTS (Continued)

1. Segment information (Continued)

(1) For the year ended 31 December 2024

Items	Advertising	Printing	Trading of print-related materials	Others	Elimination	Total
Operating income	117,941	2,942	47,810	59,278	(18,779)	209,192
— Income from external transactions	117,494	4	42,451	49,243	—	209,192
— Income from intra-segment transactions	447	2,938	5,359	10,035	(18,779)	—
Total operating costs	132,549	2,366	44,931	82,080	(18,778)	243,148
Provision for impairment	(5,726)	(275)	(5,227)	(417)	—	(11,645)
Gains on changes in fair value	—	—	—	3,163	—	3,163
Investment income	—	—	—	17,820	—	17,820
Gain on disposal of assets	—	—	—	1	—	1
Other income	—	—	—	65	—	65
Operating profit (loss)	(8,882)	851	8,106	(1,336)	(1)	(1,262)
Non-operating income and expenses, net	1	—	(6)	1,554	—	1,549
Total profit	(8,881)	851	8,100	218	(1)	287
Income tax expenses	86	—	32	2,834	—	2,952
Net profit	(8,967)	851	8,068	(2,616)	(1)	(2,665)
Total assets	252,043	1,085	20,603	691,402	(252,380)	712,753
Total liabilities	49,766	1,555	29,528	50,733	(67,758)	63,824

Supplementary information	Advertising	Printing	Trading of print-related materials	Unallocated profit	Elimination	Total
Depreciation and amortisation expenses	2,664	1	13	212	—	2,890
Capital expenditure	3,699	—	—	540	—	4,239
Impairment of assets	(5,726)	(275)	(5,227)	(417)	—	(11,645)
Non-cash expenses excluding depreciation and impairment of assets	—	—	—	—	—	—

For the year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**XVI. OTHER SIGNIFICANT EVENTS (Continued)****1. Segment information (Continued)****(2) For the year ended 31 December 2023 (Restated)**

Items	Advertising and activities	Printing	Trading of print-related materials	Others	Elimination	Total
Operating income	99,288	4,411	83,799	38,156	(13,704)	211,950
— Income from external transactions	98,908	1,009	77,659	34,374	—	211,950
— Income from intra-segment transactions	380	3,402	6,140	3,782	(13,704)	—
Total operating costs	127,265	3,879	84,828	39,039	(13,704)	241,307
Provision for impairment	4,251	(50)	(948)	4,586	(320)	7,519
Gains on changes in fair value	—	—	—	4,132	—	4,132
Investment income	—	—	—	14,544	3,040	17,584
Gain on disposal of assets	—	—	—	4	—	4
Other income	—	—	—	71	—	71
Operating profit (loss)	(32,228)	582	(81)	13,282	3,360	(15,085)
Non-operating income and expenses, net	(71)	—	—	252	—	181
Total profit	(32,299)	582	(81)	13,534	3,360	(14,904)
Income tax expenses	—	—	4	(799)	—	(795)
Net profit	(32,299)	582	(85)	14,333	3,360	(14,109)
Total assets	250,727	1,862	35,386	671,918	(244,982)	714,911
Total liabilities	61,394	2,481	47,135	36,227	(61,589)	85,648
Supplementary information	Advertising	Printing	Trading of print-related materials	Unallocated profit	Elimination	Total
Depreciation and amortisation expenses	2,098	1	12	696	—	2,807
Capital expenditure	377	1	13	1,682	—	2,073
Impairment of assets	4,251	(50)	(948)	4,586	(320)	7,519
Non-cash expenses excluding depreciation and impairment of assets	—	—	—	—	—	—

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

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

For the year ended 31 December 2024

XVI. OTHER SIGNIFICANT EVENTS (Continued)

2. Remuneration of the Auditor

	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Remuneration of the auditor		
Total	900	990

3. Remuneration of Directors, Supervisors and Employees

(1) Remuneration of directors and supervisors

- 1) The amount paid or payable as remuneration to the 14 (2023: 15) directors and supervisors are as follows:

For the year ended 31 December 2024:

