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BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1000)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

FINANCIAL HIGHLIGHTS

1. Total turnover decreased by 0.35% to RMB354,878 thousand (corresponding period of 2010: RMB356,128 thousand)
2. Total profit decreased by 28.39% to RMB28,543 thousand (corresponding period of 2010: RMB39,858 thousand)
3. Net profit attributable to shareholders of the Company decreased by 26.14% to RMB27,238 thousand (corresponding period of 2010: RMB36,878 thousand)
4. Earnings per share decreased by 26.32% to RMB0.14 (corresponding period of 2010: RMB0.19)

The board (the “Board”) of directors (the “Directors”) of Beijing Media Corporation Limited (the “Company” or “Beijing Media”, and together with its subsidiaries, the “Group”) hereby announces the unaudited consolidated results of the Group for the six months ended 30 June 2011 (the “First Half of 2011”) and the comparative results of the Group for the corresponding period in 2010.

CONSOLIDATED BALANCE SHEET (UNAUDITED)

		RMB '000	
		As at	As at
Item	Notes	30 June 2011	31 December 2010 (Restated)
Current assets:			
Bank balances and cash		1,006,662	1,174,576
Financial assets held for trading		2,000	—
Account receivables	I	198,599	132,754
Prepayments		25,744	40,047
Interest receivables		5,511	7,666
Other receivables		59,958	33,729
Inventories		79,260	66,847
Non-current assets due within one year		8,900	8,600
Total current assets		1,386,634	1,464,219
Non-current assets:			
Held-to-maturity investments		—	30,000
Long-term receivables		1,166	1,868
Investments in jointly controlled entities and associates		121,215	118,464
Other long-term equity investments		11,060	4,500
Investment properties		10,754	13,642
Fixed assets		13,930	14,885
Intangible assets		45,270	46,232
Goodwill		48,503	—
Long-term prepayments		1,176	746
Deferred income tax assets		1,127	1,034
Total non-current assets		254,201	231,371
Total assets		1,640,835	1,695,590

CONSOLIDATED BALANCE SHEET (UNAUDITED) (CONTINUED)

Item	Notes	RMB '000	
		As at 30 June 2011	As at 31 December 2010 (Restated)
Current liabilities:			
Bills payables		17,322	50,222
Accounts payables	2	96,753	87,077
Receipts in advance		31,752	37,128
Employee benefits payables		7,266	8,676
Tax payables		(7,486)	2,427
Interest payables		119	89
Dividend payables		51,372	2,717
Other payables		95,090	97,651
Total current liabilities		292,188	285,987
Non-current liabilities:			
Deferred income tax liabilities		244	173
Other non-current liabilities		6,444	8,600
Total non-current liabilities		6,688	8,773
Total liabilities		298,876	294,760
Shareholders' equity			
Share capital		197,310	197,310
Capital reserves		898,058	898,058
Surplus reserves		130,931	130,931
Undistributed profits		79,032	150,449
Equity attributable to shareholders of the Company		1,305,331	1,376,748
Minority interests		36,628	24,082
Total shareholders' equity		1,341,959	1,400,830
Total liabilities and shareholders' equity		1,640,835	1,695,590
Net current assets		1,094,446	1,178,232
Total assets less current liabilities		1,348,647	1,409,603

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

		<i>RMB'000</i>	
		For the six months ended 30 June	
Item	<i>Notes</i>	2011	2010 (Restated)
Total operating revenue	<i>3</i>	354,878	356,128
Total operating costs		343,346	332,935
Operating costs	<i>3</i>	308,056	298,038
Sales tax and levies		16,171	17,387
Selling expenses		12,253	9,159
Administrative expenses		21,008	20,520
Finance costs		(15,164)	(13,029)
Impairment loss of assets		1,022	860
Gain (loss) on fair value changes		(49)	–
Share of profit (loss) of jointly controlled entities and associates		2,751	(134)
Other investment income (loss)		13,764	93
Operating profit		27,998	23,152
Add: non-operating income		680	16,771
Less: non-operating expenses		135	65
Total profit		28,543	39,858
Less: Income tax expenses	<i>4</i>	1,181	2,205
Net profit		27,362	37,653
Other comprehensive income		–	–
Total comprehensive income		27,362	37,653
Net profit attributable to:			
Shareholders of the Company		27,238	36,878
Minority interests		124	775
		27,362	37,653
Total comprehensive income attributable to:			
Shareholders of the Company		27,238	36,878
Minority interests		124	775
		27,362	37,653
Earnings per share:			
Basic earnings per share (RMB)	<i>5</i>	0.14	0.19
Diluted earnings per share (RMB)	<i>5</i>	0.14	0.19
Dividends	<i>6</i>	98,655	78,924

BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Group's financial statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong ("HK GAAP") for disclosure purposes since its listing in Hong Kong. According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong" published by The Stock Exchange of Hong Kong Limited ("Stock Exchange") in December 2010, a resolution was approved on the Company's annual general meeting held on 13 May, 2011 that the Company would cease to re-appoint SHINEWING (HK) CPA Limited as the international auditors of the Company, and would appoint Shine Wing Certified Public Accountants Co., Ltd. as the auditors of the Company for the year 2011. Pursuant to the resolution, with effect from this financial year, the Company decided to prepare its financial statements in accordance with the "Accounting Standards for Business Enterprises" and other related regulations ("PRC Accounting Standards") issued by the China Ministry of Finance. The adoption of PRC Accounting Standards has been applied retrospectively and the comparative financial information for the six months ended 30 June 2010 and for the year ended 31 December 2010 is converted in accordance with the PRC Accounting Standards.

The Group's financial statements for the six months ended 30 June 2011 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with the Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting, and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the accounting policies and estimates as stated therein.

STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's financial statements have been prepared in conformity with the PRC Accounting Standards, and present truly and completely the Group's and Company's financial position as at 30 June 2011 and their financial results for the 6 months then ended.

NOTES TO THE FINANCIAL STATEMENTS *(Amounts expressed in thousands of RMB unless otherwise stated in the notes to the financial statements)*

1. ACCOUNT RECEIVABLES

Item	As at 30 June 2011	As at 31 December 2010
Account receivables	206,345	140,002
Less: Provision for bad debts	<u>(6,580)</u>	<u>(5,380)</u>
	<u>199,765</u>	<u>134,622</u>
For reporting purpose, analysis as:		
Non-current assets-Long-term receivables	1,166	1,868
Current assets-account receivables	<u>198,599</u>	<u>132,754</u>
	<u>199,765</u>	<u>134,622</u>

- (1) The aging analysis of account receivables (net of bad debt provision) presented based on the invoice date is as follows:

	As at 30 June 2011	As at 31 December 2010
0-90 days	124,123	80,100
91-180 days	36,686	24,140
181-365 days	18,696	11,226
1-2 years	16,469	14,750
2-3 years	354	94
3-4 years	35	15
Over 4 years	<u>3,402</u>	<u>4,297</u>
Total	<u>199,765</u>	<u>134,622</u>

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

The account receivables of the Group as at 30 June 2011 increased RMB65,143 thousand or 48.39% as compared with those at the end of last year. The increase was mainly attributable to the outstanding advertising and sales receivables due from certain major customers.

- (2) The Company entered into arrangements with certain of the advertising agents allowing them to settle their outstanding balances with fixed repayment schedules in the next 2 to 6 years. The Company has assessed these customers' repayment history and ability to repay before entering into these arrangements. The Group recorded the outstanding balances with maturities beyond 12 months from the reporting period end date as long-term receivables, which were measured at amortised cost using the effective interest method and carry interest rate of 5.76% (2010: 5.76%) per annum.
- (3) Top five account receivables as at 30 June 2011 represents 33.88% of the total account receivables.

2. ACCOUNTS PAYABLES

- (1) As at 30 June 2011, the following is an aged analysis of accounts payables presented based on invoice date:

	As at 30 June 2011	As at 31 December 2010
Within 90 days	68,566	81,522
91 to 180 days	24,794	2,678
181 to 365 days	3,105	2,103
Over 1 year	288	774
Total	96,753	87,077

3. OPERATING REVENUE AND OPERATING COSTS

Item	For the six months ended 30 June 2011	2010
Revenue from principal operations	352,160	351,803
Other operating revenue	2,718	4,325
Total	354,878	356,128
Costs of principal operations	307,885	296,460
Other operating costs	171	1,578
Total	308,056	298,038

Operating revenue, which is the Group's turnover, represents the net amounts received and receivables for sale of advertising spaces and goods, and rendering of services by the Group to external customers, less trade discounts during the current period.

