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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 2012**

#### **FINANCIAL HIGHLIGHTS**

1. Total operating revenue decreased by 9.96% to RMB320,664 thousand (corresponding period of 2011: RMB356,120 thousand)
2. Total profit decreased by 49.90% to RMB13,232 thousand (corresponding period of 2011: RMB26,411 thousand)
3. Net profit attributable to shareholders of the Company decreased by 52.92% to RMB12,118 thousand (corresponding period of 2011: RMB25,741 thousand)
4. Earnings per share decreased by 53.85% to RMB0.06 (corresponding period of 2011: RMB0.13)

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 2012 (the “First Half of 2012”) and the comparative results of the Group for the corresponding period in 2011.

# **CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

Item	Notes	RMB'000	
		For the six months ended 30 June 2012	2011 (Restated)
<b>Total operating revenue</b>	<i>1</i>	<b>320,664</b>	356,120
<b>Total operating costs</b>		<b>313,474</b>	345,790
Operating costs	<i>1</i>	<b>285,068</b>	306,142
Sales tax and surcharges		<b>15,238</b>	16,383
Selling expenses		<b>7,549</b>	12,801
Administrative expenses		<b>20,664</b>	23,518
Financial expenses		<b>(16,440)</b>	(14,811)
Impairment loss of assets		<b>1,395</b>	1,757
Loss on changes in fair value		–	(49)
Share of profit of jointly controlled entities and associates		<b>5,128</b>	2,751
Other investment income		–	12,834
<b>Operating profit</b>		<b>12,318</b>	25,866
Add: non-operating income		<b>920</b>	680
Less: non-operating expenses		<b>6</b>	135
<b>Total profit</b>		<b>13,232</b>	26,411
Less: Income tax expenses	<i>2</i>	<b>2,599</b>	997
<b>Net profit</b>		<b>10,633</b>	25,414
<b>Other comprehensive income</b>		–	–
<b>Total comprehensive income</b>		<b>10,633</b>	25,414
<b>Net profit attributable to:</b>			
Shareholders of the Company		<b>12,118</b>	25,741
Minority shareholders		<b>(1,485)</b>	(327)
		<b>10,633</b>	25,414
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		<b>12,118</b>	25,741
Minority shareholders		<b>(1,485)</b>	(327)
		<b>10,633</b>	25,414
<b>Earnings per share:</b>			
Basic earnings per share (RMB)	<i>3</i>	<b>0.06</b>	0.13
Diluted earnings per share (RMB)	<i>3</i>	<b>0.06</b>	0.13
<b>Dividends</b>	<i>4</i>	<b>118,386</b>	98,655

# **CONSOLIDATED BALANCE SHEET (UNAUDITED)**

		RMB'000	
		As at	As at
Item	Notes	30 June 2012	31 December 2011
<b>Current assets:</b>			
Bank balances and cash		964,496	995,593
Financial assets held for trading		31	31
Accounts receivable	5	182,356	125,698
Prepayments		12,400	16,789
Interest receivable		11,951	10,517
Other receivables		66,271	59,551
Inventories		53,732	49,928
Other current assets		80,600	80,600
<b>Total current assets</b>		<b>1,371,837</b>	<b>1,338,707</b>
<b>Non-current assets:</b>			
Long-term receivables		–	369
Investments in jointly controlled entities and associates		138,876	133,748
Other long-term equity investments		59,560	11,560
Investment properties		43,750	43,750
Fixed assets		12,013	12,690
Intangible assets		27,647	28,124
Goodwill		47,377	47,377
Long-term prepaid expenses		1,709	1,932
Deferred income tax assets		1,413	1,206
Other non-current assets		–	48,000
<b>Total non-current assets</b>		<b>332,345</b>	<b>328,756</b>
<b>Total assets</b>		<b>1,704,182</b>	<b>1,667,463</b>

