

If you are in doubt as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Beijing Media Corporation Limited, you should at once hand this Circular together with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for delivery to the purchaser or transferee.

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BEIJING MEDIA CORPORATION LIMITED
北青傳媒股份有限公司

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

(Stock Code: 1000)

CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the
Independent Non-Executive Directors and the Independent Shareholders**



A letter from the Independent Board Committee of Beijing Media Corporation Limited is set out on pages 9 to 10 of this Circular. A letter from ICEA containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 18 of this Circular.

A notice convening a general meeting of Beijing Media Corporation Limited to be held at 10th Floor, Beijing Youth Daily Agency Building, Beijing, The People's Republic of China on Tuesday, 20 June 2006 at 2 p.m. is set out on pages 23 to 27 of this Circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for holding the meeting.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting should you so wish.

17 May, 2006

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DEFINITIONS

In this Circular, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“Associates”	shall have the meaning as defined in the Listing Rules;
“Board”	the board of Directors;
“BYD”	北京青年報社(Beijing Youth Daily Newspaper Agency);
“BYD Logistics”	北京青年報現代物流有限公司 (Beijing Youth Daily Logistics Company Limited), a limited liability company established in the PRC and a subsidiary of the Company;
“Cap”	the annual cap set in relation to the transactions under the Printing Agreement;
“Circular”	this circular issued by the Company dated 17 May 2006;
“Company”	北青傳媒股份有限公司(Beijing Media Corporation Limited), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange;
“Director(s)”	the director(s), including the independent non-executive directors of the Company;
“General Meeting”	the annual general meeting of the Company for 2005 to be held on 20 June 2006;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“ICEA”	ICEA Capital Limited, a corporation licensed under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities;
“Independent Board Committee”	an independent board committee of the Company comprising Messrs. Tsang Hing Lun, Wu Changqi and Liao Li;
“Independent Shareholders”	shareholders of the Company other than BYD and its associates;

DEFINITIONS

“Latest Practicable Date”	12 May 2006;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Printing Agreement”	the printing agreement dated 7 December 2004 entered into between BYD and BYD Logistics;
“PRC”	the People’s Republic of China;
“Prospectus”	The prospectus published by the Company, in accordance with the Listing Rules, at the time of its listing;
“RMB”	the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

LETTER FROM THE CHAIRMAN



BEIJING MEDIA CORPORATION LIMITED 北青傳媒股份有限公司

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

(Stock Code: 1000)

Executive Directors

Zhang Yanping

Zhang Yabin

Sun Wei

He Pingping

Du Min

Non-executive Directors

Liu Han

Xu Xun

Johannes Louw Malherbe

Independent non-executive Directors

Mr. Tsang Hing Lun

Mr. Wu Changqi

Mr. Liao Li

17 May, 2006

To the Shareholders

Dear Sir or Madam,

1. INTRODUCTION

Reference is made to the announcement of the Company dated 25 April 2006. As disclosed in the Prospectus, the Group is party to a number of existing continuing connected transactions. In this connection, the Company was granted waivers by the Stock Exchange from strict compliance with the relevant requirements in Chapter 14A of the Listing Rules in respect of certain continuing connected transactions for a period of three years ending 31 December 2006 at the time of the Company's initial public offering on 13 December 2004. The waivers covered, among others, transactions entered into under the Printing Agreement. Pursuant to the terms of the waivers granted by the Stock Exchange, certain of the Company's continuing connected transactions including, among others, transactions entered into under the Printing Agreement, are subject to an annual cap. In accordance with Rule 14A.36(1) of the Listing Rules, if an annual cap is exceeded in respect of a given transaction, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to such connected transaction.

LETTER FROM THE CHAIRMAN

It has come to the Company's attention during the course of the audit of the Company's financial statements for the year ended 31 December 2005 that the 2005 Cap for transactions entered into under the Printing Agreement has been exceeded and due to growing demands, the Company expects that the Cap for 2006 will need to be revised.

As the term of the Printing Agreement is due to expire on 31 December 2006 and the Company anticipates that BYD Logistics will continue to be engaged by BYD to provide printing services, the Company proposes to extend the term of the Printing Agreement for an additional 3 years and proposes new cap for the years 2007 to 2008.

With the view to providing a better system to monitor the value of continuing connected transactions incurred throughout the year, the Company has implemented new internal control measures which require finance and accounting departments to regularly report to management the relevant updated financial data and, based on the available data and market conditions, estimate the likelihood of requiring an adjustment to the caps applicable to the continuing connected transactions. The Company expects that the new measures will strengthen the Company's ability to regulate its continuing connected transactions.

Further details of the transactions under the Printing Agreement are set out below:

2. PRINTING AGREEMENT

Background:

As disclosed in the Prospectus, BYD Logistics, a subsidiary of the Company in which the Company holds 50.5% equity interest and whose business includes the provision of printing services and trading of print-related materials, provides printing services to BYD in respect of 北京科技報 (Beijing Sci-Tech Report), 中學生科技報 (Middleschool Science Post) and 法制晚報 (Legal Evening Post) and certain other publications under the Printing Agreement.

Pricing:

The printing fee charged by BYD Logistics will be based on the actual volume of the newsprint printed and the quality of the printing and the paper.

Pursuant to the Printing Agreement, BYD Logistics may only provide the printing service to BYD on the basis that the fees payable thereunder are settled on normal commercial terms, that being on terms which a party could obtain if the transaction were on arm's length basis or on terms no less favourable to BYD Logistics than terms available to or from third parties.

LETTER FROM THE CHAIRMAN

Cap:

The original Cap set for the three years 2004 to 2006 and the actual value of the transactions are as follows:

Year ended 31 December 2004 (RMB)		Year ending 31 December 2005 (RMB)		Year ending 31 December 2006 (RMB)
Original Cap	Actual	Original Cap	Actual	Original Cap
33,200,000	31,400,863	53,800,000	79,794,524	56,500,000

Reasons for exceeding the Cap

The exceeding of the Cap for 2005 in relation to the provision of printing services provided under the Printing Agreement is primarily due to the significant growth of circulation of the Legal Evening Post in 2005, which accounted for approximately 96 percent of the total printing transactions under the Printing Agreement in 2005. The Legal Evening Post experienced an increase of average daily circulation of 147,730 at the beginning of 2005 to 227,918 in December 2005, resulting in a greater need for printing services from BYD Logistics than the Company originally had estimated.

