BEIJING MEDIA CORPORATION LIMITED

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

(Stock Code: 1000)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL HIGHLIGHTS:

1. Turnover for the year of 2009 decreased by RMB251,657,000 or 23.28% from that in 2008 to RMB829,459,000

2. Profit before income tax for the year of 2009 increased by RMB113,139,000 or 270.21% from that in 2008 to RMB155,009,000

3. Earnings per share are increased by RMB0.56 or 280.00% from that in 2008 to RMB0.76

4. The Board proposes to declare a final dividend of RMB0.40 per share, representing an increase of RMB0.20 or 100% from that in 2008

The Board of the Company announces the consolidated results of the Group for the year ended 31 December 2009 which have been prepared in accordance with Hong Kong Financial Reporting Standards and with the disclosure requirements of the Listing Rules and Hong Kong Companies Ordinance.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2009

	NOTES	Year ended 31/12/2009 RMB'000	Year ended 31/12/2008 RMB'000 Restated
Turnover	2	**829,459**	1,081,116
Cost of sales		**(725,139)**	(1,001,829)
Gross profit		**104,320**	79,287
Investment income	3	**36,636**	39,819
Other income	4	**4,530**	6,520
Impairment losses recognised on trade receivables		**(9,936)**	–
Reversal of impairment losses on trade receivables and other receivables		**–**	12,784
Distribution and selling expenses		**(15,319)**	(16,403)
Administrative expenses		**(41,296)**	(54,645)
Finance costs	5	**(4,828)**	(2,600)
Financial guarantee expense		**(16,611)**	–
Share of loss of associates		**–**	(341)
Share of loss of jointly controlled entities		**(23,258)**	(22,422)
Gain on disposal of a jointly controlled entity		**120,771**	–
Loss on disposal of a subsidiary		**–**	(129)
Profit before tax		**155,009**	41,870
Income tax expense	6	**(5,857)**	(4,407)
Profit for the year and total comprehensive income	7	**149,152**	37,463
Profit for the year and total comprehensive income attributable to:			
Owners of the Company		**150,619**	40,309
Minority interests		**(1,467)**	(2,846)
		149,152	37,463
EARNINGS PER SHARE			
– basic and diluted (RMB per share)	9	**0.76**	0.20

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**31/12/2009 *RMB'000***	31/12/2008 *RMB'000* Restated	1/1/2008 *RMB'000* Restated
Non-current Assets				
Property, plant and equipment		**13,621**	18,116	17,467
Prepayments for land use rights		**28,789**	29,678	30,567
Investment properties		**8,372**	–	–
Intangible assets		**23,842**	24,854	25,844
Interests in associates		**1,000**	–	341
Interests in jointly controlled entities		**–**	(96,748)	(87,082)
Available-for-sale financial assets		**–**	136	757
Trade receivables	*10*	**3,564**	6,579	10,582
Other receivables, prepayments and deposits		**34,596**	247	–
Restricted bank deposits		**85,000**	–	–
Deferred tax assets		**890**	1,132	–
		199,674	(16,006)	(1,524)
Current Assets				
Prepayments for land use rights		**889**	889	888
Investments at fair value through profit or loss		**2,000**	–	–
Held-to-maturity financial assets		**10,000**	56,050	–
Inventories		**69,580**	50,992	41,804
Trade receivables	*10*	**249,277**	277,389	194,663
Other receivables, prepayments and deposits		**91,641**	25,499	46,403
Restricted bank deposits		**77,494**	61,489	333,053
Short-term bank deposits		**943,587**	998,945	820,893
Bank balances and cash		**153,763**	225,640	174,726
		1,598,231	1,696,893	1,612,430
Current Liabilities				
Trade payables	*11*	**177,958**	146,934	119,787
Other payables and accruals		**129,552**	121,455	156,736
Deferred revenue		**19,329**	24,587	25,126
Dividends payable		**2,934**	2,213	3,206
Income tax payables		**1,857**	1,884	210
Bank loans		**–**	105,000	46,500
Financial guarantee liability		**16,484**	–	–
		348,114	402,073	351,565
Net Current Assets		**1,250,117**	1,294,820	1,260,865
Total Assets less Current Liabilities		**1,449,791**	1,278,814	1,259,341
Capital and Reserves				
Share capital		**197,310**	197,310	197,310
Reserves		**1,160,132**	1,048,975	1,022,472
Equity attributable to owners of the Company		**1,357,442**	1,246,285	1,219,782
Minority interests		**27,349**	32,529	39,559
Total Equity		**1,384,791**	1,278,814	1,259,341
Non-current liability				
Bank loans		**65,000**	–	–
		1,449,791	1,278,814	1,259,341

NOTES TO THE ACCOUNTS

1. BASIS OF PRESENTATION

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretations ("INT") ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Hong Kong Accounting Standard ("HKAS") 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosure and Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – INT 13	Customer Loyalty Programmes
HK(IFRIC) – INT 15	Agreements for the Construction of Real Estate
HK(IFRIC) – INT 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – INT 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

In addition, the adoption of HKAS 1 (Revised 2007) has resulted in the presentation of a third consolidated statement of financial position as at 1 January 2008 as the Group has applied accounting policy retrospectively during the current year (see below).

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see note 2).

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

New and revised HKFRSs affecting the reported results and/or financial position

HK (IFRIC) – INT 13 Customer Loyalty Programmes

The adoption of HK (IFRIC) – INT 13 has resulted in a change to the Group's accounting policy for its customer loyalty programme. The Group has a customer loyalty program for certain of its advertising customers whereby if the customers post advertising in the Group's media for certain amounts within a time period, they will be awarded with one coupon or one advertising space for free of charge. In the past, the Group did not recognise the fair value of the balance of unredeemed award credits but recognised its movement between the ends of each reporting period in profit or loss. However, HK(IFRIC) – INT 13 requires such transactions to be accounted for as "multiple element revenue transaction" and that consideration received in the initial sale transaction should be allocated between the sale of advertising space and the award credits earned by the customer in that sale transaction.

