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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 2013

FINANCIAL HIGHLIGHTS:

1. Total operating revenue decreased by 16.48% to RMB267,830 thousand (corresponding period of 2012: RMB320,664 thousand)
2. Total profit increased by 7.34% to RMB14,203 thousand (corresponding period of 2012: RMB13,232 thousand)
3. Net profit attributable to shareholders of the Company decreased by 2.20% to RMB11,852 thousand (corresponding period of 2012: RMB12,118 thousand)
4. Earnings per share was RMB0.06 (corresponding period of 2012: RMB0.06)

The board of 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 2013 (the “First Half of 2013”) and the comparative results of the Group for the corresponding period in 2012.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

RMB'000

Item	Notes	For the six months ended 30 June	
		2013	2012
Total operating revenue	<i>1</i>	267,830	320,664
Total operating costs		242,005	313,474
Operating costs	<i>1</i>	216,184	285,068
Sales tax and surcharges		5,536	15,238
Selling expenses		7,453	7,549
Administrative expenses		23,907	20,664
Financial expenses		(12,631)	(16,440)
Impairment loss of assets		1,556	1,395
Loss on changes in fair value		(7)	—
Share of profit of associates		2,843	5,128
Other investment loss		(141)	—
Operating profit		28,520	12,318
Add: non-operating income		4,207	920
Less: non-operating expenses		18,524	6
Total profit		14,203	13,232
Less: Income tax expenses	<i>2</i>	1,945	2,599
Net profit		12,258	10,633
Other comprehensive income		—	—
Total comprehensive income		12,258	10,633
Net profit attributable to:			
Shareholders of the Company		11,852	12,118
Minority shareholders		406	(1,485)
		12,258	10,633
Total comprehensive income attributable to:			
Shareholders of the Company		11,852	12,118
Minority shareholders		406	(1,485)
		12,258	10,633
Earnings per share:			
Basic earnings per share (RMB)	<i>3</i>	0.06	0.06
Diluted earnings per share (RMB)	<i>3</i>	0.06	0.06
Dividends	<i>4</i>	59,193	118,386

CONSOLIDATED BALANCE SHEET (UNAUDITED)

RMB'000

Item	<i>Notes</i>	As at 30 June 2013	As at 31 December 2012
Current assets:			
Bank balances and cash		581,244	828,850
Financial assets held for trading		15	22
Accounts receivable	5	267,481	213,437
Prepayments		33,653	16,322
Interest receivable		5,805	7,355
Other receivables		73,060	80,705
Inventories		44,361	50,087
Other current assets		150,600	150,600
Total current assets		1,156,219	1,347,378
Non-current assets:			
Investments in associates		137,873	135,171
Other long-term equity investments		59,560	59,560
Investment properties		54,499	54,499
Fixed assets		10,671	11,082
Intangible assets		27,183	27,652
Goodwill		47,377	47,377
Long-term prepaid expenses		34,523	1,788
Deferred income tax assets		1,938	1,318
Other non-current assets		80,000	—
Total non-current assets		453,624	338,447
Total assets		1,609,843	1,685,825

CONSOLIDATED BALANCE SHEET (UNAUDITED) (CONTINUED)

RMB'000

Item	<i>Notes</i>	As at 30 June 2013	As at 31 December 2012
Current liabilities:			
Notes payable		52,681	89,357
Accounts payable	6	124,600	108,530
Receipts in advance		33,842	21,660
Employee benefit payables		4,310	6,776
Tax payables		(9,350)	(6,370)
Dividends payable		57,943	398
Other payables		19,552	92,215
Non-current liabilities due within one year		3,670	3,670
Other current liabilities		7,480	7,539
Total current liabilities		294,728	323,775
Non-current liabilities:			
Deferred income tax liabilities		3,616	3,616
Total non-current liabilities		3,616	3,616
Total liabilities		298,344	327,391
Shareholders' equity:			
Share capital		197,310	197,310
Capital reserves		891,179	891,179
Surplus reserves		130,931	130,931
Undistributed profits		74,293	121,634
Total equity attributable to shareholders of the Company		1,293,713	1,341,054
Minority interests		17,786	17,380
Total shareholders' equity		1,311,499	1,358,434
Total liabilities and shareholders' equity		1,609,843	1,685,825
Net current assets		861,491	1,023,603
Total assets less current liabilities		1,315,115	1,362,050

BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Group's financial statements for the six months ended 30 June 2013 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 issued by the Ministry of Finance of the PRC and its relevant regulations and the accounting policies and estimates as stated in Note III "Principal accounting policies and accounting estimates and basis for preparation of consolidated financial statements", and disclosed in accordance with the Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting, and the applicable disclosure requirements of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange and Hong Kong Companies Ordinance.

STATEMENT OF COMPLIANCE OF ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Group's financial statements have been prepared in conformity with the Accounting Standards for Business Enterprises and the relevant regulations, and present truly and completely the consolidated financial position as at 30 June 2013 and their consolidated 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	
	2013	2012
Revenue from principal operations	264,938	317,605
Other operating revenue	2,892	3,059
Total operating revenue	267,830	320,664
Costs of principal operations	216,035	285,068
Other operating costs	149	—
Total operating costs	216,184	285,068
Gross profit	51,646	35,596

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 customers, less trade discounts during the current period.

(1) *Principal Operations – by business segment*

Business name	For the six months ended 30 June			
	2013		2012	
	Revenue from principal operations	Costs of principal operations	Revenue from principal operations	Costs of principal operations
Advertising	160,325	119,040	178,849	155,443
Printing	15,940	14,072	33,806	31,909
Trade of printing related materials	88,673	82,923	104,950	97,716
Total	264,938	216,035	317,605	285,068

- (2) The amount of the top five customers of operating revenue was RMB88,723 thousand, representing 33.49% of the revenue from principal operations for the six months ended 30 June 2013.

2. INCOME TAX EXPENSES

(1) Income tax expenses

Item	For the six months ended 30 June	
	2013	2012
Current income tax expenses	2,565	2,806
Deferred income tax expenses	(620)	(207)
Total	<u>1,945</u>	<u>2,599</u>

(2) Current income tax expenses

Item	For the six months ended 30 June	
	2013	2012
Current – PRC	2,400	2,427
Under-provision in prior years – PRC	165	379
Total	<u>2,565</u>	<u>2,806</u>

3. EARNINGS PER SHARE

	For the six months ended 30 June	
	2013	2012
Profit for the half-year attributable to the shareholders of the Company	11,852	12,118
Weighted average number of ordinary shares in issue	<u>197,310</u>	<u>197,310</u>
Earnings per share (RMB)	<u>0.06</u>	<u>0.06</u>

The basic earnings and diluted earnings per share for the six months ended 30 June 2012 and 2013 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 2013 (2012: NIL).
- (2) Dividends recognized as profit distribution during the period are as follows:

Item	For the six months ended 30 June	
	2013	2012
Final dividend for the financial year ended 31 December 2012 at RMB0.30 per share (2012: Final dividend for 2011 at RMB0.60 per share) (<i>Note 1</i>)	59,193	118,386
Total	59,193	118,386

Note 1: The Company has distributed the 2012 final dividend to its shareholders on 31 July 2013.

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 2013, 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 2013	As at 31 December 2012
Accounts receivable	278,269	222,129
Less: Provision for bad debts	10,788	8,692
Net accounts receivable	267,481	213,437

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

Item	As at 30 June 2013	As at 31 December 2012
Within 90 days	158,322	95,152
91-180 days	69,465	62,635
181-365 days	28,457	34,791
1-2 years	6,718	13,630
Over 2 years	4,519	7,229
Total	267,481	213,437

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).

Top five accounts receivable as at 30 June 2013 represents 38.50% of the total accounts receivable.

