BEIJING MEDIA CORPORATION LIMITED

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

(Stock Code: 1000)

2005 INTERIM RESULT

The Board of Directors of Beijing Media Corporation Limited (the "Company", together with its subsidiaries, the "Group") hereby announces the unaudited consolidated results of the Group for the six months ended 30 June 2005 ("First Half of 2005") and the comparative results of the Group for the corresponding period in 2004.

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2005

		Six months ended 30 June	
		2005	2004
		Unaudited	Restated *(Note 11)*
	Note	***RMB'000***	*RMB'000*
Turnover		**368,271**	513,746
Cost of sales		**(336,874)**	(345,088)
Gross profit		**31,397**	168,658
Other revenues		**12,737**	2,723
Selling and distribution expenses		**(2,471)**	(40,399)
Administrative expenses		**(21,566)**	(28,788)
Operating profit		**20,097**	102,194
Finance income/(expenses)		**1,287**	(273)
Share of profits and losses of			
A jointly controlled entity		**(11,916)**	(19,103)
Associated companies		**–**	19
Profit before taxation	*4*	**9,468**	82,837
Taxation	*5*	**(4,632)**	(9,856)
Profit for the period		**4,836**	72,981
Attributable to:			
Equity holders of the Company		**170**	66,309
Minority interests		**4,666**	6,672
		4,836	72,981
Earnings per share for profit attributable to the equity holders of the Company during the period (RMB per share)			
– Earnings per share of continuing operations		**0.001**	0.47
– Loss per share of discontinuing operations		**–**	(0.02)
	6	**0.001**	0.45
Dividends	*7*	**76,951**	46,146

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30 June 2005

	Note	As at 30 June 2005 Unaudited RMB'000	As at 31 December 2004 Restated (Note 11) RMB'000
Non-current assets			
Fixed assets		**50,872**	52,217
Intangible assets		**5,306**	5,306
Investment in a jointly controlled entity		**(49,659)**	(37,743)
Available-for-sale financial assets		**2,069**	2,069
		8,588	21,849
Current assets			
Inventories		**58,837**	54,623
Trade receivables	8	**130,395**	83,999
Other receivables, prepayment and deposits		**17,694**	86,242
Restricted bank deposits		**56,000**	56,000
Short-term bank deposits		**1,123,793**	43,030
Cash and cash equivalents		**236,909**	1,308,107
		1,623,628	1,632,001
Current liabilities			
Trade payables	9	**65,120**	54,833
Other payables and accruals		**215,142**	177,577
Taxation payable		**10,644**	9,929
Short-term bank loan		**10,000**	10,000
Current portion of long-term liabilities		**2,740**	2,740
		303,646	255,079
Net current assets		**1,319,982**	1,376,922
Total assets less current liabilities		**1,328,570**	1,398,771
Non-current liabilities			
Long-term liabilities		**5,280**	5,280
Net assets		**1,323,290**	1,393,491
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital		**197,310**	197,310
Reserves		**1,009,353**	1,009,546
Retained earnings			
– Proposed final dividend		**–**	76,951
– Others		**82,920**	82,750
		1,289,583	1,366,557
Minority interests		**33,707**	26,934
Total equity		**1,323,290**	1,393,491

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2005

1. Basis of preparation and accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited condensed consolidated financial statements should be read in conjunction with the 2004 annual financial statements.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2004 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods commencing on or after 1 January 2005.

The unaudited condensed consolidated financial statements have been prepared in accordance with new HKFRSs and interpretations issued and effective as at the time of preparing these information. The new HKFRSs and interpretations that will be applicable at 31 December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing the condensed consolidated financial statements.

The changes to the Group's accounting policies and the effect of adopting these new policies are set out in note 2 below.

2. Changes in accounting policies

(1) Effect of adopting new HKFRSs

In 2005, the Group adopted the new/revised standards of HKFRSs below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Investments in Joint Ventures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 3	Business Combinations

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16,17, 21, 23, 24, 27, 28, 31, 32, 33, 38 and 39 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of a jointly controlled entity and associates and other disclosures.
- HKASs 2, 7, 8, 10, 16, 17, 23, 27, 28, 31, 32, 33, 38 and 39 had no material effect on the Group's policies.

- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities use Renminbi ("RMB") as their functional currency as well as presentation currency for respective financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of HKFRS 3 and HKAS 36 has resulted in a change in the accounting policy for goodwill. Until 31 December 2004, goodwill was:

- Amortised on a straight line basis over a period of 10 years; and
- Assessed for an indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3 (Note 2 (2))

- The Group ceased amortization of goodwill from 1 January 2005;
- Accumulated amortization as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of goodwill;
- From the year ending 31 December 2005 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment.

The adoption of HKFRS 3 has resulted in a decrease of general and administrative expenses amounting to RMB413,500 for the six months period.

The adoption of HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from fixed assets to operating leases. Where the land and building cannot be allocated reliably as at the date of acquisition, the land and building elements will continue to be treated as fixed assets and carried at cost.

The adoption of HKAS 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in the exchange of property, plant and equipment is accounted at fair value prospectively; and
- HKFRS 3 – prospectively after 1 January 2005.

(2) New accounting policies

The accounting policies used for the unaudited condensed consolidated financial statements for the six months ended 30 June 2005 are the same as those set out in Note 2 to the 2004 annual financial statements except for the following:

- Acquisition of subsidiaries and associates

  The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

– Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

– Fixed assets

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

– Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of net assets acquired at the date of acquisition. Goodwill on acquisitions is included in intangible asset and tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

– Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3. Segment Information

(a) Primary reporting format – business segments

For the six months ended 30 June 2005, the Group is organised into three main business segments:

Advertising:	Sales of the advertising spaces in the newspapers published by Beijing Youth Daily Newspaper Agency (the "Ultimate Holding Company").
Printing:	Provision of printing services.
Trading of print-related materials:	Sales of paper, ink, lubricants, films, PS boards and rubber sheets for printing and other print-related materials.

The following business segments have been disposed of in August 2004:

Distribution:	Distribution of newspapers and magazines mainly published by the Ultimate Holding Company.
Others:	Provision of information and web transmission technology services.

The Group's inter-segment transactions mainly consist of provision of printing services. These transactions were entered into on similar terms as those contracted with third parties.

(b) *Segment results*

The segment results are as follows:

	For the six months ended 30 June 2005			
	Advertising *RMB'000*	**Printing** *RMB'000*	**Trading of print-related materials** *RMB'000*	**Group** *RMB'000*
Turnover (including inter – segment)	**233,277**	**185,455**	**92,725**	**511,457**
Less: Inter-segment sales	**–**	**(143,186)**	**–**	**(143,186)**
Turnover to external customers	**233,277**	**42,269**	**92,725**	**368,271**
Segment results	**(6,856)**	**5,425**	**8,791**	**7,360**
Unallocated income				**12,737**
Operating profit				**20,097**
Finance income				**1,287**
Share of losses of a jointly controlled entity				**(11,916)**
Profit before taxation				**9,468**
Taxation				**(4,632)**
Profit for the period				**4,836**
Capital expenditure	**416**	**–**	**376**	**792**
Depreciation	**1,987**	**–**	**357**	**2,344**
Other non-cash income	**6,110**	**–**	**–**	**6,110**
As at 30 June 2005				
Segment assets	**1,549,739**	**22,166**	**107,901**	**1,679,806**
Interests in a jointly controlled entity				**(49,659)**
Available-for-sale financial assets	**–**	**–**	**2,069**	**2,069**
Total assets				**1,632,216**
Segment liabilities	**206,871**	**35,519**	**66,736**	**308,926**

	For the six months ended 30 June 2004					
	Advertising	Printing	Distribution	Trading of print-related materials	Others	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Turnover (including inter – segment)	369,690	180,895	62,246	67,300	18,071	698,202
Less: Inter-segment sales	–	(173,845)	(10,611)	–	–	(184,456)
Turnover to external customers	369,690	7,050	51,635	67,300	18,071	513,746
Segment results	64,200	10,305	17,587	3,550	3,829	99,471
Unallocated income						2,723
Operating profit						102,194
Finance costs						(273)
Share of losses of a jointly controlled entity						(19,103)
Share of profits and losses of associated companies						19
Profit before taxation						82,837
Taxation						(9,856)
Profit for the period						72,981
Capital expenditure	162	21	195	7	2,825	3,210
Depreciation	2,122	265	1,291	82	239	3,999
Amortization charge	413	–	–	–	–	413
Other non-cash expense	22	–	–	–	–	22
As at 31 December 2004						
Segment assets	1,595,524	53,251	–	40,749	–	1,689,524
Interests in a jointly controlled entity	–	–	–	–	(37,743)	(37,743)
Available-for-sale financial assets	–	–	–	2,069	–	2,069
Total assets						1,653,850
Segment liabilities	184,799	51,940	–	23,620	–	260,359

The Group operates within one geographical segment because its revenues are primarily generated in the PRC and its assets are located in the PRC. Accordingly, no geographical segment data is presented.