This change in accounting policy has been applied retrospectively. The impact of this change in accounting policy is that as at 1 January 2008 deferred revenue has been increased by approximately RMB23,527,000 and opening retained earnings have been decreased by approximately RMB23,527,000. There is no impact on profit or loss in 2009 and 2008. At 31 December 2009, revenue deferred in relation to the programme amounts to approximately RMB19,329,000.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Revised)	HKFRS for First-time Adopters[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – INT 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments[6]

1 Effective for annual periods beginning on or after 1 July 2009.

2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 as appropriate.

3 Effective for annual periods beginning on or after 1 January 2010.

4 Effective for annual periods beginning on or after 1 February 2010.

5 Effective for annual periods beginning on or after 1 January 2011.

6 Effective for annual periods beginning on or after 1 July 2010.

7 Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the accounting for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specially, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

Changes in Accounting Estimates

Change of the residual value and the useful life of property, plant and equipment in the year

	Before 1/1/2009		After 1/1/2009	
	Useful life	Residual value	Useful life	Residual value
Buildings	20 years	3%	20 years	0
Office equipment	5-6 years	3-5%	3-5 years	0
Motor vehicles	5-6 years	3-5%	5 years	0

The Group changes its accounting estimates for depreciating property, plant and equipment because the directors of the Company consider that the expected useful lives of electronic equipments and motor vehicles should be reduced to 3 years and 5 years respectively as the development of new technology and increased utilisation. Also, the expected residual value of property, plant and equipment should be reduced to zero. This change has increased the depreciation charge for the year by approximately RMB1,858,000.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents the amounts received and receivables for sales of the advertising space and print-related materials, net of discounts allowed and sales related taxes where applicable and providing printing and distribution services.

Segments information

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14, *Segment Reporting*) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Group's operating and reportable segments under HKFRS 8 are as follows:

Advertising:	Sales of the advertising spaces in the media or events operated by the Group, BYDA and Hebei Youth Daily Agency ("HYDA").
Printing:	Provision of printing services.
Trading of print-related materials:	Sales of paper, ink, lubricants, films, PS boards and rubber sheets for printing and other print-related materials.
Distribution:	Distribution of newspapers mainly published by HYDA.

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

2. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Segments turnover and results

The following is an analysis of the Group's turnover and results by reportable segment.

For the year ended 31 December 2009

	Advertising *RMB'000*	Printing *RMB'000*	Trading of print-related materials *RMB'000*	Distribution *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
TURNOVER						
External sales	469,031	50,252	301,614	8,562	–	829,459
Inter-segment sales	–	177,545	–	–	(177,545)	–
Total	469,031	227,797	301,614	8,562	(177,545)	829,459
Segment profit (loss)	42,581	7,774	4,519	(16,958)		37,916
Investment and other income						41,166
Unallocated corporate expenses						(147)
Finance costs						(4,828)
Share of loss of jointly controlled entities						(23,258)
Gain on disposal of a jointly controlled entities						120,771
Financial guarantee expense						(16,611)
Profit before tax						155,009

2. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Segments turnover and results *(Continued)*

For the year ended 31 December 2008

	Advertising *RMB'000*	Printing *RMB'000*	Trading of print-related materials *RMB'000*	Distribution *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
TURNOVER						
External sales	536,700	139,544	396,912	7,960	–	1,081,116
Inter-segment sales	–	238,222	–	–	(238,222)	–
Total	536,700	377,766	396,912	7,960	(238,222)	1,081,116
Segment profit (loss)	39,615	3,372	11,327	(23,831)	–	30,483
Investment and other income						46,339
Unallocated corporate expenses						(9,460)
Finance costs						(2,600)
Loss on disposal of a subsidiary						(129)
Share of loss of an associate						(341)
Share of loss of jointly controlled entities						(22,422)
Profit before tax						41,870

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of investment and other income, unallocated corporate expenses, financial costs, share of loss of an associate, share of loss of jointly controlled entities, loss on disposal of a subsidiary, gain on disposal of a jointly controlled entity, financial guarantee expense and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

2. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment.

At 31 December 2009

	Advertising	**Printing**	**Trading of print-related materials**	**Distribution**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	**252,503**	**70,830**	**166,516**	**20,268**	**510,117**
Unallocated corporate assets					**1,287,788**
Consolidated assets					**1,797,905**
Segment liabilities	**171,161**	**62,843**	**83,207**	**12,562**	**329,773**
Unallocated corporate liabilities					**83,341**
Consolidated liabilities					**413,114**

At 31 December 2008

	Advertising	Printing	Trading of print-related materials	Distribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	133,848	49,093	212,371	34,590	429,902
Unallocated corporate assets					1,250,985
Consolidated assets					1,680,887
Segment liabilities	98,250	38,227	91,832	66,880	295,189
Unallocated corporate liabilities					106,884
Consolidated liabilities					402,073

2. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

At 1 January 2008

	Advertising *RMB'000*	Printing *RMB'000*	Trading of print-related materials *RMB'000*	Distribution *RMB'000*	Total *RMB'000*
Segment assets	128,789	65,851	147,016	26,562	368,218
Unallocated corporate assets					1,242,688
Consolidated assets					1,610,906
Segment liabilities	189,707	105,866	–	9,282	304,855
Unallocated corporate liabilities					46,710
Consolidated liabilities					351,565

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than deferred tax assets, investment properties, available-for-sale financial assets, investment at FVTPL, held-to-maturity financial assets, interests in associates, interests in jointly controlled entities, restricted bank deposits, short-term bank deposits, bank balances and cash and unallocated corporate assets. Assets used jointly by reportable segments are allocated on the basis of turnover earned by individual reportable segments; and

- all liabilities are allocated to reportable segments other than bank loans, financial guarantee liability and income tax payable. Liabilities for which reportable segments are jointly liable are allocated on the basis of turnover earned by individual reportable segments.

2. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2009

Amounts included in the measure of segment profit or loss or segment assets:

	Advertising	Printing	Trading of print-related materials	Distribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Additional to non-current assets *(Note)*	9,221	125	165	379	9,890
Depreciation	3,412	448	594	941	5,395
Amortisation charges	2,055	70	93	59	2,277
Loss on disposal of property, plant and equipment	46	–	–	72	118
Impairment losses on trade receivables	9,828	–	108	–	9,936
Reversal of write-down of inventories	–	–	(1,078)	–	(1,078)

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

	Advertising	Printing	Trading of print-related materials	Distribution	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interests in associates	–	–	–	–	1,000	1,000
Share of loss of jointly controlled entities	(1,375)	–	–	–	(21,883)	(23,258)
Interest income	24,414	238	315	15	11,280	36,262
Finance costs	(687)	(688)	(912)	(2,541)	–	(4,828)
Income tax expense	–	(1,276)	(1,690)	–	(2,891)	(5,857)

2. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

For the year ended 31 December 2008

Amounts included in the measure of segment profit or loss or segment assets:

	Advertising *RMB'000*	Printing *RMB'000*	Trading of print-related materials *RMB'000*	Distribution *RMB'000*	Total *RMB'000*
Additional to non-current assets *(Note)*	4,234	354	334	108	5,030
Depreciation	2,360	435	450	158	3,403
Amortisation charges	2,250	7	7	14	2,278
Loss on disposal of property, plant and equipment	103	–	–	–	103
Reversal of impairment losses on trade receivables	(9,459)	–	(3,109)	–	(12,568)
Reversal of impairment losses on other receivables	–	–	(216)	–	(216)
Write-down of inventories	–	–	4,297	–	4,297

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

	Advertising *RMB'000*	Printing *RMB'000*	Trading of print-related materials *RMB'000*	Distribution *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Interests in jointly controlled entities	1,375	–	–	–	(98,123)	(96,748)
Share of loss of an associate	(341)	–	–	–	–	(341)
Share of loss of jointly controlled entities	(11,381)	–	–	–	(11,041)	(22,422)
Interest income	29,877	351	367	6	8,483	39,084
Finance costs	(541)	(916)	(966)	(177)	–	(2,600)
Income tax expense	–	(1,187)	(1,248)	–	(1,972)	(4,407)

Note: Non-current assets excluded financial instruments, deferred tax assets, interests in associates, interests in jointly controlled entities, trade receivables, other receivables, prepayments and deposits and restricted bank deposits.

All of the Group's revenue are generated from the PRC market and all of the Group's assets are located in the PRC and therefore the analysis of revenue and assets by geographical location is not presented.

The Group's customer base includes a wide range of different customers. The Group had no single customer amount to 10% or more of the Group's revenue and therefore no significant concentration of source of income from particular customer.

3. INVESTMENT INCOME

	Year ended 31/12/2009 ***RMB'000***	Year ended 31/12/2008 *RMB'000*
Interest on bank deposits	**35,787**	38,382
Imputed interest income on non-current trade and other receivables	**475**	702
Total interest income	**36,262**	39,084
Income from held-to-maturity financial assets	**374**	735
	36,636	39,819

Investment income earned on financial assets, analysed by category of financial assets not designed as at fair value through profit or loss, is as follows:

	Year ended 31/12/2009 ***RMB'000***	Year ended 31/12/2008 *RMB'000*
Loans and receivables (including bank balances and cash)	**36,262**	39,084
Held-to-maturity financial assets	**374**	735
	36,636	39,819

4. OTHER INCOME

	Year ended 31/12/2009 ***RMB'000***	Year ended 31/12/2008 *RMB'000*
Rental income *(note)*	**4,150**	3,843
Consultation service income	**105**	1,383
Financial guarantee income	**127**	–
Others	**148**	1,294
	4,530	6,520

Note: Direct outgoing in respect of rental income earned during the year ended 31 December 2009 amounted to approximately RMB702,000 (2008: RMB439,000), which has been included in administrative expenses.

5. FINANCE COSTS

	Year ended 31/12/2009 *RMB'000*	Year ended 31/12/2008 *RMB'000*
Interest expense on bank loans wholly repayable within five years	**4,764**	2,600
Discount charges on bank acceptance notes	**64**	–
	4,828	2,600

6. INCOME TAX EXPENSE

	Year ended 31/12/2009 *RMB'000*	Year ended 31/12/2008 *RMB'000*
Current taxation – PRC Enterprise Income Tax ("EIT")	**5,551**	5,539
Under provision in prior years – PRC EIT	**64**	–
Deferred tax	**242**	(1,132)
	5,857	4,407

The Company is an enterprise mainly engaged in providing newspaper advertising services in the PRC. In accordance with the approval documents issued by the Beijing Local Tax Bureau, Chaoyang Branch, the Company is exempted from EIT until 31 December 2013.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Year ended 31/12/2009 ***RMB'000***	Year ended 31/12/2008 *RMB'000*
Depreciation of property, plant and equipment	**5,395**	3,403
Amortisation charges (included in administrative expenses)	**2,277**	2,278
Total depreciation and amortisation	**7,672**	5,681
Auditors' remuneration	**1,680**	1,438
Net foreign exchange (gains) losses	**–**	8,147
Loss on disposal of property, plant and equipment	**118**	103
Operating leases rental in respect of buildings	**4,755**	2,915
Impairment losses recognised on financial assets		
– trade receivables	**9,936**	–
– available-for-sale financial assets	**136**	621
	10,072	621
(Reversal of write-down) write-down of inventories (included in cost of sales)	**(1,078)**	4,297
Employee benefit expenses	**52,409**	54,925
Cost of inventories charged to profit or loss	**484,427**	645,762

8. DIVIDENDS

	Year ended 31/12/2009 ***RMB'000***	Year ended 31/12/2008 *RMB'000*
Dividends recognised as distribution during the year: 2008 Final – RMB0.20 (2008: 2007 final dividend RMB0.07) per share	**39,462**	13,812

At the annual general meeting held on 15 June 2009, the shareholders approved the final dividends of RMB0.20 per ordinary share amounting to a total of RMB39,462,000 in respect of the year ended 31 December 2008. The amounts have been reflected as an appropriation of retained earnings for the year ended 31 December 2009.