Reasons for revising the Cap for 2006

The Company anticipates that the circulation level of the Legal Evening Post in 2006 will, at least, be similar to that in 2005. As the original Cap set for 2006 was determined based on a much lower circulation assumption, the Cap for 2006 will require revision. The Company proposes that the Cap for 2006 shall be revised to RMB125,000,000. In determining the revised Cap, the Company has taken into account the actual value of the transactions conducted in 2005, the value of the transactions generated to date (being approximately RMB24 million), the condition of the newspaper market which provided a healthy platform for the development of the Legal Evening Post, the rate of increase in the circulation of the relevant publications in 2005 and the expected continual increase in the circulation of the relevant publications, in particular the Legal Evening Post. As the Printing Agreement generates income for the Group, the Company believes the increase in the Cap will be beneficial to the Group as a whole.

Reasons for renewing the Printing Agreement

Under rule 14A.35 of the Listing Rules, agreements for continuing connected transactions should, generally, have a term of no longer than 3 years. Accordingly, the term of the Printing Agreement will expire on 31 December 2006. As the Company is optimistic that it will continue to be engaged by BYD after 2006 to provide printing services, the Company would like to seek the approval of the Independent Shareholders for the Printing Agreement to be renewed, if agreed by BYD, pursuant

LETTER FROM THE CHAIRMAN

to rule 14A.36(2) of the Listing Rules with effect from the expiry of the current term for a period of no more than 3 years. The Company proposes the annual Cap for 2007 and 2008 to be RMB150,000,000 and RMB190,000,000, respectively. In determining the proposed Cap, the Company has taken into account the actual value of the transactions conducted in 2005, the expected transaction value for 2006, the condition of the newspaper market which is expected to provide a healthy platform for the development of the Legal Evening Post, the rate of increase in the circulation of the relevant publications in 2005 and the expected continual increase in the circulation of the relevant publications, in particular the Legal Evening Post, in the years 2007 to 2008.

3. REASONS FOR ENTERING INTO THE PRINTING AGREEMENT

One of the principal businesses of BYD Logistics involves the provision of printing services, including the printing of newspapers. BYD, being one of the leading newspapers agencies in the PRC, is one of BYD Logistics key customers in printing services. As the transactions under the Printing Agreement are incoming generating, the Company believes the provision of printing services to BYD is beneficial to the Group as a whole.

4. IMPLICATIONS UNDER THE LISTING RULES

BYD is the holder of approximately 63.27 percent of the total issued share capital of the Company and, therefore, a substantial shareholder and connected person of the Company. As BYD Logistics is a subsidiary of the Company, transactions under the Printing Agreement will constitute continuing connected transactions for the Company under the Listing Rules.

The applicable percentage ratios in respect of the aggregate values for the transactions under the Printing Agreement exceeds 2.5% on an annual basis. Transactions under the agreement are therefore subject to the reporting, announcement and independent shareholders' approval requirements in Rule 14A.35 of the Listing Rules.

5. GENERAL INFORMATION RELATING TO THE COMPANY, BYD LOGISTICS AND BYD

The Company is a PRC media company principally engaged in the sale of advertising space, production of newspapers and trading of print-related materials. It has the exclusive right to operate the advertising business of a number of leading newspapers in the PRC, including the Beijing Youth Daily.

BYD Logistics is a subsidiary of the Company, in which the Company is the holder of 50.5 percent of its equity interest. BYD Logistics is involved in the business of providing storage, transportation, logistics and printing services and trading of print related material.

BYD is the holder of approximately 63.27 percent. of the total issued share capital of the Company. BYD is a newspaper agency in the PRC and publishes, amongst others, the Beijing Youth Daily and the Legal Evening Post.

LETTER FROM THE CHAIRMAN

6. RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board (including the independent Directors) considers that the revised Cap for 2005, the proposed Cap for 2007 to 2008 and the proposed extension of the Printing Agreement are based on normal commercial terms, are fair and reasonable to its Independent Shareholders and are in the interests of the Company and the shareholders as a whole.

7. RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

ICEA has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the revised Cap for 2006, the proposed Cap for 2007 to 2008 and the proposed extension of the Printing Agreement. The members of the Independent Board Committee are Messrs. Tsang Hing Lun, Wu Changqi and Liao Li.

The Independent Board Committee, having taken into account the advice of ICEA, considers that the revised Cap for 2006, the proposed Cap for 2007 to 2008 and the proposed extension of the Printing Agreement are fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders vote in favour of the ordinary resolution in relation to the above which will be proposed at the General Meeting.

The text of the letter from Independent Board Committee is set out on pages 9 to 10 of this Circular and the text of the letter from ICEA containing its advice is set out on pages 11 to 18 of this Circular.

8. GENERAL MEETING

You will find on pages 23 to 27 of this Circular a notice of the General Meeting to be held at 10th Floor, Beijing Youth Daily Agency Building, Beijing, The People's Republic of China on Tuesday, 20 June 2006 at 2 p.m.

A form of proxy for use in connection with the General Meeting has already been provided to the shareholders. Whether or not you are able to attend the meeting, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting should you so wish.

BYD and its associates will abstain from voting at the General Meeting in respect of the resolution relating to the matters set out in this Circular.

