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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS:

1. Total operating revenue decreased by 18.76% to RMB277,387 thousand (corresponding period of 2014: RMB341,453 thousand).
2. Total profit decreased by 76.95% to RMB2,540 thousand (corresponding period of 2014: RMB11,020 thousand).
3. Net profit attributable to shareholders of the Company decreased by 22.43% to RMB6,462 thousand (corresponding period of 2014: RMB8,331 thousand).
4. Earnings per share was RMB0.03 (corresponding period of 2014: RMB0.04).

The board of directors (the “**Board**”) of Beijing Media Corporation Limited (the “**Company**” or “**Beijing Media**”, and together with its subsidiaries, the “**Group**”) hereby announces the unaudited consolidated results of the Group for the six months ended 30 June 2015 (the “**First Half of 2015**”) and the comparative results of the Group for the corresponding period in 2014.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

RMB'000

Item	Notes	For the six months ended 30 June	
		2015	2014
Total operating revenue	1	277,387	341,453
Total operating costs		280,750	316,123
Operating costs	1	209,351	268,232
Sales tax and surcharges		4,249	5,577
Selling expenses		34,354	12,211
Administrative expenses		29,491	30,760
Financial expenses	2	(1,938)	(6,061)
Impairment loss of assets		5,243	5,404
Gain and loss on the changes in fair value		8,258	(3)
Share of profit/(loss) of associates	3	(3,534)	(14,408)
Other investment gains/(loss)	3	1,229	1
Operating profit		2,590	10,920
Add: non-operating income		19	120
Less: non-operating expenses		69	20
Total profit		2,540	11,020
Less: Income tax expenses	4	2,341	4,207
Net profit		199	6,813
Other net comprehensive income after tax		–	27
Other comprehensive income subsequently reclassified into profit or loss: exchange differences from retranslation of financial statements		–	27
Total comprehensive income		199	6,840

CONSOLIDATED INCOME STATEMENT (UNAUDITED) (CONTINUED)

RMB'000

Item	<i>Notes</i>	For the six months ended 30 June	
		2015	2014
Net profit attributable to:			
Shareholders of the Company		6,462	8,331
Non-controlling shareholders		(6,263)	(1,518)
		<u>199</u>	<u>6,813</u>
Total comprehensive income attributable to:			
Shareholders of the Company		6,462	8,358
Non-controlling shareholders		(6,263)	(1,518)
		<u>199</u>	<u>6,840</u>
Earnings per share			
Basic earnings per share (RMB per share)	5	0.03	0.04
Diluted earnings per share (RMB per share)	5	0.03	0.04
		<u>0.03</u>	<u>0.04</u>
Dividends	6	19,731	27,623
		<u>19,731</u>	<u>27,623</u>

CONSOLIDATED BALANCE SHEET (UNAUDITED)

RMB'000

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

CONSOLIDATED BALANCE SHEET (UNAUDITED) (CONTINUED)

RMB'000

Item	<i>Notes</i>	As at 30 June 2015	As at 31 December 2014
Current liabilities:			
Short-term borrowings		14,390	–
Notes payable		43,584	81,545
Accounts payable	8	104,023	107,721
Receipts in advance		28,483	47,643
Employee benefit payables		5,947	7,416
Tax payables		(16,607)	(16,418)
Interest payables		40	40
Dividend payable		19,731	–
Other payables		70,319	26,998
Non-current liabilities due within one year		6,500	7,500
Other current liabilities		5,147	5,147
Total current liabilities		281,557	267,592
Non-current liabilities:			
Long-term loans		6,500	12,000
Deferred income tax liabilities		7,097	5,030
Total non-current liabilities		13,597	17,030
Total liabilities		295,154	284,622
Shareholders' equity:			
Share capital		197,310	197,310
Capital reserves		907,985	887,794
Other comprehensive income		(4)	(4)
Surplus reserves		130,931	130,931
Undistributed profits		52,432	65,701
Total equity attributable to shareholders of the Company		1,288,654	1,281,732
Non-controlling interests		32,555	29,236
Total shareholders' equity		1,321,209	1,310,968
Total liabilities and shareholders' equity		1,616,363	1,595,590
Net current assets		754,166	826,613
Total assets less current liabilities		1,334,806	1,327,998

BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

Basis for Preparation

The Group's financial statements for the year ended 30 June 2015 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance of the People's Republic of China, including adoption of nine revised and new basic and specific standards issued by MOF ("New PRC Accounting Standards") and other relevant regulations issued by MOF ("PRC Accounting Standards") in 2014 financial year and disclosed in accordance with the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in "Principal accounting policies and accounting estimates and basis of preparation of consolidated financial statements".