The final dividend of RMB0.40 per share totaling RMB78,924,000 has been proposed by the directors and is subject to shareholders' approval in the forthcoming general meeting.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Year ended 31/12/2009 *RMB'000*	Year ended 31/12/2008 *RMB'000*
Profit for the year attributable to the owners of the Company	**150,619**	40,309
Weighted average number of ordinary shares in issue (thousands)	**197,310**	197,310
Basic earnings per share (RMB per share)	**0.76**	0.20

Basic earnings per share and diluted earnings per share for the two years ended 31 December 2009 and 2008 are the same as there were no diluting events existed during both years.

10. TRADE RECEIVABLES

	31/12/2009 *RMB'000*	31/12/2008 *RMB'000*	1/1/2008 *RMB'000*
Trade receivables			
– Due from ultimate holding company	**46,542**	96,285	67,742
– Due from other related parties	**56,254**	53,124	31,110
– Due from third parties	**164,108**	140,840	125,242
	266,904	290,249	224,094
Less: Impairment loss recognised	**(14,063)**	(6,281)	(18,849)
Trade receivables – net	**252,841**	283,968	205,245
For reporting purpose, analised as:			
Non-current assets	**3,564**	6,579	10,582
Current assets	**249,277**	277,389	194,663
	252,841	283,968	205,245

10. TRADE RECEIVABLES *(Continued)*

The following is an aged analysis of trade receivables, presented based on invoice date at the reporting date.

	31/12/2009	31/12/2008
	RMB'000	*RMB'000*
Within 3 months	**100,577**	133,350
4 months to 6 months	**52,482**	70,272
7 months to 12 months	**38,783**	57,567
1 year to 2 years	**66,101**	897
Over 2 years	**8,961**	28,163
	266,904	290,249

The Group normally granted credit period of 1 week to 3 months from the date of invoice to customers (including related parties but except for certain advertising agents of classified advertisements). The Group's trade receivable at 31 December 2009 included balance of approximately RMB133,238,000 (2008: approximately RMB120,945,000) which were neither past due nor impaired. The Group does not hold any collateral over the trade receivables that are neither past due not impaired.

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 greater than 12 months as non-current trade receivables, which were measured at amortised cost using the effective interest method and carry interest rates which ranges from 5.76% to 7.47% (2008: 5.76% to 7.47%) per annum.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately RMB119,603,000 (2008: RMB163,023,000) which were past due as at the reporting date for which the Group has not provided for impairment loss.

Ageing of trade receivables which are past due but not impaired:

	31/12/2009	31/12/2008
	RMB'000	*RMB'000*
Within 3 months	**48,552**	72,091
4 months to 6 months	**13,126**	43,389
7 months to 12 months	**24,298**	35,976
1 year to 2 years	**33,514**	1,312
Over 2 years	**113**	10,255
	119,603	163,023

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

10. TRADE RECEIVABLES *(Continued)*

Movement in the impairment loss on trade receivables:

	2009	2008
	RMB'000	*RMB'000*
1 January	**6,281**	18,849
Impairment loss recognised on receivables	**9,936**	–
Amount written off as uncollectible	**(2,154)**	–
Impairment loss reversed	**–**	(12,568)
31 December	**14,063**	6,281

Included in the impairment loss of trade receivables are individually impaired trade receivables with an aggregate balance of approximately RMB13,499,000 (31 December 2008: RMB3,937,000). The Group does not hold any collateral over these balances.

11. TRADE PAYABLES

	31/12/2009	31/12/2008	1/1/2008
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
– Due to the ultimate holding company	**8,904**	6,102	7,091
– Due to other related parties	**48,236**	66,080	43,743
– Due to third parties	**120,818**	74,752	68,953
	177,958	146,934	119,787

The balance of trade payables as at 31 December 2009 includes bills payables of approximately RMB39,790,000 (2008: RMB32,437,000).

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	31/12/2009	31/12/2008
	RMB'000	*RMB'000*
Within 3 months	**142,662**	124,429
4 months to 6 months	**13,193**	18,035
7 months to 12 months	**21,186**	3,853
1 year to 2 years	**597**	470
Over 2 years	**320**	147
	177,958	146,934

The average credit period for payment of purchases of goods is from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

12. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statements, and HK(IFRIC) – INT 13, Customer loyalty programmes, certain comparative figures have been adjusted to conform to the current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009.

In addition, reclassification of comparative figures have been made in respect of investment income to be presented separately from other income, the current portion of prepayments for land use rights from non-current assets to current assets and income tax payables to be presented separately from other types of taxes payable (which is included in other payables and accruals) to conform with the current year's presentation for better presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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 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 third parties, including commercial printers.

Total turnover of the Group for 2009 was RMB829,459,000 (2008: RMB1,081,116,000), representing a decrease of 23.28% as compared with 2008. Profit attributable to owners of the Company for 2009 was RMB150,619,000 (2008: RMB40,309,000), representing an increase of 273.66% as compared with 2008.

