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BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

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

(Stock Code: 1000)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL HIGHLIGHTS:

1. Total operating revenue of the Group for the year of 2016 was RMB483,306 thousand, representing a decrease of RMB25,951 thousand or 5.10% as compared with 2015.
2. Net loss of the Group attributable to the shareholders of the Company for the year of 2016 was RMB58,838 thousand, net loss of the Group attributable to the shareholders of the Company for the year of 2015 was RMB45,372 thousand.
3. Earnings per share was RMB-0.30 in 2016, earnings per share was RMB-0.23 in 2015.
4. As of 31 December 2016, the equity of the Group attributable to the shareholders of the Company was RMB1,214,959 thousand, the gearing ratio of the Group was 19.09%.
5. The Board did not propose to declare a final dividend for the year 2016.

The Board announces the consolidated results of the Group for the year ended 31 December 2016 which have been prepared in accordance with the PRC Accounting Standards and the disclosure requirements of the Listing Rules and the Hong Kong Companies Ordinance.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2016

RMB'000

Item	Notes	For the year ended 31 December 2016	For the year ended 31 December 2015
Total operating revenue	<i>1</i>	483,306	509,257
Total operating costs		601,399	559,271
Operating cost	<i>1</i>	409,320	404,220
Sales tax and surcharges		8,155	7,448
Selling expenses		64,592	72,396
Administrative expenses		62,165	58,574
Financial expenses	<i>3</i>	(3,443)	(2,287)
Impairment loss of assets		60,610	18,920
Add: Profit/(loss) on the changes in fair value		21,121	(901)
Investment profit/(loss)	<i>4</i>	23,608	(7,570)
Including: Loss from investments in associates	<i>4</i>	(17,017)	(39,752)
Operating loss		(73,364)	(58,485)
Add: non-operating income	<i>5</i>	3,483	1,110
Including: Gain from disposal of non-current assets		136	5
Less: non-operating expenses	<i>6</i>	43	360
Including: Loss on disposal of non-current assets		15	248
Total loss		(69,924)	(57,735)
Less: Income tax expenses	<i>7</i>	950	(3,257)
Net loss		(70,874)	(54,478)
Net loss attributable to:			
Shareholders of the Company		(58,838)	(45,372)
Non-controlling shareholders		(12,036)	(9,106)

CONSOLIDATED INCOME STATEMENT (CONTINUED)*For the year ended 31 December 2016*

BEILING MEDIA CORPORATION LIMITED

RMB'000

Item	<i>Notes</i>	For the year ended 31 December 2016	For the year ended 31 December 2015
Other net comprehensive income after tax		66	58
Other net comprehensive income after tax			
attributable to shareholders of the Company		40	35
Including: Other comprehensive income			
subsequently reclassified into profit or loss		40	35
Including: Exchange differences from			
retranslation of financial statements		40	35
Other net comprehensive income after tax			
attributable to non-controlling shareholders		26	23
Total comprehensive income		(70,808)	(54,420)
Total comprehensive income attributable			
to shareholders to the Company		(58,798)	(45,337)
Total comprehensive income attributable			
to non-controlling shareholders		(12,010)	(9,083)
Earnings per share			
Basic earnings per share (RMB per share)	8	(0.30)	(0.23)
Diluted earnings per share (RMB per share)	8	(0.30)	(0.23)
Dividends	9	—	19,731

CONSOLIDATED BALANCE SHEET*AS AT 31 DECEMBER 2016*

BEILING MEDIA CORPORATION LIMITED

RMB'000

Item	<i>Notes</i>	At at 31 December 2016	As at 31 December 2015
Current assets:			
Bank balances and cash		214,527	349,953
Accounts receivable	<i>10</i>	422,045	409,792
Prepayments		54,446	59,869
Interest receivable		182	1,212
Other receivables	<i>11</i>	311,297	134,274
Inventories		28,117	35,963
Non-current assets due within one year		1,060	1,760
Other current assets	<i>12</i>	39,783	23,040
Total current assets		1,071,457	1,015,863
Non-current assets:			
Financial assets available-for-sale	<i>13</i>	165,746	165,746
Long-term equity investment	<i>14</i>	37,756	145,953
Investment properties	<i>15</i>	104,656	56,466
Fixed assets		8,499	10,473
Intangible assets		35,099	36,320
Goodwill		35,377	47,377
Long-term prepaid expenses		494	1,446
Deferred income tax assets		15,161	15,687
Other non-current assets	<i>16</i>	26,590	59,090
Total non-current assets		429,378	538,558
Total assets		1,500,835	1,554,421

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

BEILING MEDIA CORPORATION LIMITED

RMB'000

Item	Notes	At at 31 December 2016	As at 31 December 2015
Current liabilities:			
Notes payable		51,188	35,114
Account payable	17	78,916	75,333
Receipts advance		39,031	37,524
Employee benefit payables		8,882	6,776
Tax payables		5,730	(9,019)
Interest payables		25	25
Other payables	18	45,191	67,077
Non-current liabilities due within one year		5,500	6,500
Other current liabilities		1,609	2,432
Total current liabilities		236,072	221,762
Non-current liabilities:			
Long-term loan	19	—	5,500
Deferred income tax liabilities		4,514	4,514
Total non-current liabilities		4,514	10,014
Total liabilities		240,586	231,776
Shareholders' equity:			
Share capital		197,310	197,310
Capital reserves		923,193	936,475
Other comprehensive income		71	31
Surplus reserves		130,931	130,931
Undistributed profits	20	(36,546)	598
Total equity attributable to shareholders of the Company		1,214,959	1,265,345
Non-controlling interest		45,290	57,300
Total shareholders' equity		1,260,249	1,322,645
Total liabilities and shareholders' equity		1,500,835	1,554,421
Net current assets		835,385	794,101
Total assets less current liabilities		1,264,763	1,332,659

BASIS OF PREPARATION

The Group's financial statements for the year ended 31 December 2016 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the People's Republic of China, including adoption of nine revised and new basic and specific standards issued by MOF ("New PRC Accounting Standards") and other relevant regulations issued by MOF ("PRC Accounting Standards") in 2014 financial year and disclosed in accordance with the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and Hong Kong Companies Ordinance.

ON A GOING CONCERN BASIS

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

STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's consolidated financial statements have been prepared in conformity with the "PRC Accounting Standards", and present truly and completely the consolidated financial position as at 31 December 2016 and their consolidated operating results, consolidated cash flows and other relevant information for the year then ended.

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

NOTES TO THE FINANCIAL STATEMENTS

1. TOTAL OPERATING REVENUE, OPERATING COSTS

(1) Principal operations – by business

Item	For the year ended 31 December 2016		For the year ended 31 December 2015	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Advertising	211,053	161,814	249,181	173,256
Printing	11,368	12,719	18,134	17,518
Trading of print-related materials	172,707	162,626	199,343	186,807
Distribution	2,145	3,281	4,563	4,881
Consultation service income	—	—	2,348	1,896
Game development income	25,231	22,982	6,615	4,120
Total	<u>422,504</u>	<u>363,422</u>	<u>480,184</u>	<u>388,478</u>

- (2) For the year ended 31 December 2016, the sum of operating revenue from the top five customers is RMB82,001 thousand representing 16.97% of total operating revenue.
- (3) Other operating revenue mainly includes the production revenue of RMB6,784 thousand in respect of production of TV series “Billow” (《巨浪》), by the Company and (北京森林影畫文化傳媒有限公司) for production; distribution revenue of RMB1,000 thousand in respect of joint production of film “Coming out” (《出山》) with cooperation with Beijing Wenmai Tang Cultural Development Co., Ltd (北京文脈堂文化發展有限公司); distribution revenue of RMB25,000 thousand in respect of joint production of TV series “The 38th Parallel” (《生死三八線》) with cooperation with Beijing Jiaren Culture Media Co., Ltd. (北京嘉仁文化傳媒有限公司).

2. SEGMENT INFORMATION

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

Business segments	Principal activities
Advertising:	Sales of advertising spaces and outdoor advertising of the media or activities operated by BYDA, Chongqing Youth Daily, Beiqing Community Newspaper and CèCi magazine.
Printing:	Provision of printing services
Trading of print-related materials:	Sales of paper, ink, lubricant, film, pre-coating photosensitive liquid plate and rubber plate used for printing and other print-related materials.
Distribution:	Distribution of newspaper that are mainly published by Chongqing Youth Daily.
Network technical services:	Provision of network technical support and maintenance service for online gaming.