Directors/Supervisors	Fees	Salaries, subsidies, allowances and bonuses	Social insurance and housing provident fund	Pension	Total
Directors:					
Sun Baojie	—	—	—	—	—
Jing Enji	—	—	—	—	—
Wu Min	—	440	87	39	566
Wang Hao	—	—	—	—	—
Zhang Lei	60	—	—	—	60
Cui Ping	—	—	—	—	—
Wang Zechen	60	—	—	—	60
Chan Yee Ping, Michael	100	—	—	—	100
Shi Hongying	100	—	—	—	100
Du Guoqing	100	—	—	—	100
Kong Weiping	100	—	—	—	100
Subtotal of directors	520	440	87	39	1,086
Supervisors:					
Liu Huibin	—	—	—	—	—
Li Xiaomei	—	—	—	—	—
Lu Shasha	—	213	50	22	285
Subtotal of supervisors	—	213	50	22	285
Total	520	653	137	61	1,371

Note: During the year, the Group did not pay any emoluments to the Directors and Supervisors as incentives to join and upon joining the Group, compensation for loss of office or performance-based bonuses.

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(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**XVI. OTHER SIGNIFICANT EVENTS** (Continued)**3. Remuneration of Directors, Supervisors and Employees** (Continued)**(1) Remuneration of directors and supervisors** (Continued)

- 1) The amount paid or payable as remuneration to the 14 (2023: 15) directors and supervisors are as follows: (Continued)

For the year ended 31 December 2023 (Restated):

Directors/Supervisors	Fees	Salaries, subsidies, allowances and bonuses	Social insurance and housing provident fund	Pension	Total
Directors:					
Sun Baojie	—	—	—	—	—
Jing Enji	—	—	—	—	—
Wu Min	—	338	65	45	448
Wang Hao	—	—	—	—	—
Xu Jian	—	—	—	—	—
Zhang Lei	60	—	—	—	60
Cui Ping	—	—	—	—	—
Wang Zechen	60	—	—	—	60
Chan Yee Ping, Michael	100	—	—	—	100
Shi Hongying	100	—	—	—	100
Du Guoqing	100	—	—	—	100
Kong Weiping	100	—	—	—	100
Subtotal of directors	520	338	65	45	968
Supervisors:					
Liu Huibin	—	—	—	—	—
Li Xiaomei	—	—	—	—	—
Lu Shasha	—	150	35	24	209
Subtotal of supervisors	—	150	35	24	209
Total	520	488	100	69	1,177

Note: During the year, the Group did not pay any emoluments to the Directors and Supervisors as incentives to join and upon joining the Group, compensation for loss of office or performance-based bonuses.

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

For the year ended 31 December 2024

XVI. OTHER SIGNIFICANT EVENTS *(Continued)*

3. Remuneration of Directors, Supervisors and Employees *(Continued)*

(2) Remuneration of key management (including amounts paid and payable to directors, supervisors and senior management) are as follows:

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Salaries and allowance	1,173	1,009
Social insurance, housing provident fund and related pension costs	198	168
Total	1,371	1,177

(3) Five highest paid individuals

During the year, of the five individuals with the highest remuneration, zero (2023: one) director whose remuneration is reflected in the remunerations of directors and supervisors, and the remunerations paid to the remaining five (2023: four) individuals for this period are as follows:

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
Basic salaries and allowance	770	641
Performance-based salaries	1,200	1,092
Planned contributions to retirement benefit scheme	537	521
Total	2,507	2,254

XVI. OTHER SIGNIFICANT EVENTS *(Continued)***3. Remuneration of Directors, Supervisors and Employees** *(Continued)***(3) Five highest paid individuals** *(Continued)*

The remunerations of the above-mentioned highest paid individuals fall within the following band:

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
RMB0–RMB1,000 thousand	5	4
Total	5	4

During this period, no remunerations have been paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

(4) Remunerations of senior management

The remunerations of senior management fall within the following band:

Items	For the year ended 31 December 2024	For the year ended 31 December 2023 (Restated)
RMB0–RMB500 thousand	0	0
Total	0	0

(5) Retirement benefit scheme — defined contribution plans

All the full-time employees of the Group are covered by a state-managed retirement benefit scheme under which the employees are entitled to an annual pension equal to their basic salaries upon their retirements. The PRC government is responsible for the pension liability to these retired employees. The Group was required to make defined contributions to the pension scheme at the rate of 16% for the year ended 31 December 2024 (2023: 16%) of the employees' basic salaries, which is subject to certain cap as stipulated by relevant local authority. Contributions to this retirement scheme are charged to the income statement as and when incurred. Under this scheme, the Group has no obligation for post-retirement benefit beyond the annual contributions.

As at 31 December 2024, contributions from retirement benefit scheme recognised in income statement was RMB7,789 thousand (2023: RMB6,552 thousand).