4. Profit before taxation

Profit before taxation in the unaudited condensed consolidated income statement for the six months ended 30 June 2005 was determined after charging and crediting of the following items:

	For the six months ended 30 June	
	2005	2004
	RMB'000	*RMB'000*
Charging;		
Interest expenses	**282**	273
Depreciation of fixed assets	**2,344**	3,999
Amortization of intangible assets	**–**	413
Provision for doubtful debts	**5,753**	22
Employee benefit expenses	**11,605**	36,880
Printing cost	**71,018**	80,371
Cost of inventory		
– printing	**104,319**	85,503
– trading	**81,350**	61,161
Crediting:		
Gain on disposal of fixed assets	**–**	10

5. Taxation

The Group is not subject to Hong Kong profits tax since it has no estimated assessable profit arising in or derived from Hong Kong for the period ended 30 June 2005 (2004: Nil).

PRC income tax has been provided on the estimated assessable profit for the period at their prevailing rates of taxation.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June	
	2005	2004
	RMB'000	*RMB'000*
Profit attributable to equity holders of the Company		
– Profit of continuing operations	**170**	69,878
– Loss of discontinuing operations	**–**	(3,569)
	170	66,309
Weighted average number of ordinary shares in issue (thousands)	**197,310**	147,400
Basic earnings per share (RMB per share)		
– Earnings per share of continuing operations	**0.001**	0.47
– Loss per share of discontinuing operations	**–**	(0.02)
	0.001	0.45

For the period ended 30 June 2005, as there are no potentially dilutive shares outstanding, there is no difference between basic and diluted earnings per share.

7. Dividends

In the annual general meeting on 15 June 2005, the shareholders approved the final dividend of RMB0.39 per ordinary share amounting to a total of RMB76,950,900, in respect of the year ended 31 December 2004. The amounts have been reflected as an appropriation of retained earnings for the six months ended 30 June 2005.

8. Trade receivables

The aging analysis of trade receivables is as follows:

	As at	
	30 June 2005	31 December 2004
	RMB'000	*RMB'000*
Within 3 months	**72,508**	47,292
4 months to 6 months	**14,816**	30,720
7 months and 12 months	**47,642**	5,757
1 year to 2 years	**962**	85
2 years to 3 years	**79**	502
Over 3 years	**498**	–
	136,505	84,356
Less: provision for doubtful debts	**(6,110)**	(357)
	130,395	83,999

9. Trade payables

The aging analysis of trade payables is as follows:

	As at	
	30 June 2005	31 December 2004
	RMB'000	*RMB'000*
Within 3 months	**60,436**	33,584
4 months to 6 months	**3,838**	8,012
7 months and 12 months	**–**	12,893
1 year to 2 years	**502**	–
2 year to 3 years	**–**	344
Over 3 years	**344**	–
	65,120	54,833

10. Acquisition of subsidiary

On 24 May 2005, the Group acquired 51% of Beijing Leisure Trend Advertisement Company at a cash consideration of RMB2,550,000.

The name of the company referred to above represent management's best efforts in translating the Chinese name of the company as no English name has been registered.

11. Comparative figures

Certain comparative figures presented in these condensed consolidated financial statements were adjusted for the impact of the relevant new HKFRSs as set out in note 2.

INTERIM DIVIDEND

The board of directors of the Company ("the Board") does not recommend a distribution of any interim dividend for the six months ended 30 June 2005.

USE OF PROCEEDS FROM PUBLIC OFFER OF SHARES

The Company raised a total net proceeds of about HK$889,086,000 from the Global Offering in 2004. The following table sets forth a breakdown of the proposed use of proceeds as disclosed in the Prospectus of the Company and the actual use of proceeds as at 30 June 2005:

Proposed Use of Proceeds	Amounts Proposed to be Used	Actual Amounts Used
	HK$	*HK$*
Developing weekend newspapers	Approximately 100 million	not used
Developing a number of topic-focused magazines on personal wealth management, lifestyle and cultural activities	Approximately 80 million	Approximately 2.383 million
Investing in the television industry in Beijing	Approximately 250 million	not used
Acquisition of other media businesses	Approximately 275 million	not used
General working capital	Approximately 73 million	not used

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in three business operations: (1) advertising sales which contribute the largest portion of the turnover of the Group; (2) turnover from printing, which includes revenue generated from the printing of publications arranged by Beijing Youth Daily Logistics Co., Ltd. ("BYD Logistics"); and (3) trading of print-related materials, which involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to third parties, including commercial printers.