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

(1) For the year ended 31 December 2016

Item	Advertising	Printing	Trading of print-related material	Distribution	Network technical services	Unallocated amount	Elimination	Total
Total operating revenue	244,610	30,886	197,815	2,145	25,231	62,240	(79,621)	483,306
Including: Revenue from external transactions	211,053	11,368	172,707	2,145	25,231	60,802	–	483,306
Revenue from intra-segment transactions	33,557	19,518	25,108	–	–	1,438	(79,621)	–
Total operating costs	360,108	34,084	199,119	4,414	24,759	46,536	(67,621)	601,399
Impact due to changes in fair value	–	–	–	–	–	21,121	–	21,121
Investment income	–	–	–	–	–	23,608	–	23,608
Operating profit (loss)	(115,498)	(3,198)	(1,304)	(2,269)	472	60,433	(12,000)	(73,364)
Non-operating income and expenses, net	3,287	21	131	6	4	(9)	–	3,440
Total profit	(112,211)	(3,177)	(1,173)	(2,263)	476	60,424	(12,000)	(69,924)
Income tax expenses	3,262	(359)	(2,208)	–	131	124	–	950
Net profit	(115,473)	(2,818)	1,035	(2,263)	345	60,300	(12,000)	(70,874)
Total assets	980,865	26,208	160,995	1,514	13,872	633,046	(315,665)	1,500,835
Total liabilities	161,765	18,115	111,301	1,817	3,072	20,185	(75,669)	240,586
Supplementary information	–	–	–	–	–	–	–	–
Depreciation and amortization expenses	5,661	109	670	99	528	97	–	7,164
Capital expenditure	2,022	9	55	12	259	–	–	2,357
Impairment of assets	44,231	559	3,435	5	–	380	12,000	60,610
Non-cash expenses excluding depreciation and impairment of assets	–	–	–	–	–	–	–	–

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

(2) For the year ended 31 December 2015

Item	Advertising	Printing	Trading of print-related material	Distribution	Network technical services	Unallocated amount	Elimination	Total
Total operating revenue	281,903	44,749	230,538	4,563	6,885	32,737	(92,118)	509,257
Including: Revenue from external transactions	248,911	18,134	199,343	4,563	6,885	31,421	–	509,257
Revenue from intra-segment transactions	32,992	26,615	31,195	–	–	1,316	(92,118)	–
Total operating costs	334,937	46,686	231,178	7,773	6,348	24,467	(92,118)	559,271
Impact due to changes in fair value	–	–	–	–	–	(901)	–	(901)
Investment income	–	–	–	–	–	(7,570)	–	(7,570)
Operating profit (loss)	(53,034)	(1,937)	(640)	(3,210)	537	(201)	–	(58,485)
Non-operating income and expenses, net	876	(13)	(67)	(46)	–	–	–	750
Total profit	(52,158)	(1,950)	(707)	(3,256)	537	(201)	–	(57,735)
Income tax expenses	(13,463)	389	2,004	–	144	7,669	–	(3,257)
Net profit	(38,695)	(2,339)	(2,711)	(3,256)	393	(7,870)	–	(54,478)
Total assets	1,010,905	27,602	145,233	1,968	7,242	670,482	(309,011)	1,554,421
Total liabilities	138,505	18,643	97,874	2,685	426	54,658	(81,015)	231,776
Supplementary information								
Depreciation and amortization expenses	5,648	133	684	400	205	118	–	7,188
Capital expenditure	3,694	22	113	16	1,352	11	–	5,208
Impairment of assets	12,439	421	2,170	–	–	3,890	–	18,920
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)

3. FINANCIAL EXPENSES

Item	For the year ended 31 December 2016	For the year ended 31 December 2015
Interest expenses – on bank loans fully repayable within 5 years	1,278	2,617
Less: Interest income	4,874	7,491
Add: Exchange loss	3	232
Add: Other expenses	150	2,355
Total	(3,443)	(2,287)

4. GAIN/(LOSS) ON INVESTMENT

Item	For the year ended 31 December 2016	For the year ended 31 December 2015
Share of loss of associates	(17,017)	(39,752)
Gain on disposal of interests in an associate (Note 1)	40,281	
Other investment income:		
Other investment income (Note 2)	344	32,182
Sub-total of other investment income	344	32,182
Total	23,608	(7,570)

Note 1: On 11 April 2016, the Company entered into an equity transfer agreement with Beijing Trans-media Co., Ltd. (“Trans-media”) that the Company has agreed to sell and Trans-media has agreed to purchase the Company’s 36.12% equity interest in Beijing Transmedia Co., Ltd. (“BQTM”) for cash consideration of RMB168,000 thousand. The aforesaid agreement was approved on the annual general meeting of the Company held on 30 June 2016. Upon the completion of the aforesaid equity transfer, the Company will cease to hold any equity interest in BQTM. Consequently, the Company has made a gain on disposal of interest in an associate for RMB40,281 thousand arising from the aforesaid equity transfer.

Note 2: Other investment income represents the cash dividend amounting to RMB344 thousand received from the available-for-sale equity investments of Beijing Keyin Media Culture Co., Ltd. (北京科印傳媒文化股份有限公司).

5. NON-OPERATING INCOME

Item	For the year ended 31 December 2016	For the year ended 31 December 2015
Government grants (Note)	3,139	1,024
Donation received	–	–
Gain on disposal of fixed assets	136	5
Compensation benefit	158	3
Others	50	78
Total	3,483	1,110

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

Note: Government grants represented unconditional grant from the PRC government and was determined at the sole discretion of the relevant PRC government authorities, which includes an amount of 3,000 thousand in relation to the project of Beijing Community Media.

6. NON-OPERATING EXPENSES

Item	For the year ended 31 Decemer 2016	For the year ended 31 December 2015
Loss on disposal of fixed assets	15	248
Including: Loss on disposal of fixed assets	15	248
Public donations expenses	—	—
Stock loss	—	—
Compensation and late payment charges	8	87
Others	20	25
	<hr/>	<hr/>
Total	43	360
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7. INCOME TAX EXPENSES

(1) Income tax expenses

Item	For the year ended 31 December 2016	For the year ended 31 December 2015
Current income tax expenses	424	8,413
Deferred income tax expenses	526	(11,670)
	<hr/>	<hr/>
Total	950	(3,257)
	<hr/> <hr/>	<hr/> <hr/>

(2) Currrent tax expenses

Item	For the year ended 31 December 2016	For the year ended 31 December 2015
Current income tax – PRC	1,673	8,433
Under-provision in prior years – PRC	(1,249)	(20)
	<hr/>	<hr/>
Total	424	8,413
	<hr/> <hr/>	<hr/> <hr/>

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

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

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

Item	For the year ended 31 December 2016	For the year ended 31 December 2015
Total profit	(69,924)	(57,737)
Income tax calculated at the applicable tax rate of 25%	(17,481)	(14,434)
Tax effect of non-taxable income	—	—
Tax effect of non-deductible expenses	3,701	1,997
Tax effect of special tax exemptions	—	—
Tax effect of the subsidiary's losses in current year	16,049	23,447
Utilisation of previously unrecognized tax losses	(70)	(14,247)
Underprovision in prior years	(1,249)	(20)
Income tax expense	950	(3,257)

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

8. EARNINGS PER SHARE

Item	As at 31 December 2016	As at 31 December 2015
Net loss attributable to shareholders of the Company	(58,838)	(45,372)
Weighted average number of issued ordinary shares (thousand shares)	197,310	197,310
Earnings per share (RMB)	(0.30)	(0.23)

Diluted earnings per share and basic earnings per share for the two years ended 31 December 2015 and 31 December 2016 were the same, as no diluting events existed for both years.

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

9. DIVIDENDS

- (1) The directors didn't propose any dividend for 2016 and is subject to shareholders' approval in the forthcoming general meeting.
- (2) For the period, the Company recognized the profits were distributed as dividends as follows:

Item	For the year ended 31 December 2016	For the year ended 31 December 2015
Final dividend of RMB0.00 per share for the year ended 31 December 2015 (2015: 2014 final dividend of RMB0.10) <i>(Note)</i>	—	19,731
Total	—	19,731

Note: The Company had paid final dividend of 2014 to the shareholders of the Company before 31 August 2015.

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

10. ACCOUNTS RECEIVABLE

Item	As at 31 December 2016	As at 31 December 2015
Accounts receivable	508,760	452,642
Less: Provision for bad debts	86,715	42,850
Net accounts receivable	422,045	409,792
For reporting purpose, analysis as:		
Non-current assets – long-term receivables	—	—
Current assets – accounts receivable	422,045	409,792
Total	422,045	409,792

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

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

Item	As at 31 December 2016	As at 31 December 2015
0-90 days	56,223	112,802
91-180 days	57,594	36,193
181-365 days	81,707	53,962
1-2 years	99,341	93,260
Over 2 years	127,180	113,575
Total	422,045	409,792

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

- (2) Analysis of account receivable by categories:

Item	As at 31 December 2016				As at 31 December 2015			
	Balance of		Provision for		Balance of		Provision for	
	carrying amount		bad debts		carrying amount		bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Receivables with bad debt provision made on group basis:								
Aging group	322,789	63.45	40,335	12.50	286,117	63.21	34,227	11.96
Related party group	164,850	32.40	31,384	19.04	157,255	34.74	–	–
Non-risk group	–	–	–	–	257	0.06	–	–
Sub-total	487,639	95.85	71,719	14.71	443,629	98.01	34,227	7.72
Insignificant individual receivables but with bad debt provision made on individual basis	21,121	4.15	14,996	71.00	9,013	1.99	8,623	95.67
Total	508,760	100.00	86,715		452,642	100.00	42,850	