# **CONSOLIDATED BALANCE SHEET (UNAUDITED) (CONTINUED)**

Item	Notes	RMB'000	
		As at 30 June 2012	As at 31 December 2011
<b>Current liabilities:</b>			
Notes payable		64,047	36,599
Accounts payable	6	69,227	63,315
Receipts in advance		14,297	19,045
Employee benefit payables		4,028	6,098
Tax payables		2,985	4,013
Dividends payable		118,784	398
Other payables		91,773	91,201
Non-current liabilities due within one year		3,670	3,670
Other current liabilities		8,513	8,513
<b>Total current liabilities</b>		<b>377,324</b>	<b>232,852</b>
<b>Non-current liabilities:</b>			
Long-term borrowings		3,670	3,670
Deferred income tax liabilities		1,292	1,292
<b>Total non-current liabilities</b>		<b>4,962</b>	<b>4,962</b>
<b>Total liabilities</b>		<b>382,286</b>	<b>237,814</b>
<b>Shareholders' equity:</b>			
Share capital		197,310	197,310
Capital reserves		893,841	893,841
Surplus reserves		130,931	130,931
Undistributed profits		68,765	175,033
<b>Total equity attributable to shareholders of the Company</b>		<b>1,290,847</b>	<b>1,397,115</b>
Minority interests		31,049	32,534
<b>Total shareholders' equity</b>		<b>1,321,896</b>	<b>1,429,649</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,704,182</b>	<b>1,667,463</b>
<b>Net current assets</b>		<b>994,513</b>	<b>1,105,855</b>
<b>Total assets less current liabilities</b>		<b>1,326,858</b>	<b>1,434,611</b>

## **BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Group's financial statements for the six months ended 30 June 2012 have been prepared on a going concern basis and based on the actual transactions and matters incurred, in accordance with the PRC Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting, and the applicable disclosures required by the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and Hong Kong Companies Ordinance; and the accounting policies and estimates as stated in Note III “Principal accounting policies and accounting estimates and basis of preparation of consolidated financial statements”.

The Company and Beijing Youth Daily Agency (“BYDA”), its Parent entered into the equity transfer agreement during 2011, whereby the Company acquired 55% of equity interest in Beijing Today Sunshine Advertising Co., Ltd. (hereinafter referred to as “Today Sunshine”) from BYDA. BYDA is the ultimate holding company of both the Company and Today Sunshine, therefore, the acquisition of equity interest in Today Sunshine is regarded as a business combination of entities under common control. According to relevant requirements of PRC Accounting Standards, Today Sunshine is deemed to have been consolidated into the Company's account from the beginning of the reporting period, with comparative figures in the consolidated income statement and consolidated cash flow statement, consolidated statement of changes in shareholders' equity for the six months ended 30 June 2011 restated to conform to the presentation for current period.

## **STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

The Group's financial statements have been prepared in conformity with the PRC Accounting Standards for Business Enterprises, and present truly and completely the consolidated and Company's financial position as at 30 June 2012 and their consolidated and Company's operating results, cash flows and other relevant information for the six 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. TOTAL OPERATING REVENUE AND OPERATING COSTS**

Item	For the six months ended 30 June	
	2012	2011
Revenue from principal operations	<b>317,605</b>	352,460
Other operating revenue	<b>3,059</b>	3,660
<b>Total operating revenue</b>	<b>320,664</b>	356,120
Costs of principal operations	<b>285,068</b>	305,971
Other operating costs	–	171
<b>Total operating costs</b>	<b>285,068</b>	306,142
<b>Gross profit</b>	<b>35,596</b>	49,978

Total 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**

Business name	For the six months ended 30 June			
	2012		2011	
	Revenue from principal operations	Costs of principal operations	Revenue from principal operations	Costs of principal operations
Advertising	<b>178,849</b>	<b>155,443</b>	198,306	153,279
Printing	<b>33,806</b>	<b>31,909</b>	26,657	25,514
Trade of printing related materials	<b>104,950</b>	<b>97,716</b>	121,737	114,811
Distribution	–	–	5,760	12,367
<b>Total</b>	<b>317,605</b>	<b>285,068</b>	352,460	305,971

- (2) The amount of the top five customers of operating revenue was RMB57,787 thousand, representing 18.19% of the revenue from principal operations for the six months ended 30 June 2012.