(1) Principal Operations – by business segments

Production name	For the six months ended 30 June			
	2011 Operating Revenue	Operating Costs	2010 Operating Revenue	Operating Costs
Advertising	198,006	155,193	210,550	158,249
Printing	26,657	25,514	24,930	23,577
Trading of printing related materials	121,737	114,811	110,895	103,541
Distribution	5,760	12,367	5,428	11,093
Total	352,160	307,885	351,803	296,460

- (2) The amount of the top five customers of operating revenue for the six months ended 30 June 2011 was RMB67,885 thousand representing 19.28% of the total operating revenue.

4. INCOME TAX EXPENSES

(1) Income tax expenses

Item	For the six months ended 30 June	
	2011	2010
Current income tax expenses	1,202	2,124
Deferred income tax expenses	(21)	81
Total	1,181	2,205

(2) Current income tax

Item	For the six months ended 30 June	
	2011	2010
Current income tax– PRC	1,202	1,933
Under-provision in prior years – PRC	–	191
Total	1,202	2,124

5. EARNINGS PER SHARE

	For the six months ended 30 June	
	2011	2010
Profit for the half-year attributable to the shareholders of the Company	<u>27,238</u>	<u>36,878</u>
Weighted average number of ordinary shares in issue	<u>197,310</u>	<u>197,310</u>
Earnings per share (RMB)	<u>0.14</u>	<u>0.19</u>

The basic earnings and diluted earnings per share for the six months ended 30 June 2010 and 2011 are the same as there was no dilution incurred during the periods.

6. DIVIDENDS

- (1) The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2011(2010: NIL).
- (2) Dividends recognized as profit distribution during the interim period are as follows:

Item	For the six months ended 30 June	
	2011	2010
Final dividends for the year ended 31 December 2010 at RMB0.50 per share (Final dividends for 2009 at RMB0.40 per share) (<i>Note 1</i>)	<u>98,655</u>	<u>78,924</u>
Total	<u>98,655</u>	<u>78,924</u>

Note 1: The Company has distributed the final dividend to its shareholders before 12 August 2011.

When the final dividend was distributed to the individual H shareholders whose name appeared on the register of members of the Company on 12 April 2011, the Company has withheld 10% of the final dividend as individual income tax in compliance with the regulation issued by the State Administration of Taxation.

BUSINESS REVIEW OF THE GROUP

The Group is principally engaged in three core businesses: (1) advertising sales, this part of business contributed the largest portion of the turnover of the Group; (2) printing, the turnover of this part of business includes revenue mainly generated from the printing of publications arranged by BYD Logistics Company Limited (“BYD Logistics”); and (3) trading of print-related materials, this part of business involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to customers, including commercial printers.

Total operating revenue of the Group for the First Half of 2011 was RMB354,878 thousand (corresponding period of 2010: RMB356,128 thousand), representing a decrease of approximately 0.35% as compared with that for the corresponding period of 2010. Net profit attributable to shareholders of the Company was RMB27,238 thousand (corresponding period of 2010: RMB36,878 thousand), representing a decrease of approximately 26.14% as compared with that for the corresponding period of 2010.

RESULTS OF GROUP MEMBERS

Although the placement volume of advertisement in print media in Beijing grew in the First Half of 2011, the market observation data provided by third parties shows that the rate of increase has slowed down significantly compared with the corresponding period of last year due to the negative impacts brought by new media. Notwithstanding the facts that Beijing Youth Daily (《北京青年報》) secured its stable position with a leading advertising market share among the major metropolitan newspapers in the city, and the placement volume of advertisement in real estate and automobile industries has been ahead of other print media in Beijing, placement volume of advertisement in automobile industries has suffered from the impacts of the stringent control policy of automobile purchase implemented in the First Half of 2011 in Beijing, as a result of which, placement volume of advertisement in such industry has dropped significantly compared with the corresponding period of last year. Despite of the series of policies limiting real estate purchase, which are still being strictly implemented in Beijing, placement volume of advertisement in real estate as a whole has increased as compared with the corresponding period of last year, and the market share of Beijing Media in real estate advertising has also been increasing steadily. The increase in revenue from real estate advertising has compensated for the drop in revenue from automobile advertising to a certain extent. Meanwhile, the placement of advertisement in Beijing Youth Daily (《北京青年報》) from industries like finance, insurance and luxuries targeting high-income groups also accounted for an extensive market share in the print media market of Beijing. In recent years, Beijing Media enjoyed a stable customer base from finance and insurance industries benefiting from their advertisement placement, thereby recording a significant increase of market share from the overall growth in placement.