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

Accounts receivable with bad debt provision by aging method are as follows:

Item	As at 31 December 2016			As at 31 December 2015		
	Amount	Percentage (%)	Provision for bad debts	Amount	Percentage (%)	Provision for bad debts
Within 1 year	167,656	—	—	147,622	—	—
1-2 years	82,122	10.00	8,212	70,214	10.00	7,021
2-3 years	38,284	30.00	11,485	47,017	30.00	14,106
3-4 years	23,812	50.00	11,906	13,036	50.00	6,518
Over 4 years	10,915	80.00	8,732	8,228	80.00	6,582
Total	322,789	—	40,335	286,117	—	34,227

- (3) The top five accounts receivable as at 31 December 2016 represented 33.15% of the total accounts receivable.
- (4) The aging analysis of the accounts receivable which are past due but not impaired as at the balance sheet date are as follows:

Item	As at 31 December 2016	As at 31 December 2015
Within 6 months	8,711	53,033
6 months to 1 year	12,471	3,019
1-2 years	27,177	32,892
2-3 years	51,653	60,153
3-4 years	26,899	1,860
Over 4 years	6,555	6,555
Total	133,466	157,512

Accounts receivable which are past due but not impaired are related to independent customers and related parties, which have good credit records with the Group. According to the past experience, management of the Company is of the view that no provision is necessary with respect to such balances, as there is no significant change in credit quality and balances are still considered to be fully recovered.

12. OTHER CURRENT ASSETS

Item	As at 31 December 2016	As at 31 December 2015
Held-to-maturity investment (Note 1)	10,666	13,040
External loan (Note 2)	7,000	10,000
VAT utilizable	22,105	
Prepaid income tax	12	
Total	39,783	23,040

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

Note 1: As at 31 December 2016, the held-to-maturity investment including:

The Company had entered into an investment agreement in accordance with the proportion of investment with Beijing Forest Movies Culture Media Co., Ltd., pursuant to which the Company will invest RMB12,040 thousand (representing 20% of total investment cost of the TV series) for the production of TV series “Billow” (《巨浪》). The Company will enjoy the benefits in accordance with the proportion of investment based on the “Earnings Settlement Report” and will not participate in the operation process. As at 31 December 2016, the Company had received revenue from distribution of the TV series of RMB8,174 thousand, and the remaining balance of the investment in the TV series amounted to RMB3,866 thousand.

The Company entered into a fixed income investment agreement with Sichuan Bajun Union Entertainment Co., Ltd., with Sichuan Rongtuo Assets Management Co., Ltd. providing guarantee for the income of the Company on a basis of joint and several liability. The Company will invest RMB5,000 thousand in the production of TV series “Grain Field under the Sun” (《天下糧田》) for a term of one year at a fixed annual return of 15%. The Company will not participate in the operation of the TV series. It will not bear any risk or loss and will not participate in the sharing of any income of the TV series. As at 31 December 2016, the Company’s remaining balance of the investment in the TV series amounted to RMB5,000 thousand.

The Company had entered into a joint investment agreement with Beijing Forest Movies Culture Media Co., Ltd. for the production of internet TV series (《網紅製造》) and internet film (《藍白也出CP黨》) with total investment RMB12,000 thousand, comprising RMB9,200 thousand for the production of internet TV series, RMB2,200 thousand for the production of internet film and RMB600 thousand for the advertising costs. During the year, the Company had invested RMB1,800 thousand (representing 15% of total investment cost of the agreement). The Company will enjoy the benefits in accordance with the proportion of investment based on the “Earnings Settlement Report” and will not participate in the operation process. As at 31 December 2016, the relevant internet TV series and internet film were not published.

Note 2: As at 31 December 2016, BYD Logistics, a subsidiary of the Company, provide a short term loan of RMB3,000 thousand and an entrusted bank loan of RMB4,000 thousand to Beijing Beiqing Top Advertising Limited, an associate of the Company. The terms of the loans are from 11 March 2016 to 11 March 2017 and from 4 February 2016 to 3 February 2017, and both bear interest at 4.35% per annum, respectively.

12. FINANCIAL ASSETS AVAILABLE-FOR-SALE

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

Item	As at 31 December 2016			As at 31 December 2015		
	Carrying amount	Provision for impairment	Carrying value	Carrying amount	Provision for impairment	Carrying value
Available-for-sale equity instrument	170,815	5,069	165,746	170,815	5,069	165,746
At fair value	—	—	—	—	—	—
Measured at cost	170,815	5,069	165,746	170,815	5,069	165,746
Total	170,815	5,069	165,746	170,815	5,069	165,746

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

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

Type	As at 31 December 2016	As at 31 December 2015
Unlisted equity investments, China	170,815	170,815
Provision for impairment of unlisted equity investments	5,069	5,069
Total	165,746	165,746

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

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

Investee	Carrying balance			As at 31 December 2016
	As at 1 January 2016	Increase in this year	Decrease in this year	
Suzhou Huaying Culture Industry Investment Enterprise	3,678	—	—	3,678
Beijing Keyin Media Culture Co., Ltd	6,560	—	—	6,560
Beiyang Publishing & Media AG	103,000	—	—	103,000
Beijing Gehua Sunshine Advertising Company	3,000	—	—	3,000
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	500	—	—	500
Flint Ink (Beijing) Co., Ltd.	2,069	—	—	2,069
Beijing Runxin Dingtai Investment Center (limited partnership)	47,008	—	—	47,008
Beijing 3D Investment Fund Management Ltd. (Note 1)	5,000	—	—	5,000
Total	170,815	—	—	170,815

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

Investee	Provision for impairment			Shareholding percentage (%)	Cash bonus for the year ended 31 December 2016
	As at 1 January 2016	Increase in this year	Decrease in this year	As at 31 December 2016	
Suzhou Huaying Culture Industry Investment Enterprise	–	–	–	2.25	–
Beijing Keyin Media Culture Co., Ltd	–	–	–	16.00	344
Beiyang Publishing & Media AG	–	–	–	2.43	–
Beijing Gehua Sunshine Advertising Company	3,000	–	–	30.00	–
Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd.	–	–	–	5.00	–
Flint Ink (Beijing) Co., Ltd.	2,069	–	–	5.00	–
Beijing Runxin Dingtai Investment Center (limited partnership)	–	–	–	11.62	–
Beijing 3D Investment Fund Management Ltd. (Note 1)	–	–	–	14.29	–
Total	5,069			–	344

Note 1: According to the information shown in the business license of Beijing 3D Investment Fund Management Ltd., the Company's subsidiary, Beiqing Long Teng Investment Management (Beijing) Co., Limited, owned no shareholding of Beijing 3D Investment Fund Management Ltd. since 19 January 2016.

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

Classification of available-for-sale financial assets	Available-for-sale equity instrument	Total
Provided for impairment as at 1 January 2016	5,069	5,069
Provided in the current year	–	–
Including: transferred in from other comprehensive income	–	–
Decrease in this year	–	–
Including: subsequent reverse from increase in fair value	–	–
Provided for impairment as at 31 December 2016	5,069	5,069

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

13. LONG-TERM EQUITY INVESTMENT

(1) Types for long-term equity investments

Type	As at 31 December 2016	As at 31 December 2015
Investments in associates – under equity method	37,756	171,574
Less: provision for impairment of investments in associates	–	25,621
Total	37,756	145,953

(2) Investments in associates

Investee	Balance as at 1 January 2016	Changes in the current year								Balance as at 31 December 2016	Balance of impairment provision as at 31 December 2016
		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		
1. Associates											
Beijing Leisure Trend Advertising Company Limited (“Leisure Trend”)	–	–	–	–	–	–	–	–	–	–	–
Beijing Beijing Shengda Automobile Service Company Limited (“Beijing Shengda”)	–	–	–	–	–	–	–	–	–	–	–
Beijing Beisheng United Insurance Agency Co. Limited (“Beisheng United”)	367	–	–	218	–	–	–	–	–	585	–
BY Times Consulting Co., Ltd	97	–	–	(95)	–	–	–	–	–	2	–
Beijing Transmedia Co., Ltd (“BQTM”) (Note 1)	143,307	–	(127,719)	(15,588)	–	–	–	–	–	–	–
Beijing Beijing Top Advertising Limited (“Beijing Top”)	–	–	–	–	–	–	–	–	–	–	–
Hebei Jujingcai E-commerce Company Limited (“Jujingcai”)	–	–	–	–	–	–	–	–	–	–	–
Beijing Lingshi Technology Co., Ltd (“Beijing Lingshi”)	1,179	–	–	(1,179)	–	–	–	–	–	–	–
Beijing International Advertising Media Group Co., Limited (Note 2)	–	33,119	–	–	–	–	–	–	–	33,119	–
Chongqing Soyang Internet Technology Co., Ltd (“Chongqing Soyang”)	1,003	–	–	(55)	–	–	–	–	–	948	–
Beijing Shangyou Network Technology Co., Ltd. (Note 3)	–	3,420	–	(318)	–	–	–	–	–	3,102	–
Total	145,953	36,539	143,308	(17,017)	–	–	–	–	–	37,756	–

Item	As at 31 December 2016	As at 31 December 2015
Unlisted investments, at cost	80,606	192,532
Share of post-acquisition profit	(42,850)	(21,283)
Share of capital reserves of associates	–	325
Total	37,756	171,574

For details of the Group’s associates as at 31 December 2016, please see the Note “X. Disclosure of interests in other entities”.