## 2. INCOME TAX EXPENSES

### (1) Income tax expenses

Item	For the six months ended 30 June	
	2012	2011
Current income tax expenses	2,806	1,202
Deferred income tax expenses	<u>(207)</u>	<u>(205)</u>
<b>Total</b>	<b><u>2,599</u></b>	<b><u>997</u></b>

### (2) Current income tax expenses

Item	For the six months ended 30 June	
	2012	2011
Current income tax – PRC	2,427	1,202
Under-provision in prior years – PRC	<u>379</u>	<u>–</u>
<b>Total</b>	<b><u>2,806</u></b>	<b><u>1,202</u></b>

## 3. EARNINGS PER SHARE

	For the six months ended 30 June	
	2012	2011
Profit for the half-year attributable to the shareholders of the Company	<u>12,118</u>	<u>25,741</u>
Weighted average number of ordinary shares in issue	<u>197,310</u>	<u>197,310</u>
<b>Earnings per share (RMB)</b>	<b><u>0.06</u></b>	<b><u>0.13</u></b>

The basic earnings and diluted earnings per share for the six months ended 30 June 2011 and 2012 are the same as there was no dilution incurred during the periods.

#### 4. DIVIDENDS

- (1) The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (2011: NIL).
- (2) Dividends recognized as profit distribution during the interim period are as follows:

Item	For the six months ended 30 June	
	2012	2011
Final dividend for the financial year ended 31 December 2011 at RMB0.60 per share (2011: Final dividend for 2010 at RMB0.50 per share) ( <i>Note 1</i> )	<u>118,386</u>	<u>98,655</u>
<b>Total</b>	<b><u>118,386</u></b>	<b><u>98,655</u></b>

*Note 1:* The Company has distributed the 2011 final dividend to its shareholders by the date of this report.

When the final dividend was distributed to the individual H shareholders whose name was appeared on the register of members of the Company on 22 May 2012, 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.

#### 5. ACCOUNTS RECEIVABLE

Item	As at 30 June 2012	As at 31 December 2011
Accounts receivable	190,315	132,999
Less: Provision for bad debts	<u>(7,959)</u>	<u>(6,932)</u>
	<b><u>182,356</u></b>	<b><u>126,067</u></b>
For reporting purpose, analysis as:		
Non-current assets-long-term receivables	–	369
Current assets– accounts receivable	<u>182,356</u>	<u>125,698</u>
	<b><u>182,356</u></b>	<b><u>126,067</u></b>



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

<b>Item</b>	<b>As at 30 June 2012</b>	<b>As at 31 December 2011</b>
Within 90 days	<b>110,338</b>	81,754
91-180 days	<b>34,723</b>	17,079
181-365 days	<b>16,512</b>	16,477
1-2 years	<b>15,517</b>	7,328
Over 2 years	<b>5,266</b>	3,429
<b>Total</b>	<b><u>182,356</u></b>	<b><u>126,067</u></b>

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 balance of accounts receivable of the Group as at 30 June 2012 increased by RMB56,289 thousand or 44.65% as compared with 31 December 2011. The increase was mainly attributable to the outstanding advertising and sales amount due from certain major customers.

- (2) Top five accounts receivable as at 30 June 2012 represents 27.42% of the total accounts receivable.