6. ACCOUNTS PAYABLE

The aging analysis of accounts payable as at 30 June 2013 presented based on invoice date is as follows:

Item	As at 30 June 2013	As at 31 December 2012
Within 90 days	121,166	66,334
91-180 days	1,411	24,611
181-365 days	301	2,572
Over 1 year	1,722	15,013
Total	124,600	108,530

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 business of this part mainly generated from the revenue of the printing of publications arranged by BYD Logistics; and (3) trading of print-related materials, the business of this part 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 2013 was RMB267,830 thousand (corresponding period of 2012: RMB320,664 thousand), representing a decrease of approximately 16.48% as compared with that for the corresponding period of 2012. Net profit attributable to shareholders of the Company was RMB11,852 thousand (corresponding period of 2012: RMB12,118 thousand), representing a decrease of approximately 2.20% as compared with that for the corresponding period of 2012.

During the First Half of 2013, according to market observation data provided by third parties, affected by macroeconomics, the development of advertisement market of the print media of Beijing Metropolitan newspapers of was slowing down and total placement volume of advertisement in market declined by 1.8% as compared to the same period of last year. Meanwhile, the Beijing Municipal Government continued to maintain the macro control over real estate market and enforce stringent restrictive policies on automobile purchase, which persistently generated pressure on the advertising sales to real estate and automobile sectors and intensified the competition in print media industry of metropolitan newspapers.

Facing competition, the Company took an active role in integrating the marketing by alignment with the advertisement in Beijing Youth Daily, Legal Evening Post and Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》) based on the existing advertising business model to establish Beijing Media Advertisement Center, through which the advertisement services cover morning posts, evening posts and aviation media in Beijing in order to diversify the promotion model for our customers and provide customized solutions with full coverage and value-added services.

During the First Half of 2013, the advertising business in real estate sector was still the major advertising business of the Company. With the continuous improvement of living standard, the demands for properties related to regimen, vacation and housing investment were growing. Besides, properties in other cities became appealing to the high net worth individuals in Beijing as it would not be affected by the Beijing stringent restrictive policies on property purchase. To accommodate the demands of this target group, the Company actively explored the properties sources in other cities and further developed the customers in Beijing with real estate sectors in other cities leveraging on its own media advantages. This could help us to formulate the comprehensive and customized marketing solutions for our customers and further complete the supplementary services. For example, the Company had successfully organized several site visits with remarkable response. Meanwhile, the Company took the initiatives to develop new marketing models by combining the advertising sales and physical sales, heralding a surmount to the traditional advertising cooperation model between customers and newspaper media. As a result, more

extensive services were provided to the customers and advertising sales of the Company would increase. In addition, the Company moved the housing exhibition to home building materials plaza for the first time, using housing exhibition as the theme, and created an operation model which integrated the chain of service industries such as home decoration, home appliances and finance etc. to become the main feature of the exhibition. This not only strengthened the promotion for Beijing Media's brand image, and also promoted the placement of advertisement of the Company in other related industries. With the continuous effort put by the Company, in the First Half of 2013, the market observation data provided by the third parties showed that the placement volume of advertisement in real estate industry of the Company still maintains a leading advantage in the industry compared with other print media of Beijing Metropolitan newspapers (market share in the First Half of 2013 of placement volume of advertisement in real estate industry of the Company among print media of Beijing Metropolitan newspapers was 44.52%).