During the year of 2009, the global economy was overcastted by the financial crisis. The advertising revenue of Beijing Media was also affected. The Company maintained its leading position in the industry through insisting on a number of initiatives. Creativity was applied to drive sales with the support of many different sales and marketing efforts. Service awareness was strengthened with a focus on fulfilling customers' satisfaction. Measures were proactively adopted to tackle the challenges. Fundamental operational activities were consolidated. It was well poised in the leading position in Beijing's metropolitan newspaper advertising market. Notwithstanding the stringent position brought by the financial crisis, as a dominating popular media, Beijing Media still captured a lot of opportunities and market share in the adverse environment. The market share for the source of the Company's principal operation, namely advertising revenue from plane media in Beijing increased as compared to the previous year, although the absolute value in the revenue fell. Advertising revenue of the Group for 2009 was RMB469,031,000 (2008: RMB536,700,000), representing a decrease of 12.61% as compared with 2008.

In 2009, the average daily circulation of Hebei Youth Daily remained above 100,000. 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. As the new leading media in Shijiazhuang, Hebei Youth Daily devoted much effort to improve the layout image and content. Its reputation in the periodical market of Shijiazhuang became increasingly enhanced. With respect to operations, development in operations and services were made on an ongoing basis. Management will also be strengthened on the other hand. The operation revenue from Hebei Youth Daily for 2009 increased by 30.59% as compared with 2008. Of which, advertising revenue increased by 38.10% and operational revenue from publishing increased by 7.62%. The upward moving trend was worth to be congratulated.

In 2009, the Company achieved breakthroughs in the three business areas, namely the traditional billboard advertising, new vision media and outdoor advertising, aviation media and trendy magazines advertising. Leveraging on the investment strategy of "channel + industry + media", the three business divisions of outdoor, aviation and trendy magazine has established a foundation for sustainable development.

In May 2008, the Company and JoongAng m&b Limited, the largest plane media group in Korea established a joint venture with registered capital of RMB25,000,000 named Beiqing CeCi, of which the Company holds 51% and JoongAng m&b Limited holds 49% of equity interest. Beiqing CeCi is primarily engaged in the operation of advertising of female trendy magazines "CeCi". The advertising operational results of "CeCi" for 2009 improved substantially as compared with that in 2008. Feedback from the market was positive and "CeCi" has established an excellent brand image.

The Civil Aviation Administration of China Newspaper (Inflight Edition) operated by Beiqing Top grew rapidly during the past year. Apart from the existing airlines of various domestic aviation companies, the current coverage includes more than 20 waiting rooms in airports of major and second-tier cities nationwide, achieving full coverage in the air and land which further enhanced its position as one of the major aviation media in China.

Apart from Beijing Youth Daily and Hebei Youth Daily, the Group also publishes other newspapers and magazines, including "Beijing Today", "Middle School Times", "Beijing Youth Times" and "Civil Aviation Administration of China Newspaper (Inflight Edition)" magazine.

Through newly-established and existing media, the Group provides advertising clients with a more comprehensive and sophisticated platform for an integrated advertisement portfolio, so that clients may choose, among internal media of the Group, cross-channel, cross-media, cross-territory portfolio, and gain more than value worth rewards.

INDUSTRY REVIEW

By leveraging on the edges of its own brand, Beijing Media successfully listed on the Stock Exchange five years ago, and began in-depth cooperation with the real estate industry before the era dominated by the investment in real estate emerged. Through integrating advantages of its own resources, Beijing Media first introduced new ways of cooperating with the concerns of capital operation in the real estate industry. This offered Beijing Media a proactive position to capture the opportunities arising from the market. During the year of 2009, the Company maintained its leading position in the industry. With the leading position occupying in the placement of advertisement in real estate and automobiles industries, the Company entended its advantages into the luxurious product industry. According to the monitoring statistics of HC International, as at December 2009, the advertising revenue and market share of Beijing

Youth Daily ranked No. 1 in the plane media advertising market in Beijing and was the top ten single newspaper in the PRC. In addition, other businesses of the Group also progressed well. Revenue from the printing business and trading of print-related materials made sound growth during the year. By reinforcing the management and optimizing the structure, balances of trade receivables fell significantly.

The market share of real estate advertising, being the major industry advertising of the Company, recorded substantial growth in 2009, representing an increase of 11.35% as compared with 2008.

In 2010, the Group will continue to focus on its core business of providing newspaper advertising services. In the meantime, the Group will also be committed to cross-media platform operations, integration of various resources, optimization of structure and consolidation of strengths.

ADVERTISING BUSINESS

Turnover from advertising sales of the Group for 2009 was RMB469,031,000 (2008: RMB536,700,000, accounting for 49.64% of the total turnover), accounting for 56.55% of the total turnover and representing a decrease of 12.61% as compared with 2008.

The Group's revenue generated from advertising sales was mainly attributable to Beijing Youth Daily. The actual revenue from advertising for 2009 was RMB414,876,000, representing a decrease of 13.68% as compared with 2008.

In 2009, the sales of the Company were driven from creativity. Initiatives were proactively pursued for new model of advertising operations. Through brand promotion activities, the Company tapped into a new section, namely the exhibition industry that is related to placement of advertisement. Automobile exhibitions, real estate seminars and exhibitions were held, which consolidated the absolute advantages of Beijing Media brand in the placement of advertisement with respect to automobiles and real estate industries. Awareness in services were enhanced so as to fulfill customers' satisfaction. New customers were targeted and new profit centres were set up. In order to proactively land new customers, the Company prepared specific sales and marketing plans for customers that have never placed advertisement on newspapers. Integrated sales and marketing were conducted with the support of other resources for customer service purpose. This avoided price war for attraction of customers that might have affected the pricing system of advertisement as a whole. On the other hand, resources were integrated to generate additional revenue. Emphases were placed on the management of workflow and strengthened the team building. As to the improvement in the establishment of workflow system, standardised working environment were created on the one hand so as to enhance the efficiencies of various operating activities. On the other hand, financial exposures and risks were effectively prevented and controlled. Existing resources were integrated with promoted through departmental meetings and established an integrated platform for sales and marketing. Components were then selected according to the customers' requirements.