LETTER FROM THE CHAIRMAN

9. GENERAL INFORMATION

Your attention is drawn to the texts of the letter from the Independent Board Committee and from ICEA containing their recommendations regarding the revised Cap for 2006, the proposed Cap for 2007 to 2008 and the proposed extension of the Printing Agreement.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



BEIJING MEDIA CORPORATION LIMITED 北青傳媒股份有限公司

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

(Stock Code: 1000)

Members of the Independent Board Committee

Mr. Tsang Hing Lun

Mr. Wu Changqi

Mr. Liao Li

17 May, 2006

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to the circular (the “Circular”) dated 17 May, 2006 issued by the Company to its shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We are writing to you to set out our recommendation whether or not the revised Cap for 2006, the proposed Cap for 2007 to 2008 and the proposed extension of the Printing Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Details, including the reasons, relating to the above are summarised in the letter from the Chairman set out on pages 3 to 8 of the Circular. In considering the fairness and reasonableness, the Independent Board Committee have been advised by ICEA. You are strongly urged to read ICEA’s letter to the Independent Board Committee and the Independent Shareholders which is set out on pages 11 to 18 of this Circular.

RECOMMENDATION

We have discussed with the management of the Company the reasons for the revision of the 2006 Cap, the proposal of the 2007 to 2008 Cap and the extension of the Printing Agreement and the basis upon which the revised Cap for 2006 and the proposed Cap for 2007 to 2008 have been determined. We have also considered the key factors taken into account by ICEA in arriving at its opinion as set out in the letter from the Chairman on pages 3 to 8 of the Circular, which we urge you to read carefully.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee concurs with the views of ICEA and consider that the revised Cap for 2006, proposed Cap for 2007 to 2008 and the proposed extension of the Printing Agreement to be in the best interest of the Company and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee unanimously recommends the Independent Shareholders vote in favour of the ordinary resolution in relation to the above which is set out in the notice of the General Meeting at the end of the Circular.

Yours faithfully

Tsang Hing Lun

Wu Changqi

Liao Li

Independent Non-Executive Directors

LETTER FROM ICEA

The following is the text of the letter of advice to the Independent Board Committee and the Independent Shareholders from ICEA in relation to the continuing connected transactions for the purpose of incorporation in this Circular.



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17 May 2006

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our engagement as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the terms of the Printing Transactions (as defined below) contemplated therein the Printing Agreement, the extension of the term of the Printing Agreement, the revision of the Cap for the year ending 31 December 2006 and the proposed Cap for the two years ending 31 December 2007 and 2008. Pursuant to the Listing Rules, the Printing Transactions (as defined below) are subject to, among other things, the approval of the Independent Shareholders at General Meeting. This letter has been prepared for inclusion in the Circular and capitalized terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

On 7 December 2004, BYD and BYD Logistics entered into the Printing Agreement pursuant to which BYD Logistics agreed to provide printing services (the “**Printing Transactions**”) to BYD in respect to Beijing Sci-Tech Report, Middleschool Science Post and Legal Evening Post, and certain other publications. Being the holder of approximately 63.3% of the total issued share capital of the Company, BYD is a substantial Shareholder and a connected person of the Company under the Listing Rules. Therefore, the Printing Transactions constitute continuing connected transactions of the Company under the Listing Rules. As the applicable percentage ratios in respect of the aggregate values of the Printing Transactions exceeds 2.5% on an annual basis, the Printing Transactions are subject to reporting, announcement and independent shareholders’ approval under Rules 14A.35 of the Listing Rules.

Under the Printing Agreement, the printing fee charged by BYD Logistics will be based on the actual volume of the newsprint printed, and the quality of the printing and the paper. The quality of the printing and paper will be pre-agreed between the parties. The fee payable will be settled on a monthly basis.

The Printing Agreement will be expired on 31 December 2006 and the Company anticipates that BYD Logistics will continue to be engaged by BYD to provide printing services, the Company proposed to extend the term of the Printing Agreement for an additional three years.

LETTER FROM ICEA

In anticipation of the increase in Printing Transactions as a result of the significant growth of circulation of the Legal Evening Post in 2005, the Company proposed to revise the annual Cap for the year ending 31 December 2006, and also to set the new annual Cap for the two years ending 31 December 2007 and 2008.

We, ICEA, have been engaged as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Printing Transactions contained therein the Printing Agreement, the extension of the term of the Printing Agreement and their relevant Cap are on normal commercial terms, in the ordinary and usual course of business and fair and reasonable so far as the Company and its Shareholders are concerned.

In formulating our recommendation, we have relied, without assuming any responsibility for independent verification, on the information, opinions and facts supplied and representations made to us by the Directors, who have assumed full responsibility for the accuracy of the information contained in the Circular, and that any information and representations made to us are true, accurate and complete in all material respects as at the date hereof and that they may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representation provided to us by the Company. We have discussed with the management of the Company regarding their plans and prospects of the Company. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable, and we have not independently verified the accuracy of such information. We have also assumed that statements and representations made or referred to in the Circular were accurate at the time they were made and continue to be accurate at the date of the Circular.

We consider that we have reviewed sufficient information to reach an informed view in order to provide a reasonable basis for our advice. We have not, however, conducted any form of independent in-depth investigation into the business affairs or assets and liabilities of the Company, BYD, BYD Logistics, or any of their respective subsidiaries or associated companies. Additionally, we did not conduct any physical inspection of the properties or facilities of the Company, BYD, BYD Logistics, or any of their respective subsidiaries or associated companies. It is not within our terms of engagement to comment on the commercial feasibility of the Printing Transactions, which remains the responsibility of the Directors. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, we have not been involved in the negotiations in respect of the terms of the Printing Transactions. Our opinion with regard to the terms thereof has been made on the assumption that all obligations to be performed by each of the parties to the Printing Transactions will be fully performed in accordance with the terms thereof.

Our opinion is necessarily based upon the financial, economic, market, regulatory, and other conditions as they exist on, and the facts, information, and opinions made available to us as of the date of this letter. We have no obligation to update this opinion to take into account events occurring after the date that this opinion is delivered to the Independent Board Committee and the Independent Shareholders. This letter is for the information of the Independent Board Committee and the Independent Shareholders solely

LETTER FROM ICEA

in connection with their consideration of the Printing Transactions and the annual Cap, and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion, we have taken into consideration the principal factors and reasons set out below. In reaching our conclusion, we have considered the results of the analyses in light of each other and ultimately reached our opinion based on the results of all analyses taken as a whole.