In the First Half of 2013, placement volume of advertisement in automobile industry established a strong presence among the total placement volume of advertisement of the Company. Starting from the first half of 2011, Beijing city implemented a restrictive policy on automobile purchase, which had a continuous adverse impact on the placement of advertisement in automobile industry. The market observation data provided by the third parties showed that, in the First Half of 2013, the placement volume of advertisement in automobile industry in Beijing city showed a decrease of 22.8% as compared with the same period of last year. According to the restrictive policies on purchase of motor vehicles in Beijing, the total sales quota of passenger car licenses to be allocated by way of unpaid lottery is 240,000 each year. Recently, demand for replacing original motor vehicles with new motor vehicles gradually increased. After old motor vehicles are phased out, owners can apply the original license to the new car for replacement of the old car, which is not subject to the restrictions of lottery quota. The car purchase market beyond the limited quota is gradually forming. The Company has quickly locked this target market and designed combined marketing solutions for customers supplemented by other resources to provide value-added services. Besides, with a lot of old cars to be replaced, transactions of second-hand car which mainly aimed at sales in peripheral areas became an emerging market with significant growth. Following the First Beijing, Tianjin and Hebei Second-hand Car Forum successfully held last year which built the first communication platform in second-hand car industry, the Company hence held the Second Beijing Car Replacement Roundtable Forum to promote the construction of integrity for second-hand car circulation industry and create an integrity and harmonious market environment for operation and consumption. It also played a positive role in promoting advertisement placement in automobile industry. In the First Half of 2013, the market observation data provided by third parties showed that, benefited from the efforts of the Company in different aspects, the placement volume of advertisement in automobile industry of the Company still maintains a leading advantage in the industry compared with other print media of Beijing Metropolitan newspapers (market share in the First Half of 2013 of placement volume of advertisement of the Company in automobile industry among print media of Beijing Metropolitan newspapers was 38.72%).

Meanwhile, the market observation data provided by third parties showed that, the placement volume of advertisement in Beijing Youth Daily in industries such as financial, insurance and luxury which targetted at the high-income group had a high market share among the print media of Beijing Metropolitan newspapers, especially the performance of placement volume in financial and insurance

industry was significant (market share in the First Half of 2013 of placement volume of advertisement in financial and insurance industry and luxury industry of the Company among print media of Beijing Metropolitan newspapers were 40.70% and 47.33% respectively).

The Company fully estimated the market, seized the opportunity and strengthened its own advantage in media, leading to be at the strong operating position in the industry. In the First Half of 2013, the market observation data provided by third parties showed that market share of advertisement in Beijing Youth Daily still ranked top among the print media of Beijing metropolitan newspapers (market share of Beijing Youth Daily among print media of Beijing metropolitan newspapers was 33.62%).

In 2013, the Company at the same time actively promotes the strategic development of outdoor advertisement business. Among the outdoor billboards bided by Beijing Municipal Commission of City Administration and Environment, the advertisement operations of the 6 outdoor billboards which the Company successfully acquired are in good condition with significant income, which brings more income for the Company.

Besides, while the Company consolidated its current business, it also extended its operation in different directions and continued to expand industrial market which related to culture. The Company set foot on the film and television production operations and successfully invested in TV series “Zheng Yang Men Xia” (《正陽門下》). This television series have been broadcasted on several local channels in succession, Beijing satellite TV has also begun broadcast on 8 August and it was highly appraised with high ratings which may get more profit opportunities for the Company.

RESULTS OF SUBSIDIARIES AND ASSOCIATES OF THE GROUP

BYD Logistics is a 92.84%-owned subsidiary of the Company. In the First Half of 2013, the main source of profits of BYD Logistics was gradually shifted from relying on intra-group printing and trading businesses to the printing and trading businesses from third parties. It had achieved significant results in developing third party customers which do not belong to the Group. In the First Half of 2013, profits of BYD Logistics increased as compared with those in the same period of last year. In the second half of 2013, BYD Logistics will further expand its market in respect of on-site publication and network personalization.

Beiqing CéCi, a 84.69%-owned subsidiary of the Company, focused on the agency of advertising business in CéCi (《茜茜姐妹 CéCi》) magazine, a premium women’s magazine for fashion mavens distributed across major cities of China including Hong Kong. CéCi magazine is the first Korean-style trendy magazine introduced into the PRC. Its lively wording and easygoing style give the best annotation to the orient trendy life of Chinese professional ladies, and it advocates a modern culture combining innovation and pragmatism in Asia. Through five years’ operation, CéCi magazine, being the favourite magazine of urban white-collar ladies maintained a sound track record in sales since its launching. In the First Half of 2013, net profit achieved a year-on-year growth of 225%. In the First Half of 2013, the communicity project, “Asian New Youth Growth Programme: My Dream-Elite Talent Training Programme”, was jointly organized by CéCi magazine, “Youth Weekend AIRTIME”, a high-end fashion lifestyle weekly magazine, “YOBOOM”, a campus lifestyle magazine. Together with Starwood Hotels International Management Group, such projects focused on university graduates and recommended the