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

14. INVESTMENT PROPERTIES

(1) Investment properties measured at fair value

Item	Fair value as at 1 January 2016	Increase during the year		Decrease during the year		Fair value as at 31 December 2016
		Purchase	Gain or loss arising from changes in fair values	Disposal	Change into owner-occupied property	
Cost	33,992	18,656	–			52,648
Buildings	33,992	18,656	–			52,648
Changes in fair value	22,474	–	29,534			52,008
Buildings	22,474	–	29,534			52,008
Carrying value	56,466	18,656	29,534			104,656
Buildings	56,466	18,656	29,534			104,656

The fair value of the Group's investment properties as at 31 December 2016 have been arrived at by reference to recent market prices for similar properties in the same locations and conditions.

As at 31 December 2016, the carrying values of the investment properties for which the Group had not been granted formal title amounted to approximately RMB59,083 thousand (2015: RMB11,270 thousand). In the opinion of the directors of the Company, the absence of formal title to these properties does not impair the value of the relevant properties to the Group. The directors of the Company also believe that formal title to these properties will be granted to the Group in due course.

During the year, the rental income generated from investment properties is RMB3,642 thousand (2015: RMB2,766 thousand).

(2) Investment properties are analyzed by the place where it locates and years of period as follows:

Item	Fair value as at 31 December 2016	Fair value as at 1 January 2016
Located inside of PRC		
Medium term (10-50 years)	94,659	47,157
Located outside of PRC		
Long term (over 50 years)	9,997	9,309
Total	104,656	56,466

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

(3) Investment properties are detailed as follows:

No.	Address	Usage
1	502-D-0201, Yuelianghe Chengbaogongyu, Xinwahdajie, Tongzhou District, Beijing.	Residential
2	502-C-0601, Yuelianghe Chengbaogongyu, Xinwahdajie, Tongzhou District, Beijing.	Residential
3	502-C-0301, Yuelianghe Chengbaogongyu, Xinwahdajie, Tongzhou District, Beijing.	Residential
4	No. 9, Section A, No.1 Floor, Jinyufenglinzhou, Office No.265 Yaojiayuanxikou, Chaoyang District, Beijing.	Office
5	No. 3, Section A, No.1 Floor, Jinyufenglinzhou, Office No.265 Yaojiayuanxikou, Chaoyang District, Beijing.	Office
6	No. 12, Section A, No.1 Floor, Jinyufenglinzhou, Office No.265 Yaojiayuanxikou, Chaoyang District, Beijing.	Office
7	C1501, No.5 Huizhong Road, Chaoyang District, Beijing.	Office
8	C1502, No.5 Huizhong Road, Chaoyang District, Beijing.	Office
9	C1503, No.5 Huizhong Road, Chaoyang District, Beijing.	Office
10	C1505, No.5 Huizhong Road, Chaoyang District, Beijing.	Office
11	C1506, No.5 Huizhong Road, Chaoyang District, Beijing.	Office
12	201 No.1 Zhuoda Scotland City84. Jinhai Road Weihai nanhaixinqu	Residential
13	301 No.1 Zhuoda Scotland City84. Jinhai Road Weihai nanhaixinqu	Residential
14	402 No.1 Zhuoda Scotland City84. Jinhai Road Weihai nanhaixinqu	Residential
15	501 No.1 Zhuoda Scotland City84. Jinhai Road Weihai nanhaixinqu	Residential
16	103 No.2 Zhuoda Scotland City84. Jinhai Road Weihai nanhaixinqu	Residential
17	14612 Nevada CT Fontana, CA 92336	Residential
18	Victoria Woods @ Providence, Block 0036, 2329 Victoria Dr Davenport FL 33837	Residential
19	ChampionsGate 50, Block H162, ChampionsGate FL 33896	Residential
20	79-2403 Evergrande Splendor, Wuqing, Tianjin	Residential
21	79-2503 Evergrande Splendor, Wuqing, Tianjin	Residential
22	79-2703 Evergrande Splendor, Wuqing, Tianjin	Residential
23	79-2803 Evergrande Splendor, Wuqing, Tianjin	Residential
24	79-2903 Evergrande Splendor, Wuqing, Tianjin	Residential
25	79-3003 Evergrande Splendor, Wuqing, Tianjin	Residential
26	26-4-801 Evergrande Splendor, Wuqing, Tianjin	Residential
27	26-4-901 Evergrande Splendor, Wuqing, Tianjin	Residential
28	26-4-1001 Evergrande Splendor, Wuqing, Tianjin	Residential
29	26-4-1004 Evergrande Splendor, Wuqing, Tianjin	Residential
30	26-4-1204 Evergrande Splendor, Wuqing, Tianjin	Residential
31	26-4-1604 Evergrande Splendor, Wuqing, Tianjin	Residential
32	26-4-1701 Evergrande Splendor, Wuqing, Tianjin	Residential
33	26-4-2001 Evergrande Splendor, Wuqing, Tianjin	Residential
34	26-4-2201 Evergrande Splendor, Wuqing, Tianjin	Residential
35	26-4-2601 Evergrande Splendor, Wuqing, Tianjin	Residential
36	26-4-1201 Evergrande Splendor, Wuqing, Tianjin	Residential
37	26-4-1801 Evergrande Splendor, Wuqing, Tianjin	Residential
38	Room 2302, Block Wei D, Jinwan, Boao, Hainan	Residential
39	Flat 3903, Block 1, Shanhai Tongwan	Residential
40	Flat 126, Block 2, Shanhai Tongwan	Residential
41	Flat 603, Block 17, Shanhai Tongwan	Residential
42	Flat 3723, Block 26, Shanhai Tongwan	Residential
43	Flat M10, Block 26, Shanhai Tongwan	Residential
44	Flat 3909, Block 22, Shanhai Tongwan	Residential
45	Flat 3805, Block 22, Shanhai Tongwan	Residential

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

15. OTHER NON-CURRENT ASSETS

Item	As at 31 December 2016	As at 31 December 2015
Entrustment loan (<i>Note 1</i>)	—	3,000
Film project prepaid expenses (<i>Note 2</i>)	26,590	56,090
Total	26,590	59,090

Note 1: As at 31 December 2015, the Company provided an entrusted loan in aggregate of RMB3,000 thousand to Chongqing Youth Industrial Co., Ltd. on 29 December 2013 via bank for a term of three years and carry fixed interest rates of 6.15% per annum. The entrusted loan was due and repaid on 29 October 2016.

Note 2: Film project prepaid expenses related to the Company's participation in film and television production of "Oriental King of Soccer" (《東方球王》) and "Heart of Ice" (《破冰》). The settlement period of the project exceeds one year. The Company entered into agreements with Daqianmen (Beijing) Media Co. Ltd., pursuant to which the Company participated in the production of TV series "Oriental King of Soccer"; with Beijing Forest Movies Culture Media Co., Ltd., pursuant to which the Company involved in production of TV series "Heart of Ice". As at 31 December 2016, the balances of prepaid expenses related to the remaining television projects "Oriental King of Soccer" and "Heart of Ice" are RMB21,600 thousand and RMB4,490 thousand respectively.

16. ACCOUNTS PAYABLE

The following is an aging analysis of accounts payable as at 31 December 2016 presented based on the invoice date:

Item	As at 31 December 2016	As at 31 December 2015
0-90 days	4,509	11,849
91-180 days	27,613	17,212
181-365 days	23,025	4,061
Over one year	23,769	42,211
Total	78,916	75,333

The average credit term for purchases of goods is from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

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

17. OTHER PAYABLES

Item	As at 31 December 2016	As at 31 December 2015
Other payables	45,191	67,077
Total	45,191	67,077

As at 31 December 2016, no foreign currency-denominated payables in other payables (2015: nil).

18. LONG-TERM LOANS

(1) Borrowings classification

Type	As at 31 December 2016	As at 31 December 2015
Bank loans – secured	5,500	12,000
Less: Borrowings due within one year	5,500	6,500
Total	–	5,500

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

(2) Maturity analysis for long-term loans

Item	As at 31 December 2016	As at 31 December 2015
1 to 2 years	–	5,500
2 to 5 years	–	–
Total	–	5,500

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

19. UNDISTRIBUTED PROFITS

Item	For the year ended 31 December 2016	
	Amount	Appropriation (%)
Balance as at 31 December 2015	598	
Add: Beginning retained earnings adjustment	—	
Balance as at 1 January 2016	598	
Add: Net profit attributable to shareholders of Company for Current Year	(58,838)	
Less: Provision of statutory surplus reserves	—	10
Provision of discretionary surplus reserves	—	
Provision of general risk reserves	—	
Ordinary share dividend payable	—	
Capitalized ordinary share dividend	—	
Other adjustment of retained earnings items	(21,694)	
As at 31 December 2016	<u>(36,546)</u>	<u> </u>

As at 31 December 2016, the Group's undistributed profits attributable to the Shareholders of the Company included a surplus reserve of RMB0.00 thousand (2015: RMB2,345 thousand) from the subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW OF THE GROUP

The Group is principally engaged in three core businesses: (1) advertising sales, this part of business contributed the largest portion of the turnover of the Group; (2) printing, the turnover of business of this part was mainly generated from the revenue of the printing of publications arranged by BYD Logistics; and (3) trading of print-related materials, the business of this part involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to customers including commercial printers.