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

For the year ended 31 December 2024

XVI. OTHER SIGNIFICANT EVENTS (Continued)

4. Earnings per share

Items	For the year ended 31 December 2024	For the year ended 31 December 2023
Net profit attributable to shareholders of the Company for the year	(2,042)	(15,199)
Weighted average number of issued ordinary shares (thousand shares)	197,310	197,310
Basic earnings per share (RMB)	(0.01)	(0.08)

Basic earnings per share and diluted earnings per share during the years ended 31 December 2023 and 2024 were the same, as no diluting events existed for both years.

5. Dividends

- (1) The Board did not propose payment of final dividend for year 2024.
- (2) No profit distribution or dividend was confirmed during the period.

6. Balance sheet of the Company

Items	Notes	As at 31 December 2024	As at 31 December 2023
Current assets:			
Bank balances and cash		16,595	8,638
Financial assets held for trading		114,270	156,523
Notes receivable		172	—
Accounts receivable	XIV.1	22,215	19,967
Prepayments		27,122	25,194
Other receivables	XIV.2	26,874	10,473
Inventories		48	60
Other current assets		26,564	26,457
Total current assets		233,860	247,312
Non-current assets:			
Long-term equity investment	XIV.2	184,085	184,588
Investment in other equity instruments		337,930	300,091
Other non-current financial assets		—	253
Investment properties		53,633	54,829
Fixed assets		1,065	753
Construction in progress		—	—
Right-of-use assets		1,390	2,748
Intangible assets		16,356	17,245
Long-term deferred expenses		2,337	145
Other non-current assets		—	—
Total non-current assets		596,542	560,652
Total assets		830,402	807,964

For the year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**XVI. OTHER SIGNIFICANT EVENTS** (Continued)**6. Balance sheet of the Company** (Continued)

Items	As at 31 December 2024	As at 31 December 2023
Current liabilities:		
Accounts payable	3,514	2,030
Contract liabilities	5,483	8,048
Employee benefits payable	4,836	6,134
Taxes payable	149	63
Other payables	32,840	34,530
Non-current liabilities due within one year	1,106	1,004
Other current liabilities	695	487
Total current liabilities	48,623	52,296
Non-current liabilities:		
Leased liabilities	—	1,467
Total non-current liabilities	—	1,467
Total liabilities	48,623	53,763
Owners' equity:		
Share capital	197,310	197,310
Capital reserves	902,365	904,453
Other comprehensive income	228,665	191,081
Surplus reserves	130,931	130,931
Undistributed profits	(677,492)	(669,574)
Total shareholders' equity	781,779	754,201
Total liabilities and shareholders' equity	830,402	807,964

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

For the year ended 31 December 2024

XVI. OTHER SIGNIFICANT EVENTS (Continued)

7. Statement of changes in shareholders' equity of the Company

Items	Share capital	Capital reserves	Other comprehensive income	Surplus reserves	Undistributed profits	Total shareholders' equity
As at 1 January 2023	197,310	904,453	169,723	130,931	(657,948)	744,469
Net profit	—	—	—	—	(11,626)	(11,626)
Other comprehensive income	—	—	21,358	—	—	21,358
Sub-total of the changes during the year	—	—	21,358	—	(11,626)	9,732
As at 31 December 2023	197,310	904,453	191,081	130,931	(669,574)	754,201
Changes in accounting policy	—	—	—	—	—	—
As at 1 January 2024	197,310	904,453	191,081	130,931	(669,574)	754,201
Net profit	—	—	—	—	(7,918)	(7,918)
Capital reserves	—	(2,088)	—	—	—	(2,088)
Other comprehensive income	—	—	37,584	—	—	37,584
Sub-total of the changes during the year	—	(2,088)	37,584	—	(7,918)	27,578
As at 31 December 2024	197,310	902,365	228,665	130,931	(677,492)	781,779

XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY

1. Accounts receivable of the Company

Items	As at 31 December 2024	As at 31 December 2023
Accounts receivable	236,162	272,286
Less: Provision for bad debts	213,947	252,319
Net accounts receivable	22,215	19,967
For reporting purpose, analysis as:	—	—
Current assets — accounts receivable	22,215	19,967
Total	22,215	19,967

XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY (Continued)**1. Accounts receivable of the Company (Continued)**

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

Items	As at 31 December 2024	As at 31 December 2023
0-90 days	6,493	3,989
91-180 days	1,043	856
181-365 days	1,160	813
1-2 years	549	815
Over 2 years	12,970	13,494
Total	22,215	19,967

