



# BEIJING MEDIA CORPORATION LIMITED\*

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

**(Stock Code: 1000)**

## ANNOUNCEMENT

We have noted the recent increases in the trading volume of the H shares of the Company and wish to state that, apart from the matters stated in this announcement, we are not aware of any reasons for such increase.

As a result of a significant downturn in the advertising business market in the People's Republic of China in 2005, which is the core source of the Company's revenues, the Company's advertising revenues have been adversely affected and the Company is currently in discussions with its professional advisers as to whether, in the light of the Company's revenues in the year to date and considering the prospects for the remaining part of the year, the Company should issue a profit warning to the public.

The Company is also in discussion with BYD in respect of certain possible continuing connected transactions and is considering the grant of a waiver to BYD to participate in the First Financial Business Newspaper.

In addition, the Company is considering making financial assistance to COL for its organisation of the 2005 China Open.

Apart from the above, the Company confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23, neither is the board of directors of the Company aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

**Shareholders of the Company and investors should in the view of the above exercise caution when dealing in the shares of the Company.**

This announcement is made at the request of The Stock Exchange Hong Kong Limited.

We have noted the recent increases in the trading volume of the H shares of the Company and wish to state that, apart from the matters stated in this announcement, we are not aware of any reasons for such increase.

The advertising business market in the People's Republic of China, which is the core source of the Company's revenues, has experienced a significant downturn in 2005. As a result, the Company's advertising revenues have been adversely affected. The Company is currently in discussions with its professional advisers as to whether, in the light of the Company's revenues in the year to date and considering the prospects for the remaining part of the year, the Company should issue a profit warning to the public. No decision has yet been made, but a separate announcement will be made when a decision has been made, notwithstanding whether the decision is to issue such a warning or that no such warning is necessary. It is expected that a decision will be made, and an announcement will be issued by the Company, in relation to the above in the near future.

The Company is also in discussion with its controlling shareholder, Beijing Youth Daily Newspaper Agency ("BYD"), in respect of certain possible continuing connected transactions involving the provision by the subsidiaries of BYD certain newspaper advertising space sales services and distribution services. In addition, the Company is considering the grant of a waiver by the Company to BYD to participate in the First Financial Business Newspaper under the Non-competition Agreement dated 7 December 2004 entered into between the two parties. The Company will make further announcement in relation to any decision made in respect of the grant of the waiver to BYD and the relevant details in accordance with the provisions of the Listing Rules.

Furthermore, the Company is in discussion with China Open Promotion Company Limited ("COL"), a jointly controlled company of the Company, in relation to the provision of financial assistance to COL for its organisation of the 2005 China Tennis Open. The Company will make appropriate announcement in relation to the above in accordance with the provisions of the Listing Rules.

Apart from the above, the Company confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23, neither is the board of directors of the Company aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

**Shareholders of the Company and investors should in the view of the above exercise caution when dealing in the shares of the Company.**

\* For identification purposes only

Made by the order of Beijing Media Corporation Limited, the board of the directors which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board  
**Zhang Yanping**  
*Chairman*

Beijing, PRC, 11th August 2005

On the date of this announcement, the Board comprises: the executive directors of 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.

“Please also refer to the published version of this announcement in The Standard.”