CHANGES IN ACCOUNTING POLICIES AND THEIR EFFECT

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

STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

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

NOTES TO THE FINANCIAL STATEMENTS

1. TOTAL OPERATING REVENUE AND OPERATING COSTS

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

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

(1) *Principal operations – by business segment*

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

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

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

2. FINANCIAL EXPENSES

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

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

4. INCOME TAX EXPENSES

(1) Income tax expenses

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

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

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

5. EARNINGS PER SHARE

Item	For the six months ended 30 June	
	2015	2014
Net profit for the half-year attributable to the shareholders of the Company	6,462	8,331
Weighted average number of ordinary shares in issue (0'000 shares)	197,310	197,310
	<hr/>	<hr/>
Earnings per share (RMB)	0.03	0.04
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The basic earnings and diluted earnings per share for the six months ended 30 June 2014 and 2015 are the same as there was no dilution incurred during the periods.

6. DIVIDENDS

- (1) The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: NIL).
- (2) For the period, the Company recognized the profits were distributed as dividends as follows:

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

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

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

7. ACCOUNTS RECEIVABLE

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

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

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

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

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

8. ACCOUNTS PAYABLE

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

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

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

9. SUPPLEMENTARY INFORMATION

Items	For the six months ended 30 June	
	2015	2014
Net gain on disposal of fixed assets (loss)	(62)	97
Depreciation of fixed assets	1,719	1,330
Amortization of intangible assets	736	718

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 Limited (“**BYD Logistics**”); and (3) trading of print-related materials, the business of this part involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to customers including commercial printers.

Total operating revenue of the Group for the First Half of 2015 was RMB277,387 thousand (corresponding period of 2014: RMB341,453 thousand), representing a decrease of 18.76% as compared with that for the corresponding period of 2014. Net profit attributable to shareholders of the Company was RMB6,462 thousand (corresponding period of 2014: RMB8,331 thousand), representing a decrease of 22.43% as compared with that for the corresponding period of 2014.

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

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

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

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

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

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

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

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

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

Advertising Business

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

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

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

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

Integration Between the Advertising Business and Emerging Media

Connection with emerging media resources of BYDA Group

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

Integration with internal emerging media of the Group

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

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

Cooperating with Leading Internet Enterprises

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

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

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

Film and television business

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

RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP

Beiqing CéCi Advertising (Beijing) Limited (“**Beiqing CéCi**”) is a 84.69%-owned subsidiary of the Company. In the First Half of 2015, the revenue from Beiqing CéCi amounted to RMB 15,179 thousand, representing an increase of 10.99% as compared with the corresponding period of 2014. Beiqing CéCi focused on the agency of advertising business in CéCi (《茜茜姐妹CéCi》) magazine, a premium women’s magazine for fashion mavens distributed across major cities of the PRC including Hong Kong. CéCi magazine is the first Korean-style trendy magazine introduced into the PRC. Its lively writing and easy-going style give the best annotation to the orient trendy life of Chinese professional women with its advocacy of a modern culture combining innovation and pragmatism in Asia. Through over 7 years’ operation, CéCi is a favourite magazine of urban white-collar women with a sound track record in sales since its launching. Starting from November 2014, Beiqing CéCi, as joint organizer, carried out the AIDS prevention propaganda educational event “I am the leader of my youth-Red Ribbon Campus Health Ambassador” (“美好青春我做主—紅絲帶健康大使青春校園行”) with 16 universities in 14 provinces nationwide, and arranged series of activities successively in seven higher educational institutes such as Nankai University, Zhejiang University, Fudan University, Sichuan University during the First Half of 2015, which attracted over ten thousand university students to participate. Red Ribbon Campus Health Ambassadors such as Lang Lang, Pu Cunxin, Bai Yansong, Xu Wei and Zheng Jie and other popular celebrities in the entertainment and sports circle participated in the activities, which successfully established a healthy and progressive public image of CéCi magazine among the Chinese new generation of youth, and effectively enhanced the brand influence of the Company. In the second half of 2015, Beiqing CéCi will strive to offer three dimensional on-site promotion services to clients through new marketing initiatives, in order to cope with the increasingly fierce market competition and effectively increase revenue.