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

(2) Disclosures of accounts receivable by categories

Categories	As at 31 December 2024			
	Book balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)
Accounts receivable with bad debt provision assessed on individual basis	98,997	41.92	98,997	100.00
Accounts receivable with bad debt provision made on group basis	137,165	58.08	114,950	83.80
Including: Aging group	110,171	46.65	101,019	91.69
Related party group	15,855	6.71	13,931	87.86
Related party group (without provision)	11,139	4.72	—	—
Total	236,162	100.00	213,947	90.59

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

For the year ended 31 December 2024

XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY (Continued)

1. Accounts receivable of the Company (Continued)

(2) Disclosures of accounts receivable by categories (Continued)

Categories	As at 31 December 2023			
	Book balance		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)
Accounts receivable with bad debt provision assessed on individual basis	110,904	40.73	110,904	100.00
Accounts receivable with bad debt provision made on group basis	161,382	59.27	141,415	87.63
Including: Aging group	128,720	47.27	121,136	94.89
Related party group	21,523	7.91	19,279	88.76
Related party group (without provision)	11,139	4.09	—	—
Total	272,286	100.00	252,319	92.67

1) Accounts receivable with bad debt provision by group

Aging	As at 31 December 2024			As at 31 December 2023		
	Book balance	Expected credit loss ratio (%)	Provision for bad debts	Book balance	Expected credit loss ratio (%)	Provision for bad debts
Within 1 year	10,645	18.31	1,949	6,441	12.16	783
1–2 years	1,161	52.71	612	977	54.25	530
2–3 years	812	60.96	495	4,332	73.38	3,179
Over 3 years	113,408	98.66	111,894	138,493	98.87	136,923
Total	126,026	91.21	114,950	150,243	94.12	141,415

Note: This excludes the portion of related party group (without provision)

(3) As at 31 December 2024, the balance of the top five accounts receivable was RMB123 million, accounting for 52.28% of the total accounts receivable, and the balance of bad debt provision was RMB123 million.

(4) As at 31 December 2024, there were no accounts receivable that were past due but not impaired within the Group.

XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY *(Continued)***2. Other receivables of the Company**

Categories	As at 31 December 2024	As at 31 December 2023
Dividends receivable	8,196	9,416
Other receivables	204,867	188,537
Less: Provision for bad debts	186,189	187,480
Total	26,874	10,473

(1) Dividend receivables

Items	As at 31 December 2024	As at 31 December 2023
Investment dividend	8,196	9,416
Less: Provision for bad debts	135	1,145
Total	8,061	8,271

(2) Other receivables

1) Other receivables by nature

Nature	As at 31 December 2024	As at 31 December 2023
Related-party current account	9,755	2,333
Deposit and margin	9,336	361
External unit current account	185,161	185,161
Reserve funds	298	682
Other	317	—
Less: Provision for bad debts	186,054	186,335
Total	18,813	2,202

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

For the year ended 31 December 2024

XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY (Continued)

2. Other receivables of the Company (Continued)

(2) Other receivables (Continued)

2) Aging analysis of other receivables

Aging	As at 31 December 2024		As at 31 December 2023	
	Book balance	Percentage (%)	Book balance	Percentage (%)
Within 1 year	17,415	8.50	2,228	1.18
1–2 years	1,143	0.56	302	0.16
2–3 years	302	0.15	—	—
3–4 years	—	—	—	—
Over 4 years	186,007	90.79	186,007	98.66
Total	204,867	100.00	188,537	100.00

3) Provision for bad debts

Provision for bad debts	First stage	Second stage	Third stage	Total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impaired)	Expected credit losses for the entire duration (credit impaired)	
As at 31 December 2023	358	—	185,977	186,335
Provision for the period	(179)	—	30	(149)
Reversal of the current period	132	—	—	132
Write off for the period	—	—	—	—
Other changes	—	—	—	—
As at 31 December 2024	47	—	186,007	186,054

- 4) The balance of the top five other receivables as at 31 December 2024 was RMB194 million, representing 94.87% of the total other receivables, and the balance of bad debt provision was RMB185 million.