PRINTING BUSINESS AND TRADING OF PRINT-RELATED MATERIALS

The Group is engaged in the printing business and trading of print-related materials through BYD Logistics. Turnover from the printing business and trading of print related materials for 2009 was RMB50,252,000 and RMB301,614,000 (2008: RMB139,544,000 and RMB396,912,000), representing a decrease of 63.99% and 24.01% respectively as compared with 2008.

ORGANISATION OF LARGE-SCALE EVENTS

In 2009, the Company began to tap into the exhibition and conference industry. Large-scale automobile exhibitions, road shows for promoting images of certain cities at other places and real estate exhibitions were held. This business provided a platform for the customers that place advertisement to set up their brand promotion and sales platform, which also consolidated the edge of Beijing Media's brand in the placement of advertisement with respect to automobiles and real estate industries.

In May and November 2009, BYDA and Beijing Media jointly held the Beijing Automobile Exhibitions. The exhibitions were targeted at marketing and sales in the form of an exhibition, which was supported by new model launched, model competition, lucky draw of gold bars and participants' survey. About 30 automobile brands participated in the exhibitions. Almost 1,000 automobile vehicles being traded on-the-spot and over 100,000 visits were recorded, Accordingly, Beijing Media has significantly strengthened its position in the automobile industry. Both exhibitions were covered by over 100 news media to report on the site, including CCTV, Xinhua Agency, NHK TV of Japan, fashion TV of France, Beijing Cable TV, Sina, NetEase, the impact of which were brought out within and outside the PRC.

BYDA and Beijing Media jointly organized a road show to promote the city image of Qiong Hai City in Hainan Province and an exhibition about the tourism and real estate industries of Qiong Hai City in April 2009. The features of Qiong Hai City were comprehensively presented from different aspects including the overall city image of Qiong Hai City, present condition for the development of tourism and real estate industries, ecological environment ideal for living, historical and cultural heritage building as well as specific projects presenting in the exhibition. The value of the region was enhanced. Through government interviews, high level forums, presentation of certain municipal real estate project and press conferences, the image of the city and the local government was enhanced. These events received support from the local government as well as real estate associations. As such, many developers in Hainan Province strongly wished to extend in-depth cooperation with Beijing Media, and expanded their efforts of promotion in Beijing.

As an icon of new fashion in Asia, "CeCi" has devoted a lot of efforts to continuously promote the development of Asian culture that renovates on an ongoing basis, and specifically launched a series of activities to experience the "Undeniable attraction in Korean culture". In 2009, "CeCi" cooperated with the Korea National Tourism Organization, and invited Ms. Li Bing Bing, the ambassador of cultural exchange between China and Korea to visit Korea. The cooperation between China and Korea in terms of cultural exchange, environmental protection and community affairs were strengthened. The remarkable feedback enhanced the influence of "CeCi" in the market.

PROSPECTS AND FUTURE PLANS

It is expected that the economy will recover in 2010. In terms of advertising operation, the Group will continue with the visions and thoughts in 2009. Intra-group resources will be further integrated so as to pursue for more and better models for advertising operation. The Group will devote its best endeavours to bring better return. In the meantime, there will be more innovations to secure the market share in different segments of advertising industry. Different kinds of promotion activities will commence extensively, which will continue to preserve the forerunner position of the Group in the major plane media market of Beijing.

The Company will promote the Group's transformation from plane media to digital media and the placement of cross-media in the advanced advertising industry as core, so as to actively pursue for breakthrough development in the internet, mobile phone media and electronic reading device markets, and share the opportunities arising from the rapid development of the new media market.

Capitalizing on the staunch support of the Beijing Municipal Government and the concerted efforts of the staff, the Group will further expand its cross-media platform, so as to form an extensive media platform through the above-mentioned development plans and become a leading cross-media corporation in the PRC, as well as optimizing returns for its Shareholders.

FINANCIAL POSITION AND BUSINESS RESULTS

Highlights

	31 December 2009 *RMB'000*	**31 December 2008** *RMB'000* (Restated)	**31 December 2007** *RMB'000* (Restated)	**31 December 2006** *RMB'000* (Restated)	**31 December 2005** *RMB'000* (Restated)
Turnover	**829,459**	1,081,116	837,676	792,492	857,607
Profit for the year	**149,152**	37,463	10,885	21,975	16,343
Profit attributable to owners of the Company	**150,619**	40,309	10,639	21,917	10,087
Total assets	**1,797,905**	1,680,887	1,610,906	1,593,709	1,589,765
Total liabilities	**413,114**	402,073	351,565	305,509	280,114
Equity attributable to owners of the Company	**1,357,442**	1,246,285	1,219,782	1,248,605	1,276,016
Earnings per share – basic and diluted (RMB)	**0.76**	0.20	0.05	0.11	0.05
Shareholders' equity per share as at the end of the year (RMB)	**6.88**	6.32	6.18	6.33	6.47

1. *Turnover*

Turnover of the Group for 2009 was RMB829,459,000 (2008: RMB1,081,116,000), representing a decrease of 23.28% as compared with 2008. Revenue from advertising sales was RMB469,031,000 (2008: RMB536,700,000) representing a decrease of 12.61%. Revenue from printing was RMB50,252,000 (2008: RMB139,544,000), representing a decrease of 63.99% as compared with 2008. Revenue from trading of print-related materials was RMB301,614,000 (2008: RMB396,912,000), representing a decrease of 24.01% as compared with 2008.