For the First Half of 2005, total turnover of the Group was about RMB368,271,000, representing a decrease of about 28.3% from the corresponding period of 2004. Profit attributable to shareholders was RMB170,000, representing a decrease of about 99.7% from the corresponding period of 2004.

The overall results of the Group for the First Half of 2005 experienced a decline, primarily due to the substantial decrease in advertising revenue, particularly those related to the real estate sector, as a result of the austerity measures and relevant policies and regulations implemented by the PRC government.

Industry Overview

In the First Half of 2005, the overall advertising sector in the PRC slowed down drastically as a consequence of the PRC government's austerity measures and related adverse market conditions. Many sectors, especially sectors of major newspaper advertisers such as the real estate and automotive industries, recorded a substantial decrease in their print media advertising expenditures. Geographically, advertising expenditures on most print media in the prime economic regions such as Beijing, Guangzhou, Shanghai and Shenzhen exhibited sluggish growth. The recession in newspaper advertisement is primarily resulted from a substantial decline in the number of advertisements placed by clients in the real estate and automotive sectors, particularly the former.

Due to the significant decrease in the number of advertisements placed by major clients in the real estate and automotive sectors in Beijing, the advertising business of the Group encountered material difficulties in the First Half of 2005.

In 2005, the Group will continue to focus on the its core business of providing newspaper advertising services. In addition, the Group is also committed to the cross-media platform operations, which include studying the feasibility of developing weekend publications and topic-focused magazines and the development of outdoor advertising businesses. Moreover, the Group will continue to leverage its established media connections in Beijing to organise large-scale events such as the Second China Open Tennis Tournament ("China Open").

Advertising Business

For the First Half of 2005, approximately RMB233,277,000, or 63.3%, of the total turnover of the Group was derived from advertising sales, representing a decrease of about 36.9% from the corresponding period of 2004.

The Group's revenue generated from advertising was mainly attributable to Beijing Youth Daily. Due to the impact of the austerity measures and relevant policies and regulations in the PRC, revenue from real estate advertising received by Beijing Youth Daily decreased by about 50.2% from the corresponding period of 2004 to approximately RMB85,241,000.

Apart from Beijing Youth Daily, the Group also publishes other newspapers and magazines, including Beijing Today, Beijing Children's Weekly, Middleschool Times and Leisure Trend magazine.

Printing Business and Trading of Print-related Materials

The Group engages in the printing business and trading of print-related materials through BYD Logistics. For the First Half of 2005, turnover from the printing business and trading of print-related materials amounted to about RMB42,269,000 and RMB92,725,000 respectively, representing an increase of about 499.6% and 37.8% respectively from the corresponding period of 2004.

Organisation of Large-scale Campaigns

China Open Promotion Company Limited ("COL") has been granted by the PRC government the rights to organise and market China Open, for which purpose COL was established by the Company as a jointly controlled joint venture. The first tournament was successfully concluded in September 2004 in Beijing, and the second tournament will be held in September 2005. Leveraging the experience acquired in the first tournament, COL expects and believes that the Second China Open tournament will attain a higher degree of success. At present, preparation for the second tournament, negotiation of related contracts and feasibility studies are being conducted by COL, the relevant government departments and the other cooperating entities and units.

Prospects and Future Plans

The Group experienced one of its most difficult periods in the First Half of 2005 under adverse market conditions and impact of the austerity measures of the PRC government. Looking forward into the second half of the year and 2006, we are of the belief that there will be a healthy growth in the PRC advertising industry. In light of the impending 2008 Olympic Games in Beijing, we believe that immense business opportunities will arise from the anticipated substantial growth in demand for advertising services during the preparation and holding period of the 2008 Olympic Games. Adhering to its objective of developing into a successful cross-media enterprise, the Group will continue to diversify its income stream, such as operations of new newspapers, topic-focused magazines, outdoor billboards, large-scale events and TV.

For the First Half of 2005, we recorded relatively receded results compared with the corresponding period in last year. Despite this, the Group and our staff at all levels will continue to explore and develop more income steams and establish a cross-media platform for the Group, so as to develop the Group into a leading cross-media enterprise and try to make the best return for our shareholders.