## 6. ACCOUNTS PAYABLE

- (1) As at 30 June 2012, the following is an aging analysis of accounts payable presented based on invoice date:

<b>Item</b>	<b>As at 30 June 2012</b>	<b>As at 31 December 2011</b>
Within 90 days	<b>62,713</b>	45,846
91-180 days	<b>5,156</b>	10,224
181-365 days	<b>794</b>	6,707
Over 1 year	<b>564</b>	538
<b>Total</b>	<b><u>69,227</u></b>	<b><u>63,315</u></b>

## **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; 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 2012 was RMB320,664 thousand (corresponding period of 2011: RMB356,120 thousand), representing a decrease of approximately 9.96% as compared with that for the corresponding period of 2011. Net profit attributable to shareholders of the Company was RMB12,118 thousand (corresponding period of 2011: RMB25,741 thousand), representing a decrease of approximately 52.92% as compared with that for the corresponding period of 2011. The decrease was mainly due to the fact that there was an one-off investment income of RMB12,750 thousand included in the net profit for the corresponding period of 2011. The investment income was arising from the changes of Beijing CéCi Advertising (Beijing) Limited (“Beijing CéCi”) from a jointly controlled entity to a subsidiary of the Company.

## **RESULTS OF GROUP MEMBERS**

In the First Half of 2012, Beijing Youth Daily secured its leading position in revenue from advertising sales among the major metropolitan newspapers in Beijing. According to market observation data provided by third party surveyors, the development of the print media advertisement market in Beijing was slowing down due to the slowdown of macro economy. Total placement volume of advertisement in newspaper media recorded only a slight growth of 0.41%. For the First Half of 2012, Beijing Media secured its leading position in the market share of real estate advertising among the major metropolitan newspapers in Beijing, as the real estate industry, a major advertisement source of the Company, was still subject to the restrictive policies on real estate purchase. As for the automobile industry, the revenue realised from automobile advertising recorded a modest growth compared with the corresponding period of last year, despite the continuing stringent restrictive policies on automobile purchase in Beijing. At the same time, revenue from advertising sales to living services, tourism, luxury products and financial services targeting high-income groups witnessed year-on-year growth to different extents. Among which, living services, tourism and luxury industries recorded growth of 35.23%, 18.5% and 7.14%, respectively. Revenue from advertising sales to other industries such as education and commercial trade also recorded different rates of growth. For the First Half of 2012, the revenue from advertising sales of Beijing Youth Daily was slightly higher than that for the corresponding period of 2011. Other than that, Hebei Heqing Media Company Limited (“Heqing Media”), a former subsidiary of the Company, was injected into Beiyang Publishing & Media Corporation Limited (“Beiyang Media”) in 2011 and its revenue from advertising sales has ceased to be consolidated into the Company since 2012. As a result, the Group recorded a slight year-on-year decrease in the revenue from advertising sales for the First Half of 2012.

As the diversified media channels are intensifying the competition in print media industry, Beijing Media took an active role in expanding and diversifying its marketing mode. In the First Half of 2012, Beijing Media focused on promoting wrap-around advertisements on Beijing Youth Daily, which can be as a vehicle of image show and product introduction and thus meet customers' needs both in branding and marketing. Wrap-around advertisements have become a preference of customers in real estate, automobile, luxury goods and merchandising industries. Meanwhile, capitalising on its media strengths and integrating other resources, Beijing Media established a platform for communications between readers (consumers) and advertising customers (exhibitors) through co-sponsoring a number of large-scale exhibitions including Beijing Four Seasons Real Estate Trade Fair and Beijing International Auto Exhibition, which effectively facilitated placement of advertisements by the respective industries.

The Group is engaged in the printing and the trading of print-related materials businesses through its subsidiary, BYD Logistics. Operating revenue of the Group from the printing and the trading of print-related materials businesses for the First Half of 2012 was RMB33,806 thousand and RMB104,950 thousand (corresponding period of 2011: RMB26,657 thousand and RMB121,737 thousand), respectively, representing an increase of 26.82% and a decrease of 13.79% as compared with those of the corresponding period of 2011, respectively.