1. Reasons for and benefits of the Printing Transactions

One of the principal businesses of BYD Logistics is the provision of printing services, including the printing of newspapers. BYD is BYD Logistics's key customer in respect of its printing business. As BYD is one of the largest newspaper agencies in the PRC, the consolidated bulk printing orders from BYD not only ensures a large quantity of business and revenue inflow to BYD Logistics on a stable basis, but also allows BYD Logistics to enjoy the advantage of economies of scale and lower average printing costs.

We note from the segmental results in the published financial results of the Company that for each of the two years ended 31 December 2004 and 2005, the net profit margin of the printing business was approximately 4.4% and 3.1% respectively. Therefore, the Printing Transactions will positively contribute to the revenue and profit of the Group, and enhance the Shareholders' value of the Company.

Due to the above, we are of the view that the entering into the Printing Agreement and the Printing Transactions contemplated therein is in the interests of the Company and its Shareholders as a whole.

2. Pricing basis of the Printing Transactions

The printing fee charged by BYD Logistics will be based on the actual volume of the newspapers printed, and the quality of the printing and the paper.

Pursuant to the Printing Agreement, BYD Logistics may only provide the printing services to BYD on the basis that the fees payable thereunder are settled on normal commercial terms, that being on terms which a party could obtain if the transaction were on arm's length basis or on terms no less favourable to BYD Logistics than terms available to or from third parties.

We understand from the Company that as at the date of this letter, BYD Logistics did not provide printing services to other customers apart from BYD. In this respect, we have discussed with the management of the Company who expressed that if the Company is able to procure other customers who are independent third parties, the terms of the printing services to be offered by the Company would be no less favourable than the

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Printing Agreement. In addition, we understand from the Company that the arrangement of BYD's engagement of BYD Logistics as its sole printing house is consistent with the current market practice of newspaper agencies in Beijing, where major newspaper agencies usually engage their related parties as their own printing houses.

Based on the above, we are of the opinion that the pricing basis of the Printing Transactions are reasonably determined and are fair and reasonable so far as the interests of the Company and the Shareholders are concerned as a whole.

3. Revised and proposed Caps of the Printing Transactions

As mentioned above, BYD Logistics has been providing and will continue to provide printing services to BYD in respect of Beijing Sci-Tech Report, Middleschool Science Post and Legal Evening Post and certain other publications. Due to the significant increase in circulation of BYD's publication products, especially for Legal Evening Post, the original Cap set for 2006 would be inadequate and requires upward revision.

In addition, as the term of the current Printing Agreement will expire on 31 December 2006 and the Company is optimistic that it will continue to be engaged by BYD after 2006 as its printing house, the Company would like to seek the approval of the Independent Shareholders for the Printing Agreement to be renewed, if agreed by BYD, pursuant to Rule 14A.36(2) of the Listing Rules with effect from the expiry of the current term for a period of no more than three years. Based on our analysis in Section 1 above, we consider the extension of Printing Agreement is necessary for the Company to benefit from the steady revenues to be generated from the Printing Transactions.

3.1 The PRC economy and the newspaper industry

According to the China Statistics Yearbook 2005 compiled by National Bureau of Statistics of China, Beijing is the third wealthiest city in the PRC and, the average annual wage of staff and workers in Beijing in 2004 was approximately RMB29,674 (compared to the national average of approximately RMB16,024).

According to the above statistic yearbook, per capita annual disposable income of urban households in China increased notably over the past 15 years. Per capita annual disposable income of urban households rose from approximately RMB1,374 in 1989 to approximately RMB9,422 in 2004, representing an annual compound growth rate of approximately 13.7%.

The increase in disposable income stimulates the demand for reading materials, evidence by statistics from the Beijing Municipal Bureau of Press and Publication. According to the said statistics, newsprints published by Beijing headquartered newspaper agencies increased significantly in 2004 compared to 2003, among which: (i) countrywide newsprints increased by 5.1%, (ii) provincial area newsprints increased by 25.2%, (iii) Beijing city newsprints increased by 18.0%, and (iv) professional newspaper newsprints increased by 13.2%. These figures largely demonstrated the increase in demand for newspapers in Beijing.

LETTER FROM ICEA

As the publications relating to the Printing Transactions are sold in Beijing, demand for BYD's publication also increased in 2005. Circulation of Beijing Sci-Tech Report increased approximately 19.0% from 2,486,442 in 2004 to 2,959,339 in 2005, while that of Legal Evening Post rose approximately 181.2% from 33,025,022 in 2004 (for the period from May to December only) to 92,852,412 in 2005.

The above statistics demonstrates that the increasing circulation records of newspapers related to the Printing Transactions are in line with the macro factors.

3.2 Analysis of the proposed Caps

It has come to the Company's attention during the course of the audit of the Company's financial statements for the year ended 31 December 2005 that the 2005 Cap for transactions under the Printing Agreement have been exceeded and due to the anticipated growing demands, the Company expects that the Cap for 2006 will need to be revised.

The proposed Cap for Printing Transactions for each of the year ending 31 December 2006, 2007 and 2008 are RMB125,000,000, RMB150,000,000, and RMB190,000,000 respectively. The proposed Cap is principally made up of Printing Transactions for Beijing Sci-Tech Report and Legal Evening Post. The breakdown of the proposed Caps is set out as follows:

	Historical figures (in RMB)		Proposed Caps (in RMB)		
	For year ended 31 December		For year ending 31 December		
	2004	2005	2006	2007	2008
Beijing Sci-Tech Report	2,871,041	3,049,613	4,067,143	4,880,571	6,507,429
Legal Evening Post	28,529,822	76,386,709	115,613,750	141,515,634	179,024,405
	(Note 1)				
Others (Note 2)	–	358,202	5,319,107	3,603,795	4,468,166
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>31,400,863</u>	<u>79,794,524</u>	<u>125,000,000</u>	<u>150,000,000</u>	<u>190,000,000</u>

Notes:

1. BYD Logistics provided printing services to BYD in respect of Legal Evening Post since May 2004.
2. Others include miscellaneous items such as pamphlets and ad-hoc publications.