Financial Analysis

1. *Turnover and Operating Results*

   For the First Half of 2005, turnover of the Group was approximately RMB368,271,000 (corresponding period of 2004: RMB513,746,000), representing a decrease of about 28.3% from the corresponding period of 2004. The Group's profit attributable to shareholders was about RMB170,000 (corresponding period of 2004: RMB66,309,000), representing a decrease of about 99.7% from the corresponding period of 2004.

2. *Operating Expenses*

   For the First Half of 2005, operating expenses of the Group amounted to approximately RMB24,037,000 (corresponding period of 2004: RMB69,187,000), representing a decrease of approximately 65.3% from the corresponding period of 2004. Operating Expenses represented about 6.5% (corresponding period of 2004: 13.5%) of the turnover of the Group in the First Half of 2005, comprising mainly sales and distribution expenses and administrative expenses.

3. *Finance income/(expenses)*

   For the First Half of 2005, finance income of the Group amounted to approximately RMB1,287,000 (finance expenses for the corresponding period of 2004: RMB273,000).

4. *Cash flow*
   As at 30 June 2005, the Group maintained a healthy cash flow position, with cash and cash equivalents as well as short-term bank deposits amounting approximately RMB1,360,702,000 (31 December 2004: RMB1,351,137,000).

5. *Taxation*
   For the First Half of 2005, taxation charges of the Group was approximately RMB4,632,000 (corresponding period of 2004: RMB9,856,000), representing a decrease of approximately 53.0% from the corresponding period of 2004.

Contingent Liabilities and Pledge of Assets

	As at 30 June 2005	As at 31 December 2004
	RMB'000	*RMB'000*
Guarantee for bank loans of a jointly controlled entity	**56,000**	72,553

On 21 July 2004, the Company entered into a pledge agreement with China Minsheng Banking Corporation Limited, pursuant to which the Company pledged fixed-term deposits in the sum of RMB56,000,000 as a security over a loan facility of US$6,000,000 granted to COL by China Minsheng Banking Corporation Limited.

Management anticipate that no material liability will arise from the above guarantees which arose in the ordinary course of business.

FOREIGN EXCHANGE RISKS

Substantially all of the Group's revenues and operating costs were denominated in RMB. For the six months ended 30 June 2005, the Group did not encounter any significant difficulties or losses arising from, nor were its operating cash flow or liquidity subject to, any exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements during the six months ended 30 June 2005.

As the proceeds from the new issue of shares in December 2004 were received in Hong Kong dollars, the Group has foreign currency risk as a substantial portion of cash and cash equivalents are denominated in Hong Kong dollars. The Group will closely monitor exposures arising from changes in exchange rate. Fluctuation of the exchange rate of RMB against foreign currencies could effect the Group's results of operations.

STAFF

As at 30 June 2005, the Group had a total of 145 staff, whose remuneration and benefits are determined based on market rates, State policies and individual performance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from 22 December 2004, the listing date, to the publishing date of this interim report, none of the Company or any of its subsidiaries had purchased, sold or redeemed any shares of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save as disclosed in the following paragraph, the board of the Company believes that the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the First Half of the year 2005.

Remuneration Committee

The Company has not yet established a remuneration committee. The Company will established a remuneration committee in accordance with the requirements of Rules B.1.1 to B.1.5 of the Code in the second half of the year 2005.

COMPLIANCE WITH "MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS"

The Company has adopted a code of conduct regarding securities transactions of Directors on terms not lower than the required standard set out in Appendix 10 of the Listing Rules. Having made throughout enquiry of the Directors, the Company can reasonably confirm that the Directors have complied with the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules.

AUDIT COMMITTEE

Pursuant to the requirements of the Listing Rules, the Company has set up an audit committee to review, supervise and regulate the financial reporting process and internal controls of the Group. The Audit Committee comprises two independent non-executive directors and one non-executive director.

The unaudited consolidated results and interim report of the Company for the six months ended 30 June 2005 have been reviewed by the audit committee.

DISCLOSURE OF INFORMATION ON THE HONG KONG STOCK EXCHANGE'S WEBSITE

All the information required by paragraphs 46(1) to 46(3) of Appendix 16 of the Listing Rules will be published on the Hong Kong Stock Exchange's website (http://www.hkex.com.hk) in due course.

By Order of the Board
Beijing Media Corporation Limited
ZHANG Yanping
Chairman of the Board of Directors

29 August 2005 Beijing, China

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

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