As the diversified media channels are intensifying the competition in print media, Beijing Media took an active role in expanding and diversifying its operational mode. In the First Half of 2011, Beijing Media called up wedding couples for whom are its readers and support the environmental protection business to eagerly take part in activities to show their love and care and the bliss they enjoyed by participating the public charity event organized by China Communist Youth League Beijing Committee. A special edition of Witnesses (《百版證婚》) published on 28 April, 2011 got the strong feedback

of society. Earlier in the year, the rollout of Sunshine (《尚色》), a new magazine specially targeting high-end readership of luxurious brand consumers, marked another milestone for Beijing Youth Daily (《北京青年報》) in expanding its advertising sales business on luxury products. These series of events fostered the enhancement of the Group's influence on the society.

The Group is engaged in the printing and the trading of print-related materials businesses through its subsidiary BYD Logistics. Total operating revenue of the Group from the printing and the trading of print-related materials businesses for the First Half of 2011 was RMB26,657 thousand and RMB121,737 thousand (corresponding period of 2010: RMB24,930 thousand and RMB110,895 thousand), respectively, representing an increase of 6.93% and 9.78% as compared with those of the corresponding period of 2010, respectively.

The major revenue generators of BYD Logistics for the First Half of 2011 shifted from revenue from intra-group printing and trading business to revenue from third-party printing and trading business. Notable success was achieved in building up a diversified non-intra-group third-party customer portfolio.

Hebei Heqing Media Corporation Limited ("Heqing Media"), a subsidiary of Beijing Media established in Hebei Province, is principally engaged in the publication of Hebei Youth Daily (《河北青年報》) and the sales of its advertising space. During the First Half of 2011, Heqing Media recorded an overall improvement in its operation. For the retail market, full coverage has been achieved for Shijiazhuang area, and brought substantial increase in sales volume at newspaper stands and mobile distributors. Hebei Youth Daily devoted much effort in improving the layout image and content. In the First Half of 2011, it organized events such as "Celebration of the Fifth Anniversary of Repositioning" (改版五周年慶祝活動), "Heqing Auto Show" (河青車展), "A Walk for Qingdou Civilization" (青豆文明行), "Qingdou Farm" (青豆農場), "Running At Night for Health" (夜跑越健康), "Small Hands in Big Ones" (大手牽小手) and "Flowering Competition in My Balcony-garden" (我的陽台花園養花大賽), leading to more exposure as well as an increasing influence and appeal of Heqing brand in Shijiazhuang. With respect to operations, Heqing Media has expanded its niches and improved its services on ongoing basis and also strengthened its management. Operating revenue of Heqing Media for the First Half of 2011 increased by 18.11% as compared with that for the corresponding period of 2010. Of which, the operating revenue from advertising business increased by 20.67% and the operating revenue from distribution business increased by 6.13%. It is likely to achieve or even outperform the given operational target of the year.

Beiqing CéCi Advertising (Beijing) Limited ("Beiqing CéCi") is a limited liability company jointly established by Beijing Media and JoongAng m&b Limited of Korea with contribution of RMB80 million, of which Beijing Media holds as to 84.69%. Beiqing CéCi is mainly responsible for the content, advertising, marketing and publication of CéCi magazine. As the first Korean-style trendy magazine introduced into the People's Republic of China, CéCi invited Zhang Jingchu, one of the most popular actresses in China, to Korea, to serve as the new Ambassador of the Korean Culture and Tourism (韓國文化觀光宣傳大使) of the year. After that, she will also take part in the promotional activities of 2012 Exchange Year of Korea and China (二零一二韓中交流年) and the exchange activities commemorating the 20th anniversary of the establishment of diplomatic relations between China and Korea, so as to promote the popularity and influence of CéCi magazine. CéCi magazine has extended

its presence across major cities in China including Hong Kong Special Administrative Region. Through three years' operation, CéCi, being the favourite magazine of urban white-collar, has become one of the most popular female magazines in Beijing and Shanghai, and is well recognized by the experts in the industry. With a sound track record of sales since its launching, the revenue from advertising sales of CéCi for the First Half of 2011 increased by 31.97% as compared with that for the corresponding period of 2010.