talents to enterprises, so as to raise the brand influence and attraction of Beijing Media. On 6 June 2013, CéCi magazine and YoBoom magazine, together with Poly Film and Coca-Cola Company, held the first “CéCi Sisters Festival” movie carpet show in Beijing, and continuously enhanced the reputation and influence of CéCi magazine through new market activities planning.

Today Sunshine is a wholly-owned subsidiary of the Company. In order to keep extending the outdoor billboard advertising market business, the Company won the bid of advertisement operations of outdoor billboards from Beijing Municipal Commission of City Administration and Environment and acquired the operation permit in the advertising facilities of 6 outdoor billboards for 3 years which was granted by the Company to Today Sunshine. In the First Half of 2013, since the operation of advertisement operations of outdoor billboards was in good condition, the operation efficiency of Today Sunshine significantly raised. As a result, the operating revenue achieved a year-on-year growth of 107.63%, while profits achieved a year-on-year growth of 129.50%. Besides, adjustments were made by Today Sunshine to operation team and the operation efficiency was hence enhanced through standardised and innovative management. On this basis, Today Sunshine planned to actively develop strategical new business, by exploring the advertising marketing area of “digital outdoor” and achieving combined marketing model, which opened up a new economic growth point.

In the First Half of 2013, relying on its wide coverage of 15 airports and operation of 70 large LED/LCD screens in the airports, Beiqing Transmedia Advertising Limited (the “**BQTM**”) further consolidated its position as the largest airport LED operator in China. On this basis, BQTM is actively expanding the business of new media and in other new fields. Meanwhile, it has launched a full range cooperation in business and capital with several big domestic aviation media operators. In May 2013, BQTM and China Aviation Media Advertising Company (中國航空傳媒廣告公司) entered into the contract to jointly operate the television programs on the aircrafts of Air China Limited (the “**Air China**”, 中國國際航空股份有限公司), pursuant to which BQTM obtained the exclusive general agent rights of all television programs on the aircrafts of Air China as well as the right to participate in and make suggestions to the contents of the television programs on the aircrafts of Air China. BQTM will unswervingly continue to develop airports video media and to actively carry out business cooperation with the airlines based on cabin entertainment in the air, using mobile internet technology as a link to achieve the communications between air media and airport media as well as between media and visitors. Substantive progress will be expected for implementation of this strategy in the second half of 2013.

In the First Half of 2013, Beiyang Publishing & Media Corporation Limited (the “**Beiyang Media**”) continued to accelerate the pace of capital operation. In the First Half of 2013, operating revenue of Beiyang Media was approximately RMB3,700 million, net profit was approximately RMB170 million, net assets value was approximately RMB2,825 million. On 21 June 2013, the Company entered into a capital increase agreement with Beiyang Media, Hebei Publishing & Media Group Co. Ltd. and Hebei Jikang Investment Co. Ltd., pursuant to which the Company agreed to invest into Beiyang Media in the amount of RMB55 million in cash. Upon capital injection, the Company’s shareholding in Beiyang Media increases from 1.5% to 2.58%. The capital injection will generate more returns for the Company through Beiyang Media when it becomes more profitable in the future.

On 28 February 2013, LEP Media (a wholly owned subsidiary of the Company), as a limited partner, entered into a limited partnership agreement with Beijing Runxin Bohua Investment Management Co., Ltd., Beijing Runxin Dingtai Assets Management Co., Ltd., Shannan Runxin Investment Management Centre (Limited Partnership) and other investors to form Beijing Runxin Dingtai Investment Centre

(Limited Partnership) (the “**Fund**”) with the capital contribution of RMB50 million by LEP Media. The first project launched by the Fund after establishment was internet games, which has great potential of development with rapid growth. In the First Half of 2013, the Fund strictly adhered to the principles of prudent investment and further intensified efforts to develop the projects.