Total operating revenue of the Group for 2016 was RMB483,306 thousand, representing a decrease of 5.10% as compared with 2015 (2015: RMB509,257 thousand). Net loss attributable to shareholders of the Company for 2016 was RMB58,838 thousand (net loss attributable to shareholders of the Company for 2015: RMB45,372 thousand).

The decrease in the Group's results for 2016 was mainly due to 1) the downturn of macro-economy; 2) the increasingly competitive condition in media industry; and 3) the impact of emerging media.

Advertisement Business

During 2016, revenue from advertising business of the Group was RMB211,053 thousand (corresponding period of 2015: RMB249,181 thousand), representing a year-on-year decrease of 15.30%.

The advertising business in real estate sector was still the leading advertising business of the Company, while the advertising placement volume in automobile industry also accounted for a considerable proportion in the total advertising placement volume of the Company. In 2016, according to the market monitoring data provided by third parties, the Company's advertising placement volume in real estate industry and automobile industry kept in the leading position compared with other print media of Beijing metropolitan newspapers. Meanwhile, the Company's advertising placement volume in other industries such as, among others, recruitment, finance and insurance, and health food also kept in the leading position compared with other print media market of Beijing metropolitan newspapers.

According to the market monitoring data provided by third parties, in 2016, the total advertising placement volume of real estate industry and automobile industry in the print media of Beijing metropolitan newspapers represented a year-on-year decrease.

In 2016, the business trend of the Company was similar to the macro-economic situation, but the trend appeared near to bottom. In 2016, the Company implemented various ways and continuously cultivated new operation models:

1. Adopting a diversified and multi-level marketing strategy to meet customers' diversified demands on public relations event, content marketing and advertising the cultural meaning of a product

1. Firstly, building Beijing Media super advertising consultancy platform

With extensive experience in holding large-scale activities, the Company actively explored diversified operation and strengthened the exploration of business channel by holding brand-promoting activities. In 2016, the Company successfully organized the project named “Beijing Media’s Vehicle for the Year”, a selection activity “voted by over 10,000 citizens in Beijing”. The activity received positive feedback from our customers in automobile industry, which effectively increased advertising placement volume. The Company and Bird’s Nest Business Management Co., Ltd. (鳥巢商業管理有限公司) jointly organized a large-scale comprehensive carnival, namely the “2016 Bird’s Nest International Fashion Season” (“2016鳥巢國際風尚季”), which was opened in June 2016 with over 10 thousand visitors and good earnings. The “Wonderful, Extraordinary Excellence – Beijing Olympic Review and Outlook and the Launching Ceremony for the Serial Activities of Sports Stars in China”, a launching ceremony held jointly with the Bird’s Nest Culture Center (鳥巢文化中心) during the period, drew the attention of the mainstream media and effectively enhanced the influence of the Company’s brand.

2. Secondly, publishing special issues for different types of activities

With our overwhelming advantage in editing, the Company produced special issues for different types of industry and activities to promote brand-promoting activities and effectively attract advertising placement from new customers. In 2016, the Company reached an in-depth cooperation with Beijing Insurance Association in respect of advertising in printed media. Throughout the year, the special issue had ran 12 special features, which successfully attracted more than 30 insurance companies to become our customers. The Company also published a 2016 special issue for Beijing Automotive Exhibition, which received advertising placement from various automobile enterprises.

3. Thirdly, rendering customized promotion and marketing services to gain added value through cross-industry cooperation

The Company relied on the platform of Public Welfare Organizing Committee of Chinese Enterprises (中國企業公益事業組織委員會) to provide customized consulting services in relation to public welfare projects to enterprises with the theme of environment, poverty alleviation, children care and care for the disabled, in order to establish the Company’s brand of public welfare. As at the First Half of 2016, the Company has directly cooperated with more than 30 world-renowned enterprises on public welfare projects, and established public welfare alliances including the “Green Public Welfare Alliance” (“綠色公益聯盟”) and the “Enterprise

Alliance for Protection of the Great Wall” (“長城保護企業聯盟”), which were supported by the relevant government departments. The above-mentioned measures are expected to lead to increases in the Company’s advertisement income to a certain extent.

2. *Making good use of the Group’s resources advantage to build a “Media Resources Supermarket” and a media resources platform and to explore overall advertising service with online and offline combination*

“OK Home” APP is a mobile software for community living service developed by Beiqing Community Media based on the mobile phone terminal and connected to physical stores. Connecting with 29 community papers across the districts in Beijing and 104 community relay stations which covers 60 living circles in Beijing and serves 5 million residents, “OK Home” APP has become a mobile-end O2O community living information and services platform. The Company integrated the spaces of Beijing Youth Daily with the community resources of “OK Home” APP to provide an all-round advertising solution to our customers by establishing a precise sales and promotion platform, which has received positive feedback from the market and created satisfactory economic benefits. The number of registered users of the platform has exceeded 1 million, covering over 3,800 mainstream high-and-middle-end communities. Since 2016, “OK Home” APP platform cooperated with the advertising companies for the online and offline promotion, forming an exclusive community exploration method with an overall plan encompassing print media, community activity, “OK Home” online activity and promotion, “OK Home” physical stores sales and sharing of articles through WeChat public account, which effectively increased advertising placement volume from different industries.

WeChat Matrix Platform (北青微信矩陣) is a comprehensive promotion platform comprising more than 20 official WeChat public accounts of BYDA Group, topics of which include current affairs and politics, education, finance, sports and culture. WeChat Matrix Platform is popular by virtue of its superb brand recognition and fans retention. To satisfy customers’ demand for advertising, the Company cooperated with WeChat Matrix Platform. With the strong influence and creditability of the public accounts of BYDA Group, the Company designed all-round marketing solutions for the customers and explored marketing channels via emerging media. In 2016, the business volume of such cooperation of the Company with emerging media developed rapidly, and recorded an increase of 20% as compared with last year. The Company cooperated with “Education Community”, which enjoys advantage in WeChat public account, to organize welfare activities in colleges, and established partnership in public welfare events with numerous education institutions, which effectively attracted new customers and enhanced the influence of our corporate brand.

In addition, the Company built the strongest media platform for the youth with the Group’s traditional media (Beijing Teenager Daily, Middle School Newsletter News), WeChat public accounts (Education Community), the Group’s youth groups (Red Scarf Agency, Middle School Student Agency) and youth outdoor survival training base (Beijing Youth Camp International), and developed a multi-channel and multi-way model for cooperation with education institutions and corporate clients.

Film and Television Business

In 2016, the Company continued to explore diversified investment in films and television. On one hand, the Company finely developed video projects which foster mainstream value in society. On 5 February 2016, the Board approved the investment in “Grain Field under the Sun” (《天下糧田》), a historical drama introducing anti-corruption concept, which was selected by State Administration of Press, Publication, Radio, Film and Television as one of the Supportive and Guiding Projects for Excellent TV Drama Script for the Year 2016. It is expected to be broadcasted on CCTV in 2017. On the other hand, the Company tried to participate in online video projects, a hot growing point of film and television industry with relatively small investment, in order to explore the non-traditional film and television market. On 11 May 2016, the president office of the Company approved the investment in online dramas, including “Genie from Chang’an” (《妖出長安》) and “Love Online” (《拜托！別黑我！》) (originally name was “Creating Interenet Celebrity” (《網紅製造》)), and online movie, ““Love Online’s Side Story” (《拜托！別黑我！番外》) (originally name was “Blue and White CP” (《藍白CP》)). Among them, “Genie from Chang’an”, which is an ancient Chinese detective drama, has been released on iQIYI.com and was rated as A-grade (the highest rating) online video projects (non-original series of a platform). It has achieved satisfactory number of views and received good responses, together with good income. In May 2016, “The 38th Parallel” (《三八線》), the first TV series in the PRC based on the background of Korean civil war, which was invested by the Company, started its initial broadcasts on television channels including BTv. Authoritative media including People’s Daily and Xinhua News Agency as well as major websites published detailed reports of the TV series, which ranked third in terms of ratings during the prime time in evening session in China, and ranked second in the online voting of “The Most Popular TV Series”. “Coming out” (《出山》), a film invested by the Company, has been released in the second half of 2016.