The major profit generators of BYD Logistics for the First Half of 2012 shifted from the intra-group printing and trading business to the third-party printing and trading business. Notable success was achieved in building up a diversified non-intra-group third-party customer portfolio. In the First Half of 2012, the profit from BYD Logistics increased as compared with that for the corresponding period of last year.

Beiqing CéCi is a limited liability company jointly established by Beijing Media and JoongAng m&b Limited of Korea, with total investment of RMB80,000 thousand in which Beijing Media hold as to 84.69% equity interest. Beiqing CéCi is mainly engaged in content production, advertising, marketing and publication of CéCi (《CéCi姐妹科學》) magazine. As the first Korean-style trendy magazine introduced into the PRC, CéCi magazine seeks to give the best annotation to the orient trendy life of Chinese female professionals through its lively wording and easygoing style. Combining European and American-style passion, fashion and Japanese-style orient exoticness, CéCi magazine is committed to advocating a modern culture combining innovation and pragmatism in Asia. In 2012, CéCi magazine invited Ms. Li Yuchun, one of the most popular female singers in China, to visit Korea as the new Image Ambassador. In the next two years, she will actively promote the glamorous Korean culture and tourism to heighten their influence in the PRC, which has been taken as the second largest source of tourists for the Korean tourism market. The popularity and influence of CéCi magazine were also promoted through the subsequent media coverage in China and Korea. CéCi magazine has extended its presence across major cities in China including Hong Kong Special Administrative Region. Through its four years' operation, CéCi magazine, being the favourite magazine of urban white-collar, has become one of the most popular female magazines in Beijing and Shanghai, and is highly recognized in the industry. With a sound track record of sales since its launching, the revenue from advertising sales of Beiqing CéCi for the First Half of 2012 increased by 67.98% as compared with that for the corresponding period of 2011.

As approved by the Board in August 2011, the Company acquired 55% equity interest in Today Sunshine from BYDA. Today Sunshine completed the change in business registration and became a 55%-owned subsidiary of the Company on 10 October 2011. Currently, Today Sunshine is in progress of business consolidation, aiming to generate more income from outdoor billboards when the market is developed and mature.

In addition, Beijing Transmedia Advertising Limited (“BQTM”) is an operating entity engaging in the aviation media segment established by the Group through the consolidation of 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. The Company held 37.09% equity interests in BQTM. As at the end of the First Half of 2012, BQTM has extended the coverage of its three major aviation media networks to 33 airports, 14 airlines, and established extensive cooperation with London Heathrow Airport, British Airways and other international airports and airlines to move toward internationalisation. Its super-large LED screens have been installed at airports of 12 cities, including 6 airports ranking among top 10 in the PRC in terms of passenger traffic. The LED screens in the 12 airports in Beijing, Tianjin, Xi’an, Nanjing, Guangzhou, Shenzhen, Haikou, Sanya, Chengdu, Kunming, Lijiang and Xishuangbanna have constituted a backbone network of large LED screens basically covering airports across the country. The handheld infotainment terminal, as the latest application of tablet PC technology (PAD) and mobile media terminal, has been officially introduced to provide high-quality infotainment services for first-class and business class air passengers. As such, BQTM has evolved into a high-tech, cross-media, national large-scale aviation technology-based media group leading in the domestic market and targeting high-end aviation consumers. The revenue from advertising sales of BQTM for the First Half of 2012 increased by 49.15% as compared with that for the corresponding period of 2011.

The Company acquired 1.5% equity interest in Beiyang Media by way of capital injection of the entire equity interest in Heqing Media held by the Company. The relevant changes in business registration has been fully completed on 22 March 2012. Beiyang Media achieved sound operational results in the First Half of 2012, and will further accelerate the pace of the capital operation.

