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BEIJING MEDIA CORPORATION LIMITED*

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

(Stock Code: 1000)

ANNOUNCEMENT

The Board announces that it has given consent to its parent company, BYD, in accordance with the Non-competition Agreement to enter into the Joint Venture Agreement on 17 August 2005 and the Transactions.

Reference is made to the announcement of Beijing Media Corporation Limited ("BYDM") dated 11 August 2005. The board of directors (the "Board") of BYDM announces that the Board has given its written consent to its parent company, Beijing Youth Daily Newspaper Agency ("BYD"), to enter into the joint venture agreement and other ancillary documents (together the "Joint Venture Agreement") by BYD, Guangzhou Daily and Shanghai Media Group on 17 August 2005 and the transactions contemplated thereunder (the "Transactions") under the non-competition agreement between BYDM and BYD dated 7 December 2004 (the "Non-competition Agreement").

The Joint Venture Agreement contemplates, amongst other things, the formal participation, investment and commercial development by BYD, Guangzhou Daily and Shanghai Media Group of The First China Business Post after its trial publication, which began in November 2004. The First China Business Post is a daily financial newspaper circulated in the cities of The People's Republic of China ("PRC") and is one of a very few financial newspapers published in the PRC. Under the Joint Venture Agreement, a limited liability company, The First China Business Post Limited, will be formed by BYD, Guangzhou Daily and Shanghai Media Group to own and operate The First China Business Post and its advertising business. The initial investment of BYD in The First China Business Post Limited will be RMB25,000,000, representing a 25 per cent of the equity interest therein.

Under the Joint Venture Agreement, The First China Business Post Limited will retain the right to conduct advertising business for The First China Business Post and BYDM will not be participating in any aspect of the business of The First China Business Post or The First China Business Post Limited.

The Board has also confirmed with BYD that BYDM will not exercise the right of first refusal under the Non-competition Agreement to participate in the investment in The First China Business Post Limited. BYDM is entitled to exercise this right under the Non-competition Agreement which was signed prior to the Listing of BYDM on The Stock Exchange of Hong Kong Limited ("Stock Exchange") to regulate potential competition between BYD and BYDM. However, under the terms of the Transfer of Operating Right of Advertising Space and Business Call Option Agreement, BYDM has an option to acquire from BYD at any time within 30 years from the date of the Transaction, subject to obtaining relevant PRC regulatory approval, its equity interest in The First China Business Post Limited.

The directors and the independent non-executive directors of BYDM who attended the relevant board meeting of BYDM considered the following factors when giving the consent:

1. although BYDM had initially agreed to participate in the Transactions, having considered the unsatisfactory financial performance of The First China Business Post during its trial publication, it was decided that it would not be in the best interest of BYDM to pursue the venture further at this stage;
2. due to the macro- economic regulation of the PRC, there has been a downturn in real estate activities and related advertising bookings which are expected to be one of the main sources of income for The First China Business Post. Accordingly, BYDM believes it would be more appropriate to permit BYD to participate in the Transactions and for BYDM to retain a call option over BYD's interest in The First China Business Post Limited that might be exercised in future should the Board consider it appropriate.

By Order of the Board
Zhang Yanping
Chairman

Beijing, PRC, 17 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.

* For identification purposes only

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