LETTER FROM ICEA

3.2.1 Printing Transactions for Beijing Sci-Tech Report

BYD Logistics commenced providing printing services in respect of Beijing Sci-Tech Report since 15 December 2003. As discussed with the Company, the revised and proposed Cap of the Printing Transactions in respect of Beijing Sci-Tech Report are determined by reference to, among other things:

- the historical growth rates of Printing Transactions for Beijing Sci-Tech Report;
- the forecast made by the management of BYD to the Company in respect of the annual circulation, sheet number per edition and number of printing pages per edition of Beijing Sci-Tech Report for the three years ending 31 December 2008;
- the favourable conditions of the newspaper market which is expected to bring significant growth in circulation of Beijing Sci-Tech Report;
- the increase in circulation and revenue generated from Printing Transactions in respect of Beijing Sci-Tech Report in 2005 as compared to 2004; and
- the consistent printing cost per page assumed for the proposed Caps.

Based on (i) our discussion with the Company in respect of the above, (ii) the relevant breakdowns for the past two years provided by the Company, and (iii) the forecast of BYD on the issue volume of Beijing Sci-Tech Report for the three years ending 31 December 2008, we are of the view that the revised and proposed Cap for Printing Transactions relating to Beijing Sci-Tech Report is reasonably determined and is fair and reasonable so far as the Company and the Shareholders are concerned as a whole.

3.2.2 Printing Transactions for Legal Evening Post

BYD Logistics commenced providing printing services in respect of Legal Evening Post since May 2004. As discussed with the Company, the revised and proposed Cap of the Printing Transactions in respect of Legal Evening Post are determined by reference to, among other things:

- the historical growth rate of Printing Transactions for Legal Evening Post;
- the forecast made by the management of BYD to the Company in respect of the annual circulation, sheet number per edition and number of printing pages per edition of Legal Evening Post for the three years ending 31 December 2008;

LETTER FROM ICEA

- the favourable conditions of the newspaper market which is expected to bring significant growth in circulation of Legal Evening Post;
- the increase in circulation and revenue generated from Printing Transactions of Legal Evening Post in 2005 compared to 2004; and
- the consistent printing cost per page assumed for the proposed Caps.

Based on (i) our discussion with the Company in respect of the above, (ii) the relevant breakdowns for the past two years provided by the Company, and (iii) the forecast of BYD on the issue volume of Legal Evening Post for the three years ending 31 December 2008, and in view of (a) the significant historical growth rate of 167.7% per annum of the Group's Printing Transactions in respect of Legal Evening Post in 2005 as compared to 2004, and (b) the Group's actual Printing Transactions of Legal Evening Post which alone has already exceeded the original Cap of RMB53,800,000 for 2005 by 42.0%, we are of the view that the revised and proposed Cap for Printing Transactions in respect to Legal Evening Post is reasonably determined and is fair and reasonable so far as the Company and the Shareholders are concerned as a whole.

3.2.3 Other Printing Transactions

Other Printing Transactions include miscellaneous items such as pamphlets and ad hoc publications. As these items are non-recurring in nature and the amounts involved are considered to be immaterial compared to the total amount, we consider that it is not meaningful to perform analysis on them.

Having reviewed each of the revised and proposed Cap for Beijing Sci-Tech Report and Legal Evening Post, we are of the opinion that the revised and proposed Cap of the Printing Transactions is reasonably determined and is fair and reasonable so far as the Company and Shareholders are concerned as a whole.

4. Monitoring Printing Transactions

As discussed with the management of the Company, the Company has implemented new measures to improve internal control system within the Company to monitor continuing connected transactions. Those measures include monthly reports issued by finance and accounting department to the management of the Company regarding the relevant updated financial data and financial forecasts and the alert system under which the management of the Company will implement further measures when the accumulated amount of continuing connected transactions reaches different alert levels. Based on the available data and market conditions, the management will estimate the likelihood of requiring an adjustment to the Cap applicable to the continuing connected transactions. The Company expects that the new measures will strengthen the Company's ability to regulate its continuing connected transactions.

LETTER FROM ICEA

We have also discussed with the Company, noting that the Company will comply with the annual review requirements of Rule 14A.37 to Rule 14A.41 of the Listing Rules, in particular, the restriction of the value of the non-exempt continuing connected transactions by way of annual Cap for each of the three years ending 31 December 2008, and the annual review by independent non-executive Directors of the terms of the transactions contemplated under such agreements, and the relevant Cap being not exceeded. Such details must be included in the Company's annual reports and accounts. In addition, auditors of the Company must provide a letter to the Board confirming, among other things, that the non-exempt continuing transactions are carried out in accordance with the pricing policies of the relevant agreement(s), and that the respective Cap being not exceeded. The Company will comply with the applicable provisions of the Listing Rules, in the event that the transaction values contemplated under the non-exempt continuing connected transactions exceed the relevant annual Cap, or that there is any material amendments to the terms of the non-exempt continuing connected transactions agreements.

Based on the above, in particular the discussion with the Company and the assurance from the management of the Company that the Company has implemented new measures to improve internal control system within the Company to monitor continuing connected transactions, we are of the view that the new measures are appropriate and implementable. In particular, the regular reporting system and the alert system should enable the management of the Company to promptly monitor the non-exempt continuing connected transactions, protecting the interest of the Company and the Shareholders as a whole.