## **PROSPECTS AND FUTURE PLANS**

In 2012, Beijing Media will put more efforts in promotional events to maximize its economic benefit. Along with the opening of London Olympics in July, the third Olympic City Sports and Culture Festival of Beijing (北京市第三屆奧運城市體育文化節) was also held in the square of the Beijing Olympic Park. Beijing Media was fully involved in the festival and cooperated with clients from automobile, financial and real estate sectors to undertake certain activities including MINI Olympics, Olympic Encyclopaedia, Green New Energy Auto Show, Safe Kids, etc. The festival with a theme of “Carry forward the Olympics to Invigorate Beijing” is designed by Beijing Municipal Government to promote the mass fitness campaign in Beijing, the host city of 2008 Olympic Games which provided a lot of quality sports venues for the citizens to participate in sports and physical fitness activities. By cooperating with corporate clients to properly introduce commercial elements in the government-sponsored event, Beijing Media achieved economic benefits while boosting the interest of citizens towards sports games.

The fifth Beijing Auto Exhibition hosted by Beijing Media will be held at the National Conference Centre of Beijing Olympic Park from 31 August to 3 September 2012. So far, more than 25 automobile brands demand to participate in the exhibition, which will feature a wide range of high-end and mainstream brands in automobile market and become the largest auto show in Beijing following the Beijing International Automotive Exhibition in 2012.

While maintaining its existing core businesses in the second half of 2012, the Group intends to further diversify its media business through acquisitions and cooperation. Aiming at further development of its business, the Group will bolster its ongoing relationship with BYDA, in order to stand out from its peers as a leading cross-media group in the PRC.

The Group's business growth is heavily dependent on the concerted efforts of our management and staff in each enterprise of the Group. The insight to market opportunities of the operational management and the quality of the staff are the keys to our success.

## **FINANCIAL REVIEW**

### **1. Total Operating Revenue**

For the six months ended 30 June 2012, total operating revenue of the Group was RMB320,664 thousand (corresponding period of 2011: RMB356,120 thousand), representing a decrease of 9.96% as compared with that for the corresponding period of 2011. Of which, revenue from advertising sales decreased by RMB19,457 thousand, representing a decrease of 9.81% as compared with that for the corresponding period of 2011; revenue from printing increased by RMB7,149 thousand, representing an increase of 26.82% as compared with that for the corresponding period of 2011; and revenue from the trading of print-related materials decreased by RMB16,787 thousand, representing a decrease of 13.79% as compared with that for the corresponding period of 2011.

### **2. Operating Cost and Sales Tax and Surcharges**

For the six months ended 30 June 2012, operating cost of the Group was RMB285,068 thousand (corresponding period of 2011: RMB306,142 thousand), representing a decrease of 6.88% as compared with that for the corresponding period of 2011. Of which, cost of advertising sales increased by RMB2,164 thousand, representing an increase of 1.41% as compared with that for the corresponding period of 2011; cost of printing increased by RMB6,395 thousand, representing an increase of 25.06% as compared with that for the corresponding period of 2011, and cost of the trading of print-related materials decreased by RMB17,095 thousand, representing a decrease of 14.89% as compared with that for the corresponding period of 2011. Sales tax and surcharges was RMB15,238 thousand (corresponding period of 2011: RMB16,383 thousand), representing a decrease of 6.99% as compared with that for the corresponding period of 2011.

### **3. Selling Expenses**

For the six months ended 30 June 2012, selling expenses of the Group was RMB7,549 thousand (corresponding period of 2011: RMB12,801 thousand), representing a decrease of 41.03% as compared with that for the corresponding period of 2011.

### **4. Administrative Expenses**

For the six months ended 30 June 2012, administrative expenses of the Group was RMB20,664 thousand (corresponding period of 2011: RMB23,518 thousand), representing a decrease of 12.14% as compared with that for the corresponding period of 2011.