To further implement the Company’s inter-regional development and enhance the influence of brand of Beijing Media, as invited by Chongqing municipal League, Chongqing Youth Daily Agency and Chongqing Youth Industrial Co., Ltd. (重慶青春實業有限公司), the Company and Chongqing Youth Industrial Co., Ltd. jointly invested into and established Chongqing Youth Media Limited Liability Company (重慶青春傳媒有限責任公司) (the “**Chongqing Media**”). The main business of Chongqing Media is the operation of Chongqing Youth Daily with all the operating rights including but not limited to the rights regarding advertising, distribution, etc.. The registered capital of Chongqing Media was RMB30,000 thousand, among which, the capital contribution by the Company was RMB18,000 thousand to hold 60% equity interest in Chongqing Media (the filing of the relevant registration with the industrial and commerce authorities was completed on 12 July 2013). Facing keen market competition in Chongqing newspaper market, publication amount of Chongqing Youth Daily as a weekly newspaper increased from less than 5,000 to more than 50,000 per week.

PROSPECTS AND FUTURE PLANS

In the second half of 2013, on the basis of steadily promoting current business, the Company will enrich product type, actively look for new product format such as community newspaper, strengthen integrated marketing, increase planning effort on the activities, and create an industrial chain marketing system. Meanwhile, the Company continues to implement its multiple marketing modes by using on-site activities to promote advertising operations and to achieve economic benefits of great significance for the Company by the implementation of large scale on-site activities.

In the second half of 2013, the Company will hold Beijing Automotive Exhibition 2013 and two property exhibitions. It will cooperate with many travel agents and hold travel exhibitions on a monthly basis. It will also hold a finance expo with financial enterprises. Besides, it will continue to organize series activities such as Wealth Lecture and Health Lecture which are welcome by readers. The Group will continue to make use of its media advantage to integrate resources and build a stronger communication platform for readers (consumers) and advertisers.

In the second half of 2013, on the basis of the initial attempt on film and television production, the Company continues to look for joint investment model for filming. The Company entered into joint investment in filming agreement with Beijing Century 21 Wink Films Investment Co., Ltd in July 2013 and jointly produced the film “Silent Witness”(《全民目擊》), so as to further develop new film and television production business.

On the basis of continued improvement of results of invested business, the Company continues to pay attention to the new media projects which are consistent with the position of the targets and customers of the Group and also can generate the effect of synergies, especially to internet, mobile internet and new outdoor media resources, so as to strive to achieve the Group’s target as an integrated media group.

While maintaining its existing core businesses in the second half of 2013, the Group intends to further diversify its media business through acquisitions and cooperation. Aiming at further development of its business, the Group will continue to bolster and take advantage of its ongoing relationship with Beijing Youth Daily Agency in order to stand out from its peers as a leading cross-media group in the PRC.

The Group's business growth depends 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 2013, total operating revenue of the Group was RMB267,830 thousand (corresponding period of 2012: RMB320,664 thousand), representing a decrease of 16.48% as compared with that for the corresponding period of 2012. Of which, revenue from advertising sales decreased by RMB18,524 thousand, representing a decrease of 10.36% as compared with that for the corresponding period of 2012; revenue from printing decreased by RMB17,866 thousand, representing a decrease of 52.85% as compared with that for the corresponding period of 2012; and revenue from the trading of print-related materials decreased by RMB16,277 thousand, representing a decrease of 15.51% as compared with that for the corresponding period of 2012.