5. Recommendation

Having considered the above principal factors and reasons, we consider that (i) the extension of the Printing Agreement and entering into Printing Transactions contemplated therein is in the interest of the Company and the Shareholders as a whole; (ii) the terms of Printing Transactions are normal commercial terms, fair and reasonable and, in the interests of Company and the Shareholders as a whole; (iii) the revised and the proposed Cap of the Printing Transactions for the year ending 31 December 2006 and the two years ending 31 December 2008 respectively are reasonably determined; and (iv) there will be appropriate measures in place to monitor the Printing Transactions. As such, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolutions at the General Meeting.

Yours faithfully,
For and on behalf of
ICEA Capital Limited
Fabian Shin
Executive Director

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As of the Latest Practicable Date:

- (i) none of the directors, supervisors or senior management of the Company had any interest in any shares of the Company;
- (ii) none of the directors, supervisors and senior management of the Company had any interests or short positions in the shares, underlying shares of the Company or any associated corporations (as defined in Part XV of the SFO) which was recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies;
- (iii) the Company has not granted its Directors, chief executives or their respective spouses or children below 18 any rights to subscribe for its equity securities or debt securities;
- (iv) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Company and which was significant in relation to the business of the Company taken as a whole;
- (v) the Directors do not have had any direct or indirect interest in any assets which have been, since 31 December 2005, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (vi) the Directors are not aware that any Director had, as at the Latest Practicable Date, any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would require disclosure under the Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests or short positions of substantial shareholders who are entitled to exercise or control the exercise of 10% or more of the voting power at any of the Company's general meetings and other persons who are required to disclose their interests pursuant to Part XV of the SFO (including those who are entitled to exercise or control the exercise of 5% or more of the voting power at any of the Company's general meetings, but excluding the Directors and Supervisors) in the shares and underlying shares of equity derivatives of the Company as recorded in the register required to be kept under Section 336 of the SFO are as follows:

Information disclosed by the shareholders of H share according to the Securities and Futures Ordinance.

Name of shareholders	Nature	Number of share interests held or regarded as held	Approximate percentage of the Company's interests (H share) (%)
MIH (BVI) Limited	Corporate interest	19,533,000 (L)	35.58 (L)
MIH Holdings Limited	Corporate interest	19,533,000 (L)	35.58 (L)
MIH Investments (PTY) Limited	Corporate interest	19,533,000 (L)	35.58 (L)
MIH Print Media Holdings Limited	Beneficial owner	19,533,000 (L)	35.58 (L)
MIH QQ (BVI) Limited	Corporate interest	19,533,000 (L)	35.58 (L)
Naspers Limited	Corporate interest	19,533,000 (L)	35.58 (L)
Beijing University	Corporate interest	4,939,000 (L)	8.99 (L)
Beijing University Founder Investment Co., Ltd.	Corporate interest	4,939,000 (L)	8.99 (L)
Cao Yawen	Corporate interest	4,939,000 (L)	8.99 (L)
Founder Investment (HK) Ltd.	Trustee	4,939,000 (L)	8.99 (L)
Xia Jie	Corporate interest	4,939,000 (L)	8.99 (L)
Yue Shan International Limited	Beneficiary of a trust	4,939,000 (L)	8.99 (L)
		0 (S)	0.00 (S)
		0 (P)	0.00 (P)
Government of Singapore Investment Corporation Pte Ltd	Investment manager	4,227,902 (L)	7.70 (L)

Note: (L): Long position, (S): Short position (P): Lending pool

4. LITIGATION

No member of the Group is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

5. SERVICE CONTRACTS

None of the Directors had entered into any service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Subject to the Listing Rules, a poll may be demanded before or after a show of hands as follows:

- (1) by the Chairman of the meeting; or
- (2) by at least two Shareholders in person or by at least two proxies being entitled to vote; or
- (3) by Shareholder(s) (including their authorized proxies) jointly or individually representing not less than 10% (inclusive) of the total voting rights of all the Shareholders having the right to vote at the meeting.

Unless a poll is demanded, the Chairman of the meeting shall declare the passing of a proposal based on the results of show of hands. A demand for poll may be revoked by the person(s) who proposed so.

7. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Company since 31 December 2005, being the date of the latest published audited financial statements of the Company.

8. CONSENTS

ICEA has given and has not withdrawn their respective written consents to the issue of this Circular with the inclusion of their reports and letters (if any), as the case may be, and references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, ICEA did not have any shareholding in any member of the Group and it did not have any right, whether legally enforceable or not, to subscribe for or nominate persons to subscribe for securities of any member of the Group.

9. QUALIFICATION OF EXPERT

The following is the qualification of the professional adviser who has given opinions or advice contained in this Circular:

Name	Qualification
ICEA Capital Limited	a corporation licensed under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

10. MISCELLANEOUS

- (a) The Company Secretary and Qualified Accountant is Mr. Lau Wing Kee. Mr. Lau is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is Building A, No. 23, Baijiazhuang Dongli, Chaoyang District, Beijing 100026, PRC.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at Building A, No. 23, Baijiazhuang Dongli, Chaoyang District, Beijing 100026, PRC and the offices of Herbert Smith, 23rd Floor, Gloucester Tower, 11 Pedder Street, Central, Hong Kong during normal business hours on any business day from the date of this Circular until 2 June, 2006:

- 1. The Printing Agreement
- 2. The letter from ICEA to the Independent Board Committee dated 17 May 2006
- 3. The letter from the Independent Board Committee to the Independent Shareholders dated 17 May 2006

NOTICE OF GENERAL MEETING



BEIJING MEDIA CORPORATION LIMITED 北青傳媒股份有限公司

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

(Stock Code: 1000)

RESTATED NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2005

NOTICE IS HEREBY GIVEN that the Annual General Meeting for the year 2005 ("Annual General Meeting") of BEIJING MEDIA CORPORATION LIMITED ("Beijing Media" or the "Company") will be held at the 10th floor, Beijing Youth Daily Agency Building, Beijing, the PRC on Tuesday, 20 June 2006 at 2:00 p.m. for the following purposes:

Ordinary Resolutions:

1. To consider and, if thought fit, to approve the report of the Board of Directors of Beijing Media for the year ended 31 December 2005.
2. To consider and, if thought fit, to approve the report of the Board of the Supervisory Committee of Beijing Media for the year ended 31 December 2005.
3. To consider and, if thought fit, to approve the audited financial report and consolidated financial report of Beijing Media for the year ended 31 December 2005.
4. To consider and, if thought fit, to approve the profit distribution proposal of Beijing Media for the year ended 31 December 2005 and distribution of final dividends.
5. To consider and, if thought fit, to approve the proposal on the budget of Beijing Media for the year of 2006.
6. To consider and, if thought fit, to approve the reappointment of Yuehua Certified Public Accountants and PricewaterhouseCoopers as the PRC and international auditors of Beijing Media for the year of 2006, respectively, to authorise the Board of Directors to fix their remuneration and to pay their remuneration for 2005 financial auditing.
7. To consider and, if thought fit, to approve the granting of consent to the resignation of Mr. Jan Malherbe as the non-executive director of the company and the election of Mr. Abraham Van Zyl as the non-executive director of the company. Details relating to Mr. Van Zyl and Mr. Malherbe are set out in Appendix 1.
8. To consider and, if thought fit, to approve the granting of consent to the resignation of Mr. Zhu Yaoting as the supervisor of the company and the election of Mr. Gao Zhiyong as the supervisor of the company. Details relating to Mr. Gao and Mr. Zhu are set out in Appendix 2.
9. To consider and, if thought fit, to approve the proposal on the extension of the Printing Agreement between Beijing Youth Daily Logistics Company Limited and Beijing Youth Daily Newspaper Agency and the proposed cap. For further details, please refer to the circular sent to the shareholders.

NOTICE OF GENERAL MEETING

Special Resolutions:

10. To amend the Articles of Association of Beijing Media as follows:

- (1) By deleting the following wording “The Company shall have a board of directors, which shall consist of ten (10) members” in Article 93 of the Articles of Association and replacing it with “The Company shall have a board of directors, which shall consist of eleven (11) members”.
- (2) By deleting the following wording: “pursuant to the nomination of the Vice Standing President” in Article 95 (9) of the Articles of Association and replacing it with: “pursuant to the nomination of the President”.

Details of the above Ordinary Resolutions 1 to 4 are set out in the annual report of Beijing Media for the year ending 31 December 2005.

By order of the Board
Chairman
Zhang Yanping

Beijing, the PRC, 17 May 2006

Notes:

1. Eligibility to Attend the Annual General Meeting

Holders of H Shares whose names appear on the register of the Beijing Media maintained by Computershare Hong Kong Investor Services Limited at the close of business of Friday, 19 May 2006 shall be entitled to attend the Annual General Meeting.

Shareholders intending to attend and vote at the Annual General Meeting of Beijing Media to be held on Tuesday, 20 June 2006 shall lodge all the transfer documents for H Shares with the relevant share certificates to the H Share transfer registrar of Beijing Media in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17/F., Hopewell Centre 183 Queen’s Road East, Wan Chai, Hong Kong, at or before 16:00 on Friday, 19 May 2006.

2. Proxy

- (1) Shareholders entitled to attend and vote at the Annual General Meeting are entitled to appoint one or more proxies in writing to attend and vote at the meeting on his behalf. The proxy need not be a shareholder of Beijing Media.
- (2) A proxy should be appointed by shareholders by written instrument signed by the appointor or his attorney duly authorized in writing. If the written instrument is signed by the attorney of the appointor, the written authorization or other authorization documents of such attorney should be notarized.
- (3) To be valid, the notarized power of attorney or other authorization documents and the form of proxy shall be deposited in the registered address of Beijing Media no less than 24 hours before the time of holding the Annual General Meeting. Holders of Domestic Shares shall deliver relevant documents to Beijing Media while the holders of H Shares lodge relevant documents with Computershare Hong Kong Investor Services Limited.
- (4) A proxy may exercise his voting right by a show of hands or by a poll. If a Shareholder appoints more than one proxy, the proxies can only exercise their voting rights by a poll.

3. Registration Procedures for Attending the Annual General Meeting

- (1) A Shareholder or his proxy shall produce his identification document when attending the Annual General Meeting. Where a Shareholder is a legal person, the legal representative of that shareholder or persons authorized by its board of directors or other decision-making bodies shall produce a copy of the resolution stating the authorization granted by the Board or other decision-making bodies of the legal person.

NOTICE OF GENERAL MEETING

(2) Shareholders intending to attend the meeting shall deliver to Beijing Media the reply slip stating their attendance on or before Wednesday, 31 May 2006.

(3) A Shareholder may deliver the above reply slip to Beijing Media in person, or by mail or by fax.

4. Registration of Share Register

The register of share transfers of Beijing Media will be closed from Monday, 22 May 2006 to Tuesday, 20 June 2006 (both dates inclusive).

5. Procedures for Demanding a Poll by Shareholders

Subject to the listing rules of the securities exchange on which the shares in Beijing Media are listed, a poll may be demanded before or after a show of hands as follows:

(1) by the Chairman of the meeting; or

(2) by at least two Shareholders in person or by at least two proxies being entitled to vote; or

(3) by Shareholder(s) (including their authorized proxies) jointly or individually representing not less than 10% (inclusive) of the total voting rights of all the Shareholders having the right to vote at the meeting.

Unless a poll is demanded, the Chairman of the meeting shall declare the passing of a proposal based on the results of show of hands. A demand for poll may be revoked by the person(s) who proposed so.

6. Independent shareholders approval

Beijing Youth Daily Newspapers Agency and its associates will abstain from voting on resolution number 9.

7. Miscellaneous

(1) The Annual General Meeting will be concluded within a half day. Shareholders attending the Annual General Meeting shall be responsible for their own travel and accommodation expenses.

(2) The Company's Register of Member will be closed from 22 May 2006 (Monday) to 20 June 2006 (Tuesday) (both days inclusive), during which time no transfer of shares will be registered. Transferees of H Shares who wish to attend the AGM and qualify for entitlement to the 2005 dividend referred to above must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited by no later than 16:00 on 19 May 2006 (Friday) for completion of the registration of the relevant transfer in accordance with the Articles of Association of Beijing Media.