Results of subsidiaries and associates of the Group

Beiqing CéCi is a 84.69%-owned subsidiary of the Company. Beiqing CéCi focused on the agency of advertising business in CéCi (《茜茜姐妹CéCi》) magazine, a premium women’s magazine for fashion mavens distributed across major cities of China including Hong Kong. CéCi magazine is the first Korean-style trendy magazine introduced into the PRC. Its lively writing and easy-going style give the best annotation to the orient trendy life of Chinese professional women with its advocacy of a modern culture combining innovation and pragmatism in Asia. Through over eight years’ operation, CéCi is a favourite magazine of urban white-collar women with a sound track record in sales since its launching. In 2016, through a series of public welfare activities, Beiqing CéCi continued to create a healthy and progressive public image of CéCi magazine among the Chinese new generation of youth and effectively enhanced the brand influence of the Company. In December 2016, Beiqing CéCi held a campus charity events “Passion needs fire and warmth” in several high schools, namely Remin University, Sichuan University, Zhejiang University, Nanjing University, which enhanced the physical health quality of young people and increased their social concern awareness by arranging night running race of university students to donate cotton gloves to the poor mountainous regions. Also, Beiqing CéCi has proactively developed the service model of online media (website, Weibo and WeChat). The number of its subscribers has effectively increased through website and WeChat subscription, and its advertising placement volume was increased owing to its continuous efforts in new marketing initiatives. In May 2016, Beiqing CéCi organized “Ceci – Release Yourself, Girls”, a grand ceremony of makeup and

beauty contest widely promoted via Weibo and WeChat with numerous shares and reports. In December 2016, it invited female leaders in different sectors included Liu Yu Lin (film director), Su Qin (author), Zhang He (vocal singer), Zhang Meng (actress), Mu Xi Yan (programme host), Xu Ji Dan (Miss Universe) and Dong Sheng Jia (young artist) etc, to attend large event, they jointly discussed the spirit of women in the new age, this effectively enlarged the awareness and influences of CèCi magazine. In 2016, Beiqing CèCi strived to offer three-dimensional service model combining online media and offline marketing activities and develop new resources for business, so as to cope with the market competition and effectively increase its revenue.

Beiqing Outdoor is a wholly-owned subsidiary of the Company, its principal business is operating urban outdoor single column billboards. In first half of 2016, Beiqing Outdoor successfully won the bid of operation right of a total of two single column billboards for three years, which were located at Beijing North 5th Ring Road No. 3 and Jingcheng Highway No. 6 from the government. At present, the Company and Beiqing Outdoor kept a leading position in the industry in retaining the number of single column billboards in the bidding market of Beijing urban area. Beiqing Outdoor operates a total of over 18 single column billboards in advantageous locations in sections such as West 4th Ring, East 5th Ring and Jingmi Road in Beijing, Jingkai Highway and Beijing-Harbin Freeway etc.

Beiqing Community Media is a 54.37%-owned subsidiary of the Company. 2016 operating revenue of Beiqing Community Media was RMB54,692 thousand, representing an increase of 41.29% as compared with the same period last year. Beiqing Community Media is dedicated to create the largest community service integrated platform in China integrating online and offline services, at present it owns 29 Beiqing Community Daily (《北青社區報》) and 32 WeChat accounts, one “OK Home” APP, and 104 community relay stations, by building a three-in-one business model, it realizes direct contact with residents. “OK Home” APP for mobile phone client end created by Beiqing Community Media is the only comprehensive O2O community service platform in Beijing area with news reporting, community services and interaction with brands. Now the platform has over one million registered users, covering 60 main living zones across Beijing, and more than 3,800 mainstream high and middle class communities.

In 2016, Beiqing Community Media ascertained the business model of community services of “one platform + 7 vertical pillars”. It focused on the development of 7 vertical pillar industries, namely the real estate, automobile, health, household life, tourism, sport and finance, in order to provide overall marketing solutions including advertising, community activities, sales orientation, and strived to achieve more profit through its own advantages in channels and a diversified industry integration, and established its leading position in community service market. Also, Beiqing Community Media organized a series of community large brand activities, for example the official “Beijing Community Football Match” of the municipal football association, 100 sessions of “Community Health Talk” cooperated with Beijing Municipal Health Planning Commission, the “Tourism into the Community” cooperated with Beijing Municipal Tourism Commission, the charity donation of brand winter clothes event with Bank of Communications, and “Beijing Cute Babies Competition” etc, which obtained high degree of attention and participation by the general public, effectively increased its influences on the community platform, and they got more recognition by the advertisement clients; besides, it also planned new parenting opera, city orientation sport and other innovative activities, which were much welcome by the automobile and real estate corporate clients.

With the development of Beijing Community Daily, the continuous accumulation of resources both online and offline and sound capital operation, Beijing Community Media is likely to obtain a large market share in the classified channel of print media. Beijing Community Media completed its joint-stock reform on 9 March 2016 and was renamed as “Beijing Community Media Technology (Beijing) Co., Ltd.” At present, Beijing Community Media is actively preparing for a new round of capital operation.

Beiqing Network Culture is a wholly-owned subsidiary of the Company. Beiqing Network Culture, as a limited partner, formed Beijing Runxin Dingtai Investment Centre (limited partnership) (the “Fund”) in 2013. The first online game project Tianshenhudong invested by the Fund, its target company Tianshenhudong Technology Ltd (北京天神互動科技有限公司) was approved for backdoor listing in 2015. As at the first half of 2016, full exit of the investment was made in that online game project, the return on investment was good. Besides, the Fund also actively promoted the remaining investment projects to realize exits via listing, backdoor listing, the so-called “New Third Board” or merger and acquisition of listed company etc, it is hoped that they will bring higher investment return. On 16 August 2016, it was renamed to “Beiqing Network Culture Communication Co., Ltd.” as approved by Beijing Administration for Industry and Commerce.

Qingyou Information is a wholly-owned subsidiary of the Company. In order to explore emerging media business segment, the Company solely invested RMB30,000 thousand in the operation of the website game platform “Qingyou Online”. It mainly carries out webpage game (PC webpage game), mobile phone game, H5 game and mobile internet advertisement businesses. In 2016, Qingyou Information was dedicated to carrying out mobile end game publication business. The H5 game platform that it had developed itself was offered online and in trial operation, and 73 popular H5 games of cooperation partners were connected to it. At the same time, with the mobile internet advertisement technical platform that it had built and the qualifications of the secondary advertisers of mobile internet of Tencent Company, Qingyou Information actively explored the mobile internet advertisement business. At present, the average daily download times of the mobile end games were about 300,000 times, the hit rate of mobile advertisement for the whole year was close to one hundred million, this business enjoyed good growth.

Beiqing Long Teng is a 51%-owned subsidiary of the Company. In 2016, Beiqing Long Teng actively explored investment management, financial consulting and value-added services, it paid attention to the investment and financing areas of health and retirement projects and cultural internet industry. Beiqing Long Teng, which was under the rearing period, was consolidating its basis, and was determined to explore businesses in order to realize profits as soon as possible.

Chongqing Media is a 60%-owned subsidiary of the Company. In 2016, Chongqing Media speeded up the transformation of its media, on the basis of a stable newspaper publication, it worked hard to develop new media products and market expansion, actively constructed a new media development structure, to form an operation model with equal focuses in media, municipal services, commercial multiple account types, revenue from the new media rose 23% from last year. Besides, the official WeChat public account of Chongqing Youth Daily (《重慶青年報》) continued to steadily rank among the top 500 of the national new media, all types of data were ranked first in Chongqing media ranking lists for a long time, and was ranked among the top 50 in “China Newspaper Industry New Media Influence Ranking” in 2016. Chongqing Media was trying to shorten the cultivation period so as to realize profit as soon as possible.

BYD Logistics is a 92.84%-owned subsidiary of the Company. In 2016, in the general slackness of the printing industry market, BYD Logistics strengthened internal assessment management, stressed cost control; at the same time it actively expanded product types, grasped the transformation of market opportunity strategies, and as the market of newsprint, light weight coated paper was shrinking, it wanted to become the largest agent in the northern region in the areas with rising demand of new products (Coldset magazine paper, super matte paper), and further expand the sourcing scale and market influence, continue to guarantee low costs and selling price advantages.

Prospects and future plans

In 2017, the Company will continue the organic integration of its traditional media business and new media channels, explore new media channels, enlarge its product types, to earn more revenue for the Company.

In 2017, the Company will actively promote Beiqing Community Daily and “OK Home” APP community service integrated platform integrating online and offline services, to promote new exploration of business domains through capital operation. At present, Beiqing Community Media is actively preparing for that, it is expected that there will be further capital operation in 2017.

In 2017, the Company will be determined to expand new media business. Qingyou Information will rely on the advantages and influences of the media of the Group to actively develop mobile end game platform and at the same time explore the mobile internet advertisement business, and create new areas of profit growth with its established advertisement platform advantages and the good growth of these businesses.

In 2017, the Company will continue to take Beiqing Outdoor as the theme, speed up the development of urban outdoor advertisement business. The Company and Beiqing Outdoor will continue to take part in government public bidding to increase the number of single column billboards to further increase market share.