2. Operating Cost and Sales Tax and Surcharges

For the six months ended 30 June 2013, operating cost of the Group was RMB216,184 thousand (corresponding period of 2012: RMB285,068 thousand), representing a decrease of 24.16% as compared with that for the corresponding period of 2012. Of which, cost of advertising sales decreased by RMB36,403 thousand, representing a decrease of 23.42% as compared with that for the corresponding period of 2012; cost of printing decreased by RMB17,837 thousand, representing a decrease of 55.90% as compared with that for the corresponding period of 2012, and cost of the trading of print-related materials decreased by RMB14,793 thousand, representing a decrease of 15.14% as compared with that for the corresponding period of 2012. Sales tax and surcharges was RMB5,536 thousand (corresponding period of 2012: RMB15,238 thousand), representing a decrease of 63.67% as compared with that for the corresponding period of 2012.

3. Selling Expenses

For the six months ended 30 June 2013, selling expenses of the Group was RMB7,453 thousand (corresponding period of 2012: RMB7,549 thousand), representing a decrease of 1.27% as compared with that for the corresponding period of 2012.

4. *Administrative Expenses*

For the six months ended 30 June 2013, administrative expenses of the Group was RMB23,907 thousand (corresponding period of 2012: RMB20,664 thousand), representing an increase of 15.69% as compared with that for the corresponding period of 2012.

5. *Financial Expenses*

For the six months ended 30 June 2013, finance cost of the Group was RMB-12,631 thousand (corresponding period of 2012: RMB-16,440 thousand), representing an increase of 23.17% as compared with that for the corresponding period of 2012. Of which, interest income was RMB12,805 thousand (corresponding period of 2012: RMB17,161 thousand), representing a decrease of 25.38% as compared with that for the corresponding period of 2012; and foreign exchange loss was RMB14 thousand (corresponding period of 2012: RMB439 thousand), representing an decrease of 103.19% as compared with that for the corresponding period of 2012.

6. *Share of Profit of Associates*

For the six months ended 30 June 2013, share of the profit of associates of the Group was RMB2,843 thousand (corresponding period of 2012: RMB5,128 thousand), representing a decrease of 44.56% as compared with that for the corresponding period of 2012.

7. *Operating Profit and Profit Margin*

For the six months ended 30 June 2013, operating profit of the Group was RMB28,520 thousand (corresponding period of 2012: RMB12,318 thousand), representing an increase of 131.53% as compared with that for the corresponding period of 2012; profit margin was 10.65% (corresponding period of 2012: 3.84%).

8. *Income Tax Expenses*

For the six months ended 30 June 2013, income tax expenses of the Group were RMB1,945 thousand (corresponding period of 2012: RMB2,599 thousand), representing a decrease of 25.16% as compared with that for the corresponding period of 2012. 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 2013, net profit of the Group was RMB12,258 thousand (corresponding period of 2012: RMB10,633 thousand), representing an increase of 15.28% as compared with that for the corresponding period of 2012. Of which, net profit attributable to shareholders of the Company was RMB11,852 thousand (corresponding period of 2012: RMB12,118 thousand), representing a decrease of 2.20% as compared with that for the corresponding period of 2012.

10. *Financial Resources and Liquidity*

As at 30 June 2013, current assets of the Group were RMB1,156,219 thousand (31 December 2012: RMB1,347,378 thousand), including bank balance and cash of RMB581,244 thousand (31 December 2012: RMB828,850 thousand). Non-current assets of the Group were RMB453,624 thousand (31 December 2012: RMB338,447 thousand).

As at 30 June 2013, current liabilities of the Group were RMB294,728 thousand (31 December 2012: RMB323,775 thousand) and non-current liabilities were RMB3,616 thousand (31 December 2012: RMB3,616 thousand).

As at 30 June 2013, shareholders' equity of the Group was RMB1,311,499 thousand (31 December 2012: RMB1,358,434 thousand).

The bank borrowings of the Group as at 30 June 2013 was RMB3,670 thousand (as at 31 December 2012: RMB 3,670 thousand). The borrowings will come due within one year. The annual rate of borrowings was 6.765%.

As at 30 June 2013, the borrowings and bank balances and cash were denominated in RMB.