### **5. Financial Expenses**

For the six months ended 30 June 2012, finance cost of the Group was RMB-16,440 thousand (corresponding period of 2011: RMB-14,811 thousand), representing a decrease of 11% as compared with that for the corresponding period of 2011. Of which, interest income was RMB17,161 thousand (corresponding period of 2011: RMB13,505 thousand), representing an increase of 27.07% as compared with that for the corresponding period of 2011; and foreign exchange loss was RMB439 thousand (corresponding period of 2011: RMB-1,713 thousand), representing an increase of 125.63% as compared with that for the corresponding period of 2011.

### **6. Share of Profit of Jointly Controlled Entities and Associates**

For the six months ended 30 June 2012, share of the profit of jointly controlled entities and associates of the Group was RMB5,128 thousand (corresponding period of 2011: RMB2,751 thousand), representing an increase of 86.40% as compared with that for the corresponding period of 2011.

### **7. Operating Profit and Profit Margin**

For the six months ended 30 June 2012, operating profit of the Group was RMB12,318 thousand (corresponding period of 2011: RMB25,866 thousand), representing a decrease of 52.38% as compared with that for the corresponding period of 2011; profit margin was 3.84% (corresponding period of 2011: 7.26%).

### **8. Income Tax Expenses**

For the six months ended 30 June 2012, income tax expenses of the Group were RMB2,599 thousand (corresponding period of 2011: RMB997 thousand), representing an increase of 160.68% as compared with that for the corresponding period of 2011. 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. The income tax expenses of the Group mainly represent the income tax charged on subsidiaries of the Company.



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

For the six months ended 30 June 2012, net profit of the Group was RMB10,633 thousand (corresponding period of 2011: RMB25,414 thousand), representing a decrease of 58.16% as compared with that for the corresponding period of 2011. Of which, net profit attributable to shareholders of the Company was RMB12,118 thousand (corresponding period of 2011: RMB25,741 thousand), representing a decrease of 52.92% as compared with that for the corresponding period of 2011. The decrease was mainly due to the fact that there was an one-off investment income of RMB12,750 thousand included in the net profit for the corresponding period of 2011. The investment income was arising from the changes of Beiqing CéCi from a jointly controlled entity to a subsidiary of the Company.

## **10. Financial Resources and Liquidity**

As at 30 June 2012, current assets of the Group were RMB1,371,837 thousand (31 December 2011: RMB1,338,707 thousand), including bank balance and cash of RMB964,496 thousand (31 December 2011: RMB995,593 thousand). Non-current assets of the Group were RMB332,345 thousand (31 December 2011: RMB328,756 thousand).

As at 30 June 2012, current liabilities of the Group were RMB377,324 thousand (31 December 2011: RMB232,852 thousand) and non-current liabilities were RMB4,962 thousand (31 December 2011: RMB4,962 thousand).

As at 30 June 2012, shareholders' equity of the Group was RMB1,321,896 thousand (31 December 2011: RMB1,429,649 thousand).

## **11. Gearing Ratio**

As at 30 June 2012, gearing ratio of the Group was 28.92% (31 December 2011: 16.63%) (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 net proceed of HK\$889,086 thousand in total 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 modified in the relevant announcement of the Company and the actual use of proceeds as at 30 June 2012:

<b>Proposed use of proceeds</b>	<b>Amounts proposed</b> <i>HK\$</i>	<b>Amounts used</b> <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 business (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 578.3198 million
General working capital of the Group	Approximately 130 million	Approximately 80 million

As at 30 June 2012, the Company had unutilized proceeds of approximately HK\$207.1762 million.

In order 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 2012, the Company strived to seek opportunities to fulfill the objectives as set forth above. The Company believes that the remaining proceeds will be utilized as aforesaid purposes for business development under mature conditions in the second half of 2012.



## CAPITAL STRUCTURE

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

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

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2012, 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 Co., Ltd.	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 based on the data published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

Save as disclosed above, to the best knowledge of the Directors, Supervisors and chief executive of the Company, as at 30 June 2012, 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 under section 336 of Part XV of the SFO.