In 2017, the Company will continue its investment in film and television business, and use mainly a constructive perspective to display boutique projects to portray history and life, explore a diversified investment model, expand the culture industry market. “Grain Field Under the Sun” (《天下糧田》), a historic programme about anti-corruption invested and produced by the Company will be broadcasted in CCTV in 2017, which is expected to generate good revenue.

In 2017, the Company will further explore capital operation, promote the optimization of the business structure and improve the financial results via merger and acquisition as well as absorption.

In 2017, while maintaining its existing core businesses, the Group will actively explore new businesses, help making new profit growth, continue to consolidate and utilize its ongoing relationship with BYDA, in order to further develop its business, and stand out from its peers as a leading group with a cross-media in China.

FINANCIAL POSITION AND OPERATIONAL RESULTS

1. Total Operating Revenue

Total operating revenue of the Group for 2016 was RMB483,306 thousand (2015: RMB509,257 thousand), representing a decrease of 5.10% as compared with 2015. Of which, revenue from advertising sales was RMB211,053 thousand (2015: RMB249,181 thousand), representing a decrease of 15.30% as compared with 2015; revenue from printing was RMB11,368 thousand (2015: RMB18,134 thousand), representing a decrease of 37.31% as compared with 2015; and revenue from trading of print-related materials was RMB172,707 thousand (2015: RMB199,343 thousand), representing a decrease of 13.36% as compared with 2015.

2. Operating Cost and Sales Tax and Surcharges

Operating cost of the Group for 2016 was RMB409,320 thousand (2015: RMB404,220 thousand), representing a increase of 1.26% as compared with 2015. Of which, cost of advertising sales was RMB161,814 thousand (2015: RMB173,256 thousand), representing a decrease of 6.60% as compared with 2015; cost of printing was RMB12,719 thousand (2015: RMB17,518 thousand), representing a decrease of 27.39% as compared with 2015; and cost of trading of print-related materials was RMB162,626 thousand (2015: RMB186,807 thousand), representing a decrease of 12.94% as compared with 2015. Tax and surcharges was RMB8,155 thousand (2015: RMB7,448 thousand), representing an increase of 9.5% as compared with 2015.

3. Gross Profit

Gross profit of the Group for 2016 was RMB73,986 thousand (2015: RMB105,037 thousand), representing a decrease of 29.56% as compared with 2015; gross profit margin of the Group for 2016 was 15.31% (2015: 20.63%).

4. *Selling Expenses*

Selling Expenses of the Group for 2016 was RMB64,592 thousand (2015: RMB72,396 thousand), representing a decrease of 10.78% as compared with 2015.

5. *Administrative Expenses*

Administrative expenses of the Group for 2016 was RMB62,165 thousand (2015: RMB58,574 thousand), representing an increase of 6.13% as compared with 2015.

6. *Financial Expenses*

Financial expenses of the Group for 2016 was RMB-3,443 thousand (2015: RMB-2,287 thousand), representing an increase of 50.55% in absolute value as compared with 2015. Of which, interest income was RMB4,874 thousand (2015: RMB7,491 thousand), representing a decrease of 34.94% as compared with 2015; and foreign exchange loss was RMB3 thousand (foreign exchange loss for 2015: RMB232 thousand), representing a decrease of 98.71% as compared with 2015.

7. *Share of Loss of Associates*

Share of loss of associates of the Group for 2016 was RMB17,017 thousand (2015: RMB39,752 thousand), representing a decrease of 57.19% as compared with 2015.

8. *Operating Profit*

Operating profit of the Group for 2016 was RMB73,364 thousand (2015: RMB58,485 thousand), representing an decrease of 25.44% as compared with 2015.

9. *Income Tax Expenses*

Income tax expenses of the Group for 2016 was RMB950 thousand (2015: RMB-3,257 thousand), representing an increase of 129.17% in absolute value as compared with 2015. According to the “Notice on the Continual Implementation of Certain Taxation Policies relating to the Transformation of Operational Culture Entities into Enterprises in the Cultural Regime Reform issued by the Ministry of Finance, the State Administration of Taxation and the Central Publicity Department and forwarded by Beijing Municipal Finance Bureau, Beijing State Administration of Taxation, Beijing Local Taxation Bureau and the Publicity Department of the Beijing Committee of the Communist Party of China” (Jing Cai Shui [2014] No.2907) (《北京市財政局、北京市國家稅務局、北京市地方稅務局、中國共產黨北京市委員會宣傳部轉發財政部、國家稅務總局、中宣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》(京財稅[2014]2907號)), the Company will continue to enjoy preferential enterprise income tax exemption during the period from 1 January 2014 to 31 December 2018.

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

Net loss of the Group for 2016 was RMB70,874 thousand (2015: net loss of RMB54,478 thousand). Of which, net loss attributable to shareholders of the Company was RMB58,838 thousand (2015: net loss attributable to shareholders of the Company RMB45,372 thousand).

11. Final Dividend

The Board did not propose a final dividend for the year 2016 (2015: RMB0 per share).

12. Net Current Assets

As at 31 December 2016, net current assets of the Group was RMB835,385 thousand (31 December 2015: RMB794,101 thousand). Current assets mainly comprised bank balances and cash of RMB214,527 thousand (31 December 2015: RMB349,953 thousand), accounts receivable of RMB422,045 thousand (31 December 2015: RMB409,792 thousand), prepayments of RMB54,446 thousand (31 December 2015: RMB59,869 thousand), interest receivable of RMB182 thousand (31 December 2015: RMB1,212 thousand), other receivables of RMB311,297 thousand (31 December 2015: RMB134,274 thousand), inventories of RMB28,117 thousand (31 December 2015: RMB35,963 thousand), non-current assets due within one year was RMB1,060 thousand (31 December 2015: RMB1,760 thousand), and other current assets was RMB39,783 thousand (31 December 2015: RMB23,040 thousand). Current liabilities mainly comprised notes payable of RMB51,188 thousand (31 December 2015: RMB35,114 thousand), accounts payable of RMB78,916 thousand (31 December 2015: RMB75,333 thousand), receipts in advance of RMB39,031 thousand (31 December 2015: RMB37,524 thousand), employee benefit payables of RMB8,882 thousand (31 December 2015: RMB6,776 thousand), interest payables of RMB25 thousand (31 December 2015: RMB25 thousand), tax payables of RMB5,730 thousand (31 December 2015: RMB-9,019 thousand), other payables of RMB45,191 thousand (31 December 2015: RMB67,077 thousand), non-current liabilities due within one year was RMB5,500 thousand (31 December 2015: RMB6,500 thousand), and other current liabilities of RMB1,609 thousand (31 December 2015: RMB2,432 thousand).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2016, current assets of the Group was RMB1,071,457 thousand (31 December 2015: RMB1,015,863 thousand), including bank balances and cash of RMB214,527 thousand (31 December 2015: RMB349,953 thousand) and non-current assets was RMB429,378 thousand (31 December 2015: RMB538,558 thousand).

As at 31 December 2016, current liabilities of the Group was RMB236,072 thousand (31 December 2015: RMB221,762 thousand) and non-current liabilities was RMB4,514 thousand (31 December 2015: RMB10,014 thousand).

As at 31 December 2016, shareholders' equity of the Group was RMB1,260,249 thousand (31 December 2015: RMB1,322,645 thousand).

GEARING RATIO

As at 31 December 2016, gearing ratio of the Group was 19.09% (31 December 2015: 17.52%)(the gearing ratio is derived from dividing the Group's total liabilities by its total equity).

BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2016, bank loans of the Group was RMB5,500 thousand (31 December 2015: RMB12,000 thousand). The currency unit of cash and cash equivalent held by the Group was Renminbi.

FINANCING COST

Financing cost of the Group for 2016 was RMB1,278 thousand (2015: RMB2,617 thousand).

FIVE-YEAR RESULTS HIGHLIGHTS

	For the year ended 31 December				
	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Total operating revenue	483,306	509,257	680,769	667,428	690,276
Net profit	(70,874)	(54,478)	4,896	17,273	63,459
Net profit attributable to shareholders of the Company	(58,838)	(45,372)	10,506	20,377	64,987
Earnings per share – basic and diluted (RMB)	(0.30)	(0.23)	0.05	0.10	0.33

	As at 31 December				
	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Total assets	1,500,835	1,554,421	1,595,590	1,612,519	1,685,825
Total liabilities	240,586	231,776	284,622	279,005	327,391
Total equity attributable to shareholders of the Company	1,214,959	1,265,345	1,281,732	1,302,238	1,341,054
Shareholders' equity per share as at the end of the year (RMB)	6.16	6.41	6.50	6.60	6.80

USE OF PROCEEDS FROM THE LISTING

The Company raised a total net proceeds of HKD889,086 thousand from the initial global offering in 2004.

All of the proceeds were used up as at 31 December 2016.

In order to capture more business opportunities arising from emerging media businesses, the Company believes that it will seek for various financing arrangements to support business development when its business requires and condition is mature in the future.