2. *Cost of Sales and Operating Expenses*

Cost of sales of the Group for 2009 was RMB725,139,000 (2008: RMB1,001,829,000), representing a decrease of 27.62% as compared with 2008. Operating expenses of the Group for 2009 were RMB56,615,000 (2008: RMB71,048,000), representing a decrease of 20.31% as compared with 2008. Operating expenses accounted for 6.83% (2008: 6.57%) of the Group's turnover for 2009, comprising mainly selling and distribution expenses as well as administrative expenses.

3. *Gross Profit*

Gross profit of the Group for 2009 was RMB104,320,000 (2008: RMB79,287,000), representing an increase of 31.57% as compared with 2008. Gross profit margin of the Group for 2009 was 12.58% (2008: 7.33%).

4. *Profit Attributable to owners of the Company*

Profit attributable to owners of the Company for 2009 was RMB150,619,000 (2008: RMB40,309,000), representing an increase of 273.66% as compared with 2008.

5. *Final Dividend*

The Board recommends the distribution of a final dividend of RMB0.40 per share (2008: RMB0.20 per share).

6. *Non-current Assets*

As at 31 December 2009, the non-current assets of the Group was RMB199,674,000 (31 December 2008: negative RMB16,006,000) which mainly comprised of property, plant and equipment, prepayments for land use rights, investment properties and intangible assets of RMB13,621,000 (31 December 2008: RMB18,116,000), RMB28,789,000 (31 December 2008: RMB29,678,000), RMB8,372,000 (31 December 2008: RMBnil), and RMB23,842,000 (31 December 2008: RMB24,854,000) respectively; share of net liabilities of interests in jointly controlled entities was RMBnil (31 December 2008: RMB96,748,000) and share of interests in associates was RMB1,000,000 (31 December 2008: RMBnil); available-for-sale financial assets was RMBnil (31

December 2008: RMB136,000); non-current trade receivables was RMB3,564,000 (31 December 2008: RMB6,579,000); non-current other receivables, prepayments and deposits was RMB34,596,000 (31 December 2008: RMB247,000); restricted bank deposits was RMB85,000,000 (31 December 2008: RMBnil); and deferred tax assets was RMB890,000 (31 December 2008: RMB1,132,000).

7. *Net Current Assets*

As at 31 December 2009, net current assets of the Group was RMB1,250,117,000 (31 December 2008: RMB1,294,820,000). Current assets mainly comprised of bank balances and cash of RMB153,763,000 (31 December 2008: RMB225,640,000), short-term bank deposits of RMB943,587,000 (31 December 2008: RMB998,945,000), restricted bank deposits of RMB77,494,000 (31 December 2008: RMB61,489,000), inventories of RMB69,580,000 (31 December 2008: RMB50,992,000) as well as trade receivables and other receivables, prepayments and deposits of RMB340,918,000 (31 December 2008: RMB302,888,000), held-to-maturity financial assets of RMB10,000,000 (31 December 2008: RMB56,050,000), investments at FVTPL of RMB2,000,000 (31 December 2008: RMB nil), prepayments for land use rights of RMB889,000 (31 December 2008: RMB889,000). Current liabilities mainly comprised of short-term bank loans of RMBnil (31 December 2008: RMB105,000,000), trade payables, other payables and accruals, deferred revenue, dividends payable, income tax payables and financial guarantee liability of RMB177,958,000 (31 December 2008: RMB146,934,000), RMB129,552,000 (31 December 2008: RMB121,455,000), RMB19,329,000 (31 December 2008: RMB24,587,000), RMB2,934,000 (31 December 2008: RMB2,213,000), RMB1,857,000 (31 December 2008: RMB1,884,000), and RMB16,484,000 (31 December 2008: RMBnil) respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, the Group has maintained a stable cash flow. Bank balances and cash and short term bank deposits of the Group was RMB1,097,350,000 (31 December 2008: RMB1,224,585,000). As at 31 December 2009, equity-to-borrowing ratio, (defined as a percentage of net interest-bearing borrowings over capital and reserves attributable to the Company's equity holders) of the Group was 4.79% (31 December 2008: 8.43%).

EQUITY-TO-DEBT RATIO

As at 31 December 2009, equity-to-debt ratio of the Group was 335.21% (31 December 2008: 318.06%). (Ratio derived from dividing the Group's total equity by its total liabilities).

TAXATION

For the year ended 31 December 2009, taxation expenses of the Group were RMB5,857,000 (2008: RMB4,407,000), representing an increase of 32.90% as compared with 2008. However, due to the increase in profit before tax of the Group, the effective tax rate applicable to the Group decreased from 10.53% in 2008 to 3.78% in 2009. The taxation authority in the PRC has granted the Company a tax exemption of five years effective from 1 January 2009 to 31 December 2013.

BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2009, bank loans of the Group was RMB65,000,000 (31 December 2008: RMB105,000,000); such bank loans bear interest of 4.86% p.a. (2008: 6.318% to 8.217% p.a.) and is repayable within one year.

FINANCE COST

Finance cost of the Group for 2009 were RMB4,828,000 (2008: RMB2,600,000).

RECENT DEVELOPMENTS IN NEW BUSINESSES IN 2009

"CeCi", a female fashion magazine operated by Beiqing CeCi started its first publication on 16 May 2008. International Federation of the Periodical Press (FIPP) highly appraised the first publication of "CeCi" and considered that it marked a milestone for the magazine market in the PRC for the year of 2008. "CeCi" interprets the eastern fashion style for the female professionals in China and advocates a modern culture combining innovation and pragmatism in Asia. Since its launch, the magazine has reached more than 40 cities in the PRC and Hong Kong and rapidly became one of the top-tier female fashion magazines. As the first official monthly magazine operated by Beijing Media to enter into the PRC market, "CeCi" perfected the advertising structure of Beijing Media, representing its capture of the advertising market of top grade female luxuries.