## **CAPITAL EXPENDITURES**

Capital expenditures (mainly including expenditures on office equipment) of the Group for the First Half of 2012 was RMB348 thousand (corresponding period of 2011: RMB1,830 thousand). The Group expects that capital expenditures for the second half of 2012 will mainly comprise expenditure consistent with business strategies of the Group.

## **CONTINGENT LIABILITIES**

For the six months ended 30 June 2012, the Group did not have any contingent liabilities, nor did it have any plans relating to contingent liabilities.

## **PLEDGE OF ASSETS**

The secured loans of the Group were the bank loans granted by Huaxia Bank to the subsidiary, Today Sunshine. The bank loans were secured by the real estates of Today Sunshine. As at 30 June 2012, the outstanding balance of the loan was RMB7,340 thousand.

## **FOREIGN EXCHANGE RISKS**

Renminbi is the functional currency of 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 2012, the Group had a total of 318 employees (as at 30 June 2011: 628 employees), and the decrease in the number of employees was mainly due to Heqing Media's ceasing to be a subsidiary of the Company. The employees remuneration and benefits are determined in accordance with market rates, national 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 2012, none of the Directors, Supervisors or 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 2012, none of the Company or any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

## **MATERIAL INVESTMENTS**

For the six months ended 30 June 2012, the Group had no material investment, nor did it have any plan relating to material investment and acquisition of assets.

## **MATERIAL ACQUISITION AND DISPOSAL OF ASSETS**

For the six months ended 30 June 2012, the Group had no material acquisition or disposal of assets.

## **MATERIAL LEGAL MATTERS**

To the best knowledge of the Board, as at 30 June 2012, the Company was not involved in any material litigation or arbitration and there was no legal action or claim pending or threatened to be made against the Company.

## **CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT**

For the six months ended 30 June 2012, the Company had fully complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report under Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as well as the Code on Corporate Governance Practice which was invalid on 1 April 2012.

## **COMPLIANCE WITH THE 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 Directors and Supervisors. Having made sufficient enquiry of all Directors and Supervisors of the Company, all Directors and Supervisors confirmed that they had fully complied with the required standards under the Model Code for the six months ended 30 June 2012.

## **AUDIT COMMITTEE**

Pursuant to the requirements of the Listing Rules, the Company has set up an audit committee which is responsible for the review, supervision and adjustment of the financial reporting process and internal control of the Group. Members of the audit committee comprise 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 control and financial reporting of the Company, including the review of the financial statements of the Group for the First Half of 2012 with no 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 in compliance with the relevant rules and systems, the Company has made sub-division as to the connected transaction caps that have already been disclosed, i.e. sub-dividing each connected transaction to each subsidiary, and each subsidiary is responsible for the control of its sub-divided portion of connected transactions. Pursuant to the requirements 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 effecting any proposed connected transaction.

## **INTERIM DIVIDEND**

The Board did not recommend the distribution of any interim dividend for the six months ended 30 June 2012.

## **SUBSEQUENT EVENTS**

On 10 July 2012, the Company provided an entrustment loan of RMB55,000 thousand to Heqing Media for a term from 10 July 2012 to 5 January 2013. For further details, please refer to the Company’s announcement dated 10 July 2012.

On 12 July 2012, the Company provided an entrustment loan of RMB70,000 thousand to BQTM for a term from 12 July 2012 to 28 June 2013. For further details, please refer to the Company’s announcement dated 12 July 2012.

## **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 2012 will be published on the Hong Kong 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, 24 August 2012

*As at the date of this announcement, the Board comprises: the executive Directors of the Company, Zhang Yanping, Zhang Yabin, Sun Wei and He Xiaona, the non-executive Directors of the Company, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Xu Xun and Li Yigeng, and the independent non-executive Directors of the Company, Tsang Hing Lun, Wu Changqi, Liao Li, Cui Baoguo and Song Jianwu.*

*Please also refer to the published version of this announcement on the Company's website at [www.bjmedia.com.cn](http://www.bjmedia.com.cn).*