11. *Gearing Ratio*

As at 30 June 2013, gearing ratio of the Group was 22.75% (31 December 2012: 24.10%) (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 million 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 2013:

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 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 665.5095 million
General working capital of the Group	Approximately 130 million	Approximately 80 million

As at 30 June 2013, the Company had unutilized proceeds of approximately HK\$119.9865 million. In order to capture more business opportunities arising from emerging media businesses and other related media businesses for utilization of the net proceeds of the Group in a more effective way, during the First Half of 2013, 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 2013.

SHARE STRUCTURE

	Number of shares	% of total share capital (%)
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.	124,839,974 7,367,000 4,263,117 2,986,109 2,952,800	63.27 3.73 2.16 1.52 1.50
Domestic shares (subtotal)	142,409,000	72.18
H shares (<i>note</i>)	54,901,000	27.82
Total share capital	197,310,000	100

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 2013, so far as the directors of the Company (the “**Directors**”), the supervisors of the Company (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 (the “**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). Save as disclosed above, to the best knowledge of the Directors, Supervisors and chief executive of the Company, as at 30 June 2013, 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 2013 was RMB510 thousand (corresponding period of 2012: RMB348 thousand). The Group expects that capital expenditures for the second half of 2013 will mainly comprise expenditure in consistent with business strategies of the Group.

CONTINGENT LIABILITIES

For the six months ended 30 June 2013, the Group did not have any contingent liabilities, nor 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 2013, the outstanding balance of the loan was RMB3,670 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 2013, the Group had a total of 295 employees (as at 30 June 2012: 318 employees), and the decrease in the number of employees was mainly due to the reasonable decrease in demand for business of the Company. During the six months ended 30 June 2013, the total employees remuneration paid by the Group was approximately RMB23,653 thousand. The employees remuneration and benefits of the Group are determined in accordance with market rates, national policies and individual performance. The Group actively encouraged self-development of the employees, and carried out extensive staff training activities. In the First Half of 2013, the Group carried out a number of trainings on connected transactions, and also conducted trainings in respect of employees marketing, financial system and administrative management system and lecture on financial knowledge activities etc.

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

As at 30 June 2013, 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 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 (the “**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 2013, none of the Company or any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

MATERIAL INVESTMENTS

On 28 February 2013, LEP Media (a wholly owned subsidiary of the Company), as a limited partner, entered into a limited partnership agreement with Beijing Runxin Bohua Investment Management Co., Ltd., Beijing Runxin Dingtai Assets Management Co., Ltd., Shannan Runxin Investment Management Centre (Limited Partnership) and other investors to form the Fund with the capital contribution of RMB50 million by LEP Media. Please refer to the announcement of the Company dated 28 February 2013 for details.

Save as disclosed above, for the six months ended 30 June 2013, the Group had no material investment, nor any plan relating to material investment or acquisition of assets.

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

The Company entered into a capital increase agreement with Beiyang Media, Heibei Publishing & Media Group Co. Ltd. and Heibei Jikang Investment Co. Ltd. on 21 June 2013, pursuant to which the Company agreed to invest into Beiyang Media in the amount of RMB55,000 thousand in cash. Upon capital injection, the Company’s shareholding in Beiyang Media increases from 1.5% to 2.58%. Please refer to the announcement of the Company dated 21 June 2013 for details.

Save as disclosed above, for the six months ended 30 June 2013, the Group had no material acquisition or disposal of assets.

MATERIAL LEGAL MATTERS

To the best knowledge of the Board, as at 30 June 2013, 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.

CHANGES AND EFFECT IN THE INDUSTRY SEGMENT OF THE GROUP SINCE 31 DECEMBER 2012

Save as disclosed above, the industry segment and the developments within the segment of the Group had not changed materially from the information disclosed in the most recent published annual report of the Group, neither had significant effect on the performance of each industry segment of the Group.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

For the six months ended 30 June 2013, 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**”).

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 2013.

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 2013 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 2013.

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 2013 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, 23 August 2013

As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Yu Haibo, 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, Song Jianwu, Cui Baoguo, Wu Tak Lung, Cui Enqing and Chen Ji.

Please also refer to the published version of this announcement on the Company’s website at www.bjmedia.com.cn.