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

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

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

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

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

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

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

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

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

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

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

PROSPECTS AND FUTURE PLANS

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

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

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

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

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

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

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

The Group’s performance is heavily dependent on the concerted efforts of our management and staff in each business unit. The acute insight of the management regarding market opportunities and the excellent quality of the staff are the keys to our success.

FINANCIAL REVIEW

1. *Total Operating Revenue*

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

2. *Operating Costs and Sales Tax and Surcharges*

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

3. *Selling Expenses*

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

4. *Administrative Expenses*

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

5. *Financial Expenses*

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

6. *Share of Profit of Associates*

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

7. *Operating Profit and Profit Margin*

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

8. *Income Tax Expenses*

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

9. *Net Profit Attributable to Shareholders of the Company*

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

10. *Financial Resources and Liquidity*

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

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

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

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

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

11. Gearing Ratio

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

USE OF PROCEEDS FROM LISTING

The Company raised a net proceed of HK\$889.086 million in total from the global offering in 2004. The following table sets forth a breakdown of the proposed use of proceeds as disclosed in the prospectus and as modified in the relevant announcements of the Company and the actual use of proceeds as at 30 June 2015:

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

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

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

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

SHARE STRUCTURE (AS AT 30 JUNE 2015)

	Number of shares	% of total share capital (%)
Holder of domestic shares		
– Beijing Youth Daily Agency	124,839,974	63.27
– Beijing Zhijin Science and Technology Investment Co., Ltd	7,367,000	3.73
– China Telecommunication Broadcast Satellite Corp.	4,263,117	2.16
– Beijing Development Area Ltd.	2,986,109	1.52
– Sino Television Co., Ltd.	2,952,800	1.50
	<hr/>	<hr/>
Domestic shares (subtotal)	142,409,000	72.18
H shares (<i>note</i>)	54,901,000	27.82
	<hr/>	<hr/>
Total share capital	197,310,000	100
	<hr/> <hr/>	<hr/> <hr/>

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

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

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

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

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

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

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

CAPITAL EXPENDITURES

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

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

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

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

FOREIGN EXCHANGE RISKS

Renminbi is the functional currency of the Company. The Company's operations conducted in the PRC are mainly settled in Renminbi. However, certain account payables are settled in foreign currency (mainly Hong Kong dollars). Therefore, the Company is exposed to fluctuations in foreign exchange rate to a certain extent. Operating cash flow or liquidity of the Group is not subject to material exchange rate fluctuations.

EMPLOYEES

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

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

MATERIAL INVESTMENTS

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

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

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

MATERIAL LEGAL MATTERS

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

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

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

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

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

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

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

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

AUDIT COMMITTEE

Pursuant to the requirements of the Listing Rules, the Company has set up an audit committee which is responsible for the review, supervision and adjustment of the financial reporting process and internal control of the Group. Members of the audit committee comprise two independent non-executive Directors and one non-executive Director.

The audit committee and the management team of the Company have reviewed the accounting principles and practices adopted by the Group. In addition, the audit committee has also discussed with the Directors on matters concerning the internal control and financial reporting of the Company, including the review of the financial statements of the Group for the First Half of 2015 with no dissenting opinions.

CONNECTED TRANSACTIONS MANAGEMENT

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

DISTRIBUTABLE RESERVE

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

INTERIM DIVIDEND

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

DISCLOSURE OF INFORMATION ON THE HONG KONG STOCK EXCHANGE'S AND THE COMPANY'S WEBSITES

The Company's interim report for the First Half of 2015 will be published on the Hong Kong Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.bjmedia.com.cn>).

By Order of the Board
Zhang Yanping
Chairman

Beijing, the PRC, 28 August 2015

As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Yu Haibo, He Xiaona and Duan Gang, the non-executive directors of the Company, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Wang Lin and Xu Xun, and the independent non-executive directors of the Company, Song Jianwu, Cui Baoguo, Wu Tak Lung, Cui Enqing and Chen Ji.

Please also refer to the published version of this announcement on the Company's website at www.bjmedia.com.cn.