For the year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated
in the notes to the financial statements)**XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY** *(Continued)***3. Long-term equity investment of the Company**

Items	As at 31 December 2024			As at 31 December 2023		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Investments in subsidiaries	184,085	—	184,085	182,825	—	182,825
Investments in associates	—	—	—	1,763	—	1,763
Total	184,085	—	184,085	184,588	—	184,588

(1) Investments in subsidiaries

Investees	As at			As at		
	31 December 2023	Increase in this period	Decrease in this period	31 December 2024	Provision for impairment in this period	Impairment provision as at 31 December 2024
BYD Logistics Company Limited	44,814	—	—	44,814	—	—
Beijing Beiqing Outdoor Advertisement Co., Ltd.	39,390	—	—	39,390	—	—
Beiqing Network Culture Communication Co., Ltd.	15,000	—	—	15,000	—	—
Beiqing Long Teng Investment Management (Beijing) Co., Limited	21,100	—	—	21,100	—	—
Chongqing Youth Media Company Limited	18,000	—	—	18,000	—	—
Beijing Community Media Technology (Beijing) Co., Ltd.	36,521	—	—	36,521	—	—
Beijing Beiqing Innovation Cultural Industry Development Co., Ltd.	8,000	1,260	—	9,260	—	—
Total	182,825	1,260	—	184,085	—	—

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

For the year ended 31 December 2024

XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY (Continued)

3. Long-term equity investment of the Company (Continued)

(2) Investments in associates

Investees	As at 31 December 2023	Additional investment	Decrease in investment	Changes in the current period				Declaration of cash dividend or profit	Provision for impairment	Others	Impairment	
				Investment gain or loss recognised under equity method	Other comprehensive income adjustment	Changes in other equity					As at 31 December 2024	provision as at 31 December 2024
1. Associates												
Beijing Leisure Trend Advertising Company Limited	—	—	—	—	—	—	—	—	—	—	—	—
Beijing Shengyi Automobile Technology Co., Ltd.	—	—	—	—	—	—	—	—	—	—	—	—
Beijing Beisheng United Insurance Agency Co., Limited	1,763	—	—	(1,763)	—	—	—	—	—	—	—	—
BY Times Consulting Co., Ltd.	—	—	—	—	—	—	—	—	—	—	—	—
Beijing Beiqing Top Advertising Limited	—	—	—	—	—	—	—	—	—	—	—	—
Total	1,763	—	—	(1,763)	—	—	—	—	—	—	—	—

Note 1: The bankruptcy and liquidation of Beijing Leisure Trend Advertising Company Limited filed by the Company was accepted by the court on 28 November 2023, and in January 2024, the court appointed Beijing City Zhong Zhou Law Firm* (北京市中洲律師事務所) as the administrator of Beijing Leisure Trend Advertising Company Limited.

The Company's investments in associates including Beijing Shengyi Automobile Technology Co., Ltd., Beijing Beisheng United Insurance Agency Co., Limited, BY Times Consulting Co., Ltd., Beijing Beiqing Top Advertising Limited have been written down to nil under the equity method.

4. Operating revenues and operating costs

Items	Amount for the period	Amount for previous period
Revenue from principal operating activities	57,904	29,808
Revenue from other operating activities	15,682	9,440
Total operating revenue	73,586	39,248
Principal operating costs	71,890	41,762
Other operating costs	1	36
Total operating costs	71,891	41,798
Gross profit	1,695	(2,550)

XVII. EXPLANATORY NOTES TO MAJOR ITEMS OF THE COMPANY *(Continued)***4. Operating revenues and operating costs** *(Continued)***(1) Revenue from principal operating activities for the period by segment**

Item	Amount for the period		Amount for previous period	
	Revenue from principal operating activities	Principal operating costs	Revenue from principal operating activities	Principal operating costs
Advertising	57,904	71,890	29,808	41,762
Total	57,904	71,890	29,808	41,762

(2) Operating revenue for the current period by time of revenue recognition

Timing of revenue recognition	Advertising	Other operating revenue
Recognised at a point in time	57,904	6,398
Total	57,904	6,398

5. Investment income

Items	Amount for the period	Amount for previous period
Share of profit of subsidiaries	—	—
Share of profit of associates	(1,763)	(230)
Investment income received from the disposal of financial assets at fair value through profit or loss	10,906	(833)
Investment income received from holding investments in other equity instruments	8,859	15,082
Total	18,002	14,019

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

For the year ended 31 December 2024

BEIJING MEDIA CORPORATION LIMITED

XVIII. APPROVAL OF FINANCIAL REPORT

This financial report was approved by the Board of the Company on 28 March 2025.

Beijing Media Corporation Limited

28 March 2025