(3) The address of the Computershare Hong Kong Investor Services Limited the share registrar of H Shares of Beijing Media is at Room 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong.

(4) The registered address of Beijing Media is:

Building A
Beijing Youth Daily Agency
Building No. 23 Baijiazhuang Dongli
Chaoyang District
Beijing
PRC
Zip Code: 100026
Tel: (+86) 10 6590 2630
Fax: (+86) 10 6590 2630

NOTICE OF GENERAL MEETING

Appendix 1

Mr. Abraham van Zyl, aged 50, is nominated for election as a Non-executive Director. He graduated from the University of Port Elizabeth, South Africa specializing in Afrikaans-Nederlands and German in 1976 with a Bachelor's Degree. Mr. Zyl has extensive experience in the newspaper industry.

From December 1976 to June 1977, he was a junior reporter at Oosterlig, a Naspers newspaper in Port Elizabeth. From July 1977 to June 1979, he underwent compulsory military training. In the last three months of 1979, he served as a crime and court reporter at Die Burger, a Naspers newspaper in Cape Town, South Africa. From 1980 to 1984, he became a sub-editor and later deputy chief sub editor with Die Burger. In 1985, he was appointed as a head of Die Burger's Cape regional editorial office and in 1986 he became head of Die Burger's Tygerberg office. From 1989 to 1992, he was a news editor of Die Burger and became managing editor of Die Burger in 1993. From 1994 to 1997, he was appointed as general manager of Vaal Triangle Publishers, a community newspaper group in the Vaal Triangle near Johannesburg, jointly owned by Naspers. From 1998 to 1999, he became general manager of City Press, a national Sunday newspaper owned by Naspers. From 2000 to March 2005, he was the regional general manager of Media 24's newspapers in the southern sector of South Africa. Currently he is president of the MIH Print Media Beijing Office. Mr. Van Zyl has also been the chairman of the Cape Town Chamber of Commerce before being transferred to Beijing.

Mr. Van Zyl, once elected at the Annual General Meeting, will enter into a service contract with Beijing Media. Pursuant to the provisions of the service contract. Mr. Van Zyl will not receive any remuneration from Beijing Media. Mr. Van Zyl is not related to any other director or senior management or substantial or controlling shareholder of the Company.

Mr. Van Zyl has no interest in the shares of Beijing Media within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Van Zyl has not been a director or senior manager of any listed company in the last three years.

The proposed appointment of Mr. Van Zyl is for the term commencing from 20 June 2006 to 22 August 2007.

Other than as disclosed herein, there are no other matters relating to Mr. Van Zyl which need to be drawn to the attention of shareholders or matters which are discloseable under note (h) of rule 13.51(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Johannes Louw Malherbe, was nominated for election as Non-executive Director in which position he has served since June 2005. Mr. Malherbe has tendered his resignation with Beijing Media. Mr. Malherbe has stated in his resignation that his reason for resignation was that, due to his place of ordinary residence, it would be impractical for him to participate in the business of the board of directors of Beijing Media and this would not be in the interests of Beijing Media.

Mr. Malherbe confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of holders of securities of Beijing Media.

NOTICE OF GENERAL MEETING

Appendix 2

Mr. Gao Zhiyong, aged 43, is nominated as a Supervisor. He graduated from the College of Finance and Economics of Hunan Province in 1983 with a Bachelor's Degree in Economics, majoring in Industrial Accounting.

He has obtained the following professional technical titles to date, i.e. the Certificate of Certified Public Accountant in 1986, the Certificate of Senior Accountant in 1996 and the Certificate of Certified Tax Agent in 1997.

From August 1983 to June 1986, he was with the Government Offices Administration of the State Council. From July 1986 to June 1987, he served in the Central Governmental Lecturing & Studying Group, Hebei Branch. From July 1987 to May 1991, he became the Department Manager of the Second Rest house of the Government Offices Administration of the State Council. From June 1991 to July 1992, he was with the System Reform Department of the Government Offices Administration of the State Council. From August 1992 to December 1993, he was appointed as manager of the Investment Department of UFIDA Software Shareholding Co. Ltd. From January 1994 to December 1998, he became the department manager of Reanda Certified Public Accountants under the former Department of Foreign Economics & Trade. From January 1999 to November 2004, he worked with Xincheng Certified Public Accountants. At present, he is the Vice General Manager of Yuehua Certified Public Accountants. From August 2001 to September 2003, he worked partly with UFIDA Science & Technology Co., Ltd as the President.

Mr. Gao, once elected at the Annual General Meeting, will enter into a service contract with Beijing Media. Pursuant to the provisions of the service contract, Mr. Gao will not be receiving any remuneration from Beijing Media. Mr. Gao is not related to any other director or senior management or substantial or controlling shareholder of the Company.

Mr. Gao has no interests in the shares of Beijing Media within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Gao has not been a director and or senior manager of any listed company in the last three years.

The proposed appointment of Mr. Gao is for the term commencing from 20 June 2006 to 22 August 2007.

Other than as disclosed herein, there are no other matters relating to Mr. Gao which need to be drawn the attention of shareholders or matters which are discloseable under note (h) of rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Zhu Yaoting, was nominated for election as Supervisor in which position he has served since 2004. He has raised the resignation letter to the Beijing Media. In his resignation letter, he indicated that in view of his many social commitments, it is very hard for him to ensure his participation in the activities of the Supervisory Committee of Beijing Media.

Mr. Zhu confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of holders of securities of Beijing Media.

On the date of this notice, the Board comprises: the executive directors of the Company, Zhang Yanping, Zhang Yabin, Sun Wei, He Pingping, Du Min, the non-executive directors of the Company, Liu Han, Xu Xun, Johannes Louw Malherbe, and the independent non-executive directors of the Company, Tsang Hing Lun, Wu Changqi and Liao Li.