Beijing Transmedia Advertising Limited ("BQTM") is an operating entity engaging in brand new aviation media segment established by the Group by consolidating the LED business at Terminal 3 of Beijing Capital Airport and the business of the Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》) in 2010. During the First Half of 2011, BQTM recorded a significant growth in its businesses. Based on the three LED displays at Terminal 3 of Beijing Capital Airport, the LED business has been extended to Xian Airport and Shenzhen Airport, aiming to initially build up a LED simulcast network at airports across the country based on these three airports. Upon business consolidation of the existing Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》) into BQTM, a rapid growth in the advertising business is recorded. The periodical circulation on the flights at and across Beijing, Shanghai and Guangzhou airports further increased due to the increasing passengers, which also led to an appropriate publication structure of Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》). Preliminary achievements were attained by consolidating the LED business and the print business of the Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》), which showcased a solid sales and marketing.

BUSINESS EXPANSION OF THE GROUP

During the First Half of 2011, following the implementation of the new control policy to purchase motor vehicles in Beijing that affected the business of advertising to certain extent but created other business opportunities, Beijing, Tianjin and Hebei became the most important distribution centres for second hand motor vehicles in the North China. In order to promptly capture the emerging second hand motor vehicle market, the Group offered the major second hand motor sellers a brand new exchange platform with the media in Beijing, Hebei and Tianjin, and the concept of the second hand vehicle market across Beijing, Tianjin and Hebei was taking shape. The advertising department and the media department of Beijing Media, together with the editorial department of Auto Time under Beijing Youth Daily Agency timely held a second hand vehicle summit to cater for regions including Beijing, Tianjin and Hebei. Dozens of the industry players have been invited to attend the event, including industry professionals of the Automobile Dealers Association, the head of the major brands engaging in second hand vehicle replacement business and large-scale distributors of second hand vehicle in Beijing, Tianjin and Hebei, at which a second hand vehicle league across Beijing, Tianjin and Hebei was formed. Tianjin TV and Hebei Youth Daily Agency were also invited to serve as the media co-organizer of the event. The Group would like to explore business opportunities by way of organization of events, and to address the challenges in the new market conditions.

PROSPECTS AND FUTURE PLANS

Looking into its advertising operations in the second half of 2011, the Group will continue to uphold its operating philosophy adopted in the First Half of the year, and pursue higher profitability by increasing consolidation of internal resources, advancing innovative solutions and introducing fresh approach to diversify advertising operations. In the meantime, to secure the number one market position of Beijing Youth Daily in cosmopolis mainstream newspaper media in Beijing, the Group will continue to enhance innovation for operational team in advertising department and to roll out various promotional activities. Beijing Media will increase investment in cities' outdoor websites and vertically-established industry websites, mobile internet, and education, and will further support the expansion of the existing business segments of aviation media and fashion magazine.

In the second half of 2011, the Group will, through Beiqing CéCi, continue to forge a brand new platform for its trendy magazine media. Following the successful release and distribution of the magazine, position in mainstream plane media will be sought for the magazine, so as to seek the better development of the trendy magazine media sector.

In the second half of 2011, BQTM will further develop the LED business in urban mainstream airport, and is endeavored to construct LED displays in urban airports of three to five cities. Based on the existing business of the Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》), it plans to further develop a brand new aviation print media and the electronic media business featuring the portable flight terminal to facilitate the flight networking and communication. BQTM will procure itself to become a leading cross-media aviation media group, by developing the most important LED simulcast network at airports across the country, aviation print media and individual portable flight terminal.

While maintaining its existing core businesses in the second half of 2011, the Group intends to further diversify its media business through acquisitions and cooperation. Aiming at further development of the Group's business, the Group will bolster its ongoing relationship with Beijing Youth Daily Agency, in order to stand out from its peers as a leading cross-media group in the People's Republic of China.

The Group's business growth is heavily dependent on the concerted efforts of our management and staff in each enterprise. The insight to market opportunities of the operational management and the quality of the staff are the keys to our success. On behalf of the Company's shareholders and other members of the board of directors (the "Board"), I would like to take this opportunity to express my sincere gratitude to the management and staff of each of the enterprises within the Group.