SHARE STRUCTURE (AS AT 31 DECEMBER 2016)

	Number of shares	% of total share capital (%)
Holders of domestic shares		
– BYDA	124,839,974	63.27
– Beijing Zhijin Science and Technology Investment Co., Ltd.	7,367,000	3.73
– China Telecommunication Broadcast Satellite Co., Ltd. <i>(Note 1)</i>	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 in issue <i>(Note 2)</i>	54,901,000	27.82
Total share capital	197,310,000	100

Note:

1. On 22 December 2016, China Telecommunication Broadcast Satellite Corp. was renamed as “China Telecommunication Broadcast Satellite Co., Ltd.”.
2. Including 19,533,000 outstanding H Shares held by Mr. Jia Yueting and Le Shi Internet Information & Technology (Beijing) Limited which represents 9.90% of the total share capital of the Company.

CAPITAL EXPENDITURE

Capital expenditures, including expenditures on office equipment and intangible assets, of the Group for 2016 was RMB2,357 thousand (2015: RMB5,208 thousand). Capital expenditures of the Group for 2016 was mainly comprised of the expenditures consistent with business strategies.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2016, the Group did not have any contingent liabilities, nor any plans relating to contingent liabilities.

Beiqing Outdoor, the subsidiary of the Company, has entered into a loan agreement with Beijing Dongdan Branch, Bank of Communications on 26 June 2014, pursuant to which, Beijing Dongdan Branch, Bank of Communications agreed to provide the loan of RMB19,500 thousand to Beiqing Outdoor for the payment of utilization of advertising facilities for a term not more than 36 months (26 June 2014 to 23 June 2017). Beiqing Outdoor shall pay the interest based on an interest rate equivalent to the 3-year-term benchmark interest rate at a premium of 20% and pledge the investment properties held by Beiqing Outdoor as the security. As at 31 December 2016, Beiqing Outdoor had repaid RMB14,000 thousand and the remaining balance of loan amounted to RMB5,500 thousand.

MATERIAL INVESTMENTS

On 1 December 2016, upon approval from the 4th meeting of 6th session of the Board, the Company and Beijing Cultural Investment Development Group Co., Ltd. (“Cultural Investment Group”) entered into an equity transfer contract, pursuant to which the Company agreed to acquire and Cultural Investment Group agreed to dispose 20% equity interest in Beijing International Advertising & Communication Group Co., Ltd. (“BIAC”) for cash consideration of RMB33,118.94 thousand. Upon completion of the above equity transfer, the Company held 20% equity interest in BIAC.

Save for the above disclosure, during the Reporting Period, the Group had no material investments, nor any plan related to material investment or acquisition of assets.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

On 11 April 2016, the Company and Beijing Trans-media Co., Ltd. (北京終端廣告傳媒有限責任公司) (“Trans-media”) entered into an equity transfer agreement, pursuant to which the Company agreed to sell and Trans-media agreed to purchase the Company’s 36.12% equity interest in Beiqing Transmedia Co., Ltd. (北青航媒科技傳播有限公司) (“BQTM”) for cash consideration of RMB168,000 thousand. The above Equity Transfer Agreement had been approved at the annual general meeting of the Company held on 30 June 2016. As at 31 December 2016, BQTM will cease to be an associate company of the Company and the Company will cease to hold any equity interest in BQTM. For details, please refer to the announcements of the Company dated 11 April 2016 and 30 June 2016, and circular dated 13 May 2016.

Save for the above disclosure and disclosure in “Material Investment”, during the Reporting Period, the Group had no other material acquisition or disposal of assets.

FOREIGN EXCHANGE RISKS

Renminbi is the functional currency of the Company. The Company's operations conducted in the PRC are mainly settled in Renminbi. However, certain account payables are settled in foreign currency (mainly HKD). Therefore, the Company is exposed to fluctuations in foreign exchange rate to 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 focusing on environment protection while developing. During its day-to-day operation, the Group reasonably utilized resources in strict compliance with the relevant laws, regulations, standards and other local rules. It has formulated and implemented the relevant internal rules and strives to minimize its impacts on the ecological environment in terms of resource utilization. During the year ended 31 December 2016, the Group organised several public benefit events relating to protection of natural environment. In the meantime, the Group is committed to maintaining and consolidating a healthy operation environment so that it can realize steady and orderly growth. The Group also tries its best to improve the working environment for its employees, advocates a philosophy of green office and green production and strives to create a safe, healthy, ideal and protected working environment for all employees. During the year ended 31 December 2016, the Group placed advertisements in the theme of public welfare all the year round so as to promote the concept of environmental protection.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year of 2016, so far as the Directors were aware, there was no non-compliance with any relevant laws and regulations which would have a material impact on the Group.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group endeavours to maintain sustainable development in the long term, continuously create value for its employees and customers, and fosters good relationships with its suppliers. The Group deeply understands that employees are its valuable assets, and the realisation and enhancement of employees' values will facilitate the achievement of the Group's overall goals. For the year ended 31 December 2016, the Group held staff trainings, and organised the staff to watch arts performance and sporting events for several times. The Group also understands the importance of maintaining good relationships with its suppliers and customers to the overall development of the Group. The Group places emphasis on supplier selection and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group abides by the principles of honesty and trustworthiness and commits itself to consistently providing quality services to its customers. For the year ended 31 December 2016, there was no significant and material dispute between the Group and its suppliers and/or customers.

AUDIT COMMITTEE

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

The Audit Committee and the management team of the Company have reviewed the accounting principles and practices adopted by the Group. In addition, the Audit Committee has discussed with the Directors on matters concerning the internal controls and financial reporting of the Company, including reviewing of the annual audited consolidated financial statements of the Group for the year ended 31 December 2016, without dissenting opinions.

CORPORATE GOVERNANCE

During the year ended 31 December 2016, the Company had fully complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors and the Supervisors. Having made sufficient enquiries from all Directors and Supervisors, all Directors and Supervisors confirmed that they had complied with the required standards under the Model Code for the year ended 31 December 2016.

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

For the year ended 31 December 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

FINAL DIVIDEND

The Board did not recommend the distribution of final dividend for the year ended 31 December 2016.

CLOSURE OF REGISTER OF MEMBERS

The Company intends to hold the 2016 annual general meeting of the Company (“AGM”) at the 2104 meeting room of Beijing Youth Daily Agency Building at 2:30 p.m. on Friday, 30 June 2017. The register of members of the Company will be closed from Wednesday, 31 May 2017 to Friday, 30 June 2017 (both days inclusive). In order to qualify to attend the AGM and to vote at the meeting, all instruments of transfer of the holders of H Shares must be lodged at the H Share registrar of the Company at Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 29 May 2017. Shareholders whose names appear on the register of members of the Company on Wednesday, 31 May 2017 shall be entitled to attend the AGM.

PUBLICATION OF THE RESULT ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the Company’s website (www.bjmedia.com.cn) and the website of Hong Kong Stock Exchange (www.hkex.com.hk). The 2016 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the aforesaid websites in due course.

By order of the Board
Beijing Media Corporation Limited
Zhang Yanping
Chairman

Beijing, the PRC, 31 March 2017

As at the date of this announcement, the Board comprises: the executive Directors, Zhang Yanping, Yu Haibo, He Xiaona, Peng Liang and Shang Da; the non-executive Directors, Xu Xun and Liu Hong; and the independent non-executive Directors, Wu Tak Lung, Cui Enqing, Chen Ji, Wu Changqi and Chow Bing Chuen.

DEFINITIONS

“Audit Committee”	Audit Committee of the Board
“Beiqing CéCi”	Beiqing CéCi Advertising (Beijing) Limited, a subsidiary of the Company
“Beiqing Community Media”	Beiqing Community Media Technology (Beijing) Co., Ltd. (formerly known as Beiqing Community Cultural Media (Beijing) Company Limited), a subsidiary of the Company
“Beiqing Long Teng”	Beiqing Long Teng Investment Management (Beijing) Co., Limited, a subsidiary of the Company
“Beiqing Network Culture”	Beiqing Media Network Culture Communication Co. Ltd., (formerly known as Legal Evening Post Media Company), a subsidiary of the Company
“Beiqing Outdoor”	Beijing Beiqing Outdoor Advertisement Co., Ltd., a subsidiary of the Company
“Board”	The board of Directors
“BQTM”	Beiqing Transmedia Advertising Limited
“BYD Logistics”	BYD Logistics Company Limited, a subsidiary of the Company
“BYDA Group”	BYDA and its subsidiary
“Chongqing Media”	Chongqing Youth Media Company Limited, a subsidiary of the Company
“Company” , “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
“Director(s)”	The director(s) of the Company
“Domestic Shares”	The ordinary shares of RMB1.00 per share in the capital of the Company
“Group”	The Company and its subsidiaries
“H Shares”	The foreign shares listed overseas of RMB1.00 per share in the ordinary share capital of the Company
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Parent” or “BYDA”	Beijing Youth Daily Agency, the controlling shareholder of the Company
“PRC” or “China”	The People’s Republic of China, excluding Hong Kong, Macau Special Administration Region and Taiwan
“Qingyou Information”	Beijing Qingyou Information Technology Co., Ltd., a subsidiary of the Company
“Reporting Period”	The year ended 31 December 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	The shareholder(s) of the Company
“Supervisor(s)”	The supervisor(s) of the Company