FINANCIAL REVIEW

1. Total Operating Revenue

For the six months ended 30 June 2011, total operating revenue of the Group was RMB354,878 thousand (corresponding period of 2010: RMB356,128 thousand), representing a decrease of 0.35% as compared with that for the corresponding period of 2010. Of which, revenue from advertising

sales decreased by RMB12,544 thousand, representing a decrease of 5.96% as compared with that for the corresponding period of 2010; revenue from printing increased by RMB1,727 thousand, representing an increase of 6.93% as compared with that for the corresponding period of 2010; and revenue from the trading of print-related materials increased by RMB10,842 thousand, representing an increase of 9.78% as compared with that for the corresponding period of 2010.

2. Operating Cost and Sales Tax and Levies

For the six months ended 30 June 2011, operating cost of the Group was RMB308,056 thousand (corresponding period of 2010: RMB298,038 thousand), representing an increase of 3.36% as compared with that for the corresponding period of 2010. Of which, cost of advertising sales decreased by RMB3,056 thousand, representing a decrease of 1.93% as compared with that for the corresponding period of 2010; cost of printing increased by RMB1,937 thousand, representing an increase of 8.22% as compared with that for the corresponding period of 2010, and cost of the trading of print-related materials increased by RMB11,270 thousand, representing an increase of 10.88% as compared with that for the corresponding period of 2010. Sales tax and levies was RMB16,171 thousand (corresponding period of 2010: RMB17,387 thousand), representing a decrease of 6.99% as compared with that for the corresponding period of 2010.

3. Selling Expenses

For the six months ended 30 June 2011, selling expenses of the Group was RMB12,253 thousand (corresponding period of 2010: RMB9,159 thousand), representing an increase of 33.78% as compared with that for the corresponding period of 2010.

4. Administrative Expenses

For the six months ended 30 June 2011, administrative expenses of the Group was RMB21,008 thousand (corresponding period of 2010: RMB20,520 thousand), representing an increase of 2.38% as compared with that for the corresponding period of 2010.

5. Finance Cost

For the six months ended 30 June 2011, finance cost of the Group was RMB-15,164 thousand (corresponding period of 2010: RMB-13,029 thousand), representing an increase of 16.39% in absolute value as compared with that for the corresponding period of 2010. Of which, interest income was RMB13,490 thousand (corresponding period of 2010: RMB12,450 thousand), representing an increase of 8.35% as compared with that for the corresponding period of 2010; and foreign exchange gains was RMB1,713 thousand (corresponding period of 2010: RMB719 thousand), representing an increase of 138.25% as compared with that for the corresponding period of 2010.

6. Share of Profit (Loss) of Jointly Controlled Entities and Associates

For the six months ended 30 June 2011, share of the profit of jointly controlled entities and associates of the Group was RMB2,751 thousand (corresponding period of 2010: loss of RMB134 thousand), representing an increase of 2,152.99% as compared with that for the corresponding period of 2010.

7. Operating Profit and Profit Margin

For the six months ended 30 June 2011, operating profit of the Group was RMB27,998 thousand (corresponding period of 2010: RMB23,152 thousand), representing an increase of 20.93% as compared with that for the corresponding period of 2010; profit margin was 7.89% (corresponding period of 2010: 6.50%).

8. Income Tax Expenses

For the six months ended 30 June 2011, income tax expenses of the Group was RMB1,181 thousand (corresponding period of 2010: RMB2,205 thousand), representing a decrease of 46.44% as compared with that for the corresponding period of 2010. The taxation authority in the PRC has granted the Company an income tax exemption of five years effective from 1 January 2009 to 31 December 2013.

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

For the six months ended 30 June 2011, net profit of the Group was RMB27,362 thousand (corresponding period of 2010: RMB37,653 thousand), representing a decrease of 27.33% as compared with that for the corresponding period of 2010. Of which, net profit attributable to shareholders of the Company was RMB27,238 thousand (corresponding period of 2010: RMB36,878 thousand), representing a decrease of 26.14% as compared with that for the corresponding period of 2010.

10. Financial Resources and Liquidity

As at 30 June 2011, current assets of the Group was RMB1,386,634 thousand (31 December 2010: RMB1,464,219 thousand), including bank balance and cash of RMB1,006,662 thousand (31 December 2010: RMB1,174,576 thousand). Non-current assets of the Group was RMB254,201 thousand (31 December 2010: RMB231,371 thousand).

As at 30 June 2011, current liabilities of the Group was RMB292,188 thousand (31 December 2010: RMB285,987 thousand) and non-current liabilities was RMB6,688 thousand (31 December 2010: RMB8,773 thousand).

As at 30 June 2011, shareholders' equity of the Group was RMB1,341,959 thousand (31 December 2010: RMB1,400,830 thousand).

11. Gearing Ratio

As at 30 June 2011, gearing ratio of the Group was 22.27% (31 December 2010: 21.04%) (the gearing ratio is derived from dividing the Group's total liabilities by its total equity).

USE OF PROCEEDS FROM LISTING

The Company raised a total net proceeds of HK\$889,086 thousand from the global offering in 2004. The following table sets forth a breakdown of the proposed use of proceeds as disclosed in the prospectus and as recently modified in the announcement of the Company and the actual use of proceeds as at 30 June 2011:

Proposed use of proceeds	Amounts proposed <i>HK\$</i>	Amounts used <i>HK\$</i>
Developing a number of topic-focused magazines on personal wealth management, lifestyle and cultural activities	Approximately 23.59 million	Approximately 23.59 million
Investing in and acquisition of other media businesses (including but not limited to traditional media and emerging media businesses) and related businesses (including but not limited to the additional investment in the existing businesses of the Group)	Approximately 735.496 million	Approximately 518.884 million
General working capital of the Group	Approximately 130 million	Approximately 80 million

Note: The Board has approved the change in use of unutilized net proceeds from the global offering at the board meeting of the Company held on 24 June 2011.

The proceeds that would have been intended for the development of weekend newspapers had not been utilized as the Company has not identified any weekend newspapers with profitable prospect and which positioning is consistent with that of Beijing Media as a whole. In addition, as the Chinese government has not yet released fully its control over the television broadcasting industry at this stage and there are a number of restrictions on the existing State policies, industry access thresholds and other barriers, the Company is unable to implement its strategic deployment and to align its substantive investments, leaving the unutilized proceeds that would have been intended for investment in the television broadcasting industry in Beijing. While the Company does not intend to invest in weekend newspapers and television broadcasting industry in Beijing in the near future. Based on the factors abovementioned, it has changed the use of the unutilized proceeds totaling approximately HK\$425.496 million to the following purposes:

- 1) as to approximately HK\$375.496 million, for the purpose of investing in and acquisition of other media businesses (including but not limited to traditional media and emerging media businesses) and related businesses (including but not limited to the additional investment in the existing businesses of the Group);
- 2) as to approximately HK\$50 million, for use as general working capital of the Group.

On 30 June 2011, the Company completed its capital increase into Beiqing CéCi in the amount of RMB55 million (approximate HK\$66.159 million); on the same date, the Company used its proceeds to replace the internal resource of the Company originally invested in BQTM, in the amount of RMB80 million (approximate HK\$92.725 million).

Taken into account of the above factors, and in order for the Company to capture more business opportunities arising from emerging media businesses and other related media businesses and to utilize the net proceeds of the Group in a more effective way, during the First Half of 2011, the Company strived to seek opportunities to fulfill the objectives as set forth above. The Company believes that the proceeds will be utilized as aforesaid purposes for business development under mature conditions in the second half of 2011.

CAPITAL STRUCTURE

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

Note: Including 19,533,000 H Shares held by MIH Print Media Holdings Limited, representing 9.90% of the total share capital.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2011, so far as the directors (the “Directors”), the supervisors (the “Supervisors”) and chief executive of the Company are aware, according to the register of interests and/or short positions in shares required to be kept pursuant to Section 336 of Part XV of the Securities and Futures Ordinance (“SFO”), the persons in the following table had an interest and/or short position in the shares or underlying shares of the Company:

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

Note: Information disclosed above is extracted from the website of the Hong Kong Stock Exchange (www.hkex.com.hk).

Save as disclosed above, to the best knowledge of the Directors, Supervisors and the chief executive of the Company, as at 30 June 2011, there was no other person with interests and/or short positions in shares or underlying shares of the Company which would fall to be recorded in the register of the Company required to be kept under section 336 of Part XV of the SFO.

CAPITAL EXPENDITURES

Capital expenditures, which mainly include expenditures on office equipment of the Group for the First Half of 2011, was RMB1,508 thousand (corresponding period of 2010: RMB585 thousand). The Group anticipates that capital expenditures for the second half of 2011 will mainly comprise expenditure consistent with business strategies.

CONTINGENT LIABILITIES

As at 30 June 2011, the Company entered into an entrusted loan agreement with Guangdong Development Bank, pursuant to which the Company would provide an entrusted loan of not more than RMB3,600 thousand in cash to Beijing Top through Guangdong Development Bank.

It is anticipated by the management team that no material liabilities will arise to the Company from the above entrusted loan provided in the normal course of business.

FOREIGN EXCHANGE RISKS

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

EMPLOYEES

As at 30 June 2011, the Group had a total of 628 employees (as at 30 June 2010: 617 employees), whose remuneration and benefits are determined in accordance with market rates, State policies and individual performance.

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

As at 30 June 2011, none of the Directors, Supervisors or the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded into the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), to be notified to the Company and the Hong Kong Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2011, none of the Company or any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

MATERIAL INVESTMENTS

On 21 April 2011, the Company held a board meeting and approved the injection of additional capital of RMB55 million to Beiqing CéCi. On 30 June 2011, Beiqing CéCi completed the relevant change in registration with relevant Administration authorities for Industry and Commerce. Upon the completion of capital increase, Beiqing CéCi is owned as to 84.69% by Beijing Media.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

For the First Half of 2011, the Company had no material transactions of acquisitions and disposals of assets.

The Company entered into an equity transfer agreement with Beijing Youth Daily Agency (“BYDA”) on 24 August 2011, whereby the Company has agreed to acquire 55% equity interests in Beijing Today Sunshine Advertising Co., Ltd. from BYDA for the consideration of RMB18.88 million.

MATERIAL LEGAL MATTERS

To the best knowledge of the Board, as at 30 June 2011, the Company was not involved in any material litigation or arbitration and there was no legal action or claim made or threatened to be made against the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has fully complied with the code provisions set out in the Code on Corporate Governance Practices under Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the six months ended 30 June 2011.

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

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by our Directors and Supervisors. Having made sufficient enquiry of all Directors and Supervisors of the Company, all Directors and Supervisors confirmed that they have complied with the required standards under the Model Code for the six months ended 30 June 2011.

AUDIT COMMITTEE

Pursuant to the requirements of the Listing Rules, the Company has set up an audit committee which is responsible to review, supervise and adjust the financial reporting process and internal controls of the Group. The members of the audit committee are two independent non-executive Directors and one non-executive Director.

The audit committee and the management team of the Company have reviewed the accounting principles and practices adopted by the Group. In addition, the audit committee has also discussed with the Directors on matters concerning the internal controls and financial reporting of the Company, including reviewing of the financial statements of the Group for the First Half of 2011 without dissenting opinions.

CONNECTED TRANSACTIONS MANAGEMENT

In order to standardise and strengthen the management of connected transactions, the Company has established the “Beijing Media Corporation Limited Connected Transactions Management System”. The office of the Board is responsible for the management of connected transactions. In order to ensure that the Company’s connected transactions are carried out based on rules systemically, the Company has made sub-division as to the connected transaction caps that have already been disclosed, sub-dividing each connected transaction to each subsidiary, and each subsidiary is responsible for the controlling of its sub-divided portion of connected transactions. Pursuant to the provisions of the relevant system of the Company, the Company is required to comply with the reporting, announcement and independent shareholders’ approval requirements (if applicable) under the Listing Rules before making any proposed new connected transaction.

INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the six months ended 30 June 2011.

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

The Company’s interim report for the First Half of 2011 will be published on the Stock Exchange’s website (<http://www.hkex.com.hk>) and the Company’s website (<http://www.bjmedia.com.cn>).

By Order of the Board
Zhang Yanping
Chairman

Beijing, the PRC, 29 August 2011

As at the date of this announcement, the Board comprises: the executive Directors of the company, Zhang Yanping, Zhang Yabin and Sun Wei, the non-executive Directors of the company, Liu Han, Xu Xun, Li Yigeng, Li Shiheng and Wu Peihua 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 on the Company's website at www.bjmedia.com.cn.