In May 2009, the Company participated again in the tender on outdoor advertising facilities organized by the Beijing Municipal Administration Commission and successfully acquired the operation rights of advertisement on seven billboards on stand-alone pillars located in West Fourth Ring Road, South Fourth Ring Road and North Fifth Ring Road in Beijing for three years after officially entering into the outdoor billboards advertising market in 2008. With a total of eleven billboards on stand-alone pillars of outdoor billboards in Beijing area, Beijing Media advanced to a leading position in the outdoor advertising industry in Beijing.

The 3 Light Emitting Diode (LED) advertising screens located at Terminal 3 of the Capital Airport invested by the Company and Beijing Transmedia Co., Ltd. commenced operation in March 2008, marking a breakthrough for the three areas of aviation, outdoor and vision media of Beijing Media. During the Beijing Olympic Games, the screens became the major channel for domestic and foreign travelers passing Terminal 3 of the Capital Airport for updates of the Games.

USE OF PROCEEDS FROM THE LISTING

The Company raised net proceeds of about HK$889,086,000 from its global offering in 2004. The following table sets forth a breakdown of the proposed use of proceeds as disclosed in the prospectus of the Company and the actual use of proceeds as at 31 December 2009:

	Amounts Proposed *HK$*	**Proposed use of Proceeds to be Used** *HK$*
Developing weekend newspapers	Approximately 100 million	Unutilized
Developing a number of topic-focused magazines on personal wealth management, lifestyle and cultural activities	Approximately 80 million	Approximately 23.59 million
Investing in the television industry in Beijing	Approximately 250 million	Unutilized
Acquisition of other media businesses	Approximately 360 million	Approximately 360 million
General working capital	Approximately 80 million	Approximately 80 million

As at 31 December 2009, part of the proceeds of the Company had not been utilized due to the following reasons:

- The preparation period for developing weekend newspapers and topic-focused magazines is longer than expected. In addition, the Company adopts a prudent investment strategy, and will not make hasty investment without the support of sufficient market conditions;

- The PRC government has tightened the limitation on the participation of foreign enterprises in the television broadcasting industry, and slowed down the development of the Company in such industry;

- The Company has spent considerable time on negotiation concerning a number of acquisitions because media industries, particularly newspapers and other media, are sensitive industries and are subject to more limitations imposed by the relevant authorities in the PRC.

During the year of 2009, the Company strived to seek opportunities to fulfill the objectives set forth in its prospectus. The Company believes that the proceeds will be utilized as set out in its prospectus for business development in 2010.

CAPITAL STRUCTURE

	Number of Shares	Percentage of total share capital (%)
Holders of Domestic Shares		
– BYDA	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.	2,952,800	1.50%
	142,409,000	72.18%
H Shares in issue *(note)*	54,901,000	27.82%
Total share capital	197,310,000	100%

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

CAPITAL EXPENDITURES

Capital expenditures (including expenditures on office equipment, intangible assets and investment properties) of the Group for 2009 was RMB9,890,000 (2008: RMB5,030,000). Capital expenditures of the Group for 2009 mainly comprises expenditure consistent with business strategies.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

	31/12/2009 ***RMB'000***	31/12/2008 *RMB'000*
Guarantees for bank loans of a connected party (note)	**209,100**	–
Guarantees for bank loans of a jointly controlled entity	**–**	173,000
Guarantees for bank loans of subsidiaries	**–**	50,000
Guarantees for credit line facilities of subsidiaries	**–**	40,000

Note: Since 21 December 2009, COL became a connected person of the Company and was no longer a jointly controlled entity of the Company any more.

As at 31 December 2009, the Company entered into a credit guarantee agreement with Bank of Beijing to secure a loan of RMB153,000,000 granted to COL by Bank of Beijing.

As at 31 December 2009, the Company entered into a pledge agreement with China CITIC Bank, pursuant to which, the Company pledged a fixed deposit in the amount of RMB16,400,000 so as to secure a loan of RMB16,100,000 granted to COL by China CITIC Bank.

As at 31 December 2009, the Company entered into a pledge agreement with Bank of Beijing, pursuant to which, the Company pledged time deposits with an amount of RMB50,000,000 so as to secure a loan of RMB40,000,000 granted to COL by Bank of Beijing.

As at 31 December 2009, the Company entered into an entrusted loan agreement with China Everbright Bank to provide a loan of not more than RMB20,000,000 to Beiqing CeCi.

As at 31 December 2009, the Company entered into an entrusted loan agreement with China Everbright Bank to provide a loan of not more than RMB65,000,000 to Heqing Media.

It is anticipated by the management teams that no material liabilities will arise from the above guarantees provided in the normal course of business.

MATERIAL INVESTMENTS

During the reporting period, no material investments were made by the Company.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

During the reporting period, the Company disposed its entire 51% equity interest in COL to its Parent, BYDA, for a cash consideration of RMB765,000. Upon completion of the equity transfer, COL will become a wholly-owned subsidiary of the Parent. The disposal was approved in the extraordinary general meeting held on 18 December 2009. The change in company registration at Industry and Commerce Administration was completed on 21 December 2009. Since then, COL was officially excluded from the Company.

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.

AUDIT COMMITTEE

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

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group with the management of the Company. In addition, the Audit Committee has discussed with the Directors on matters concerning the internal controls and financial reporting of the Company, including reviewing of the annual consolidated financial statements of the Group for 2009 without dissenting opinions.

COMPLIANCE WITH THE "MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS"

The Company has adopted the Model Code regarding securities transactions by Directors and Supervisors ("Model Code") as set out in Appendix 10 to 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, all Directors and Supervisors confirmed they have complied with the required standards under the Model Code throughout the year ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither of the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2009 and up to the date of this announcement.

DIVIDEND

The Company held its annual Board meeting on Friday, 9 April 2010 to propose a resolution recommending distribution of final dividend of RMB0.40 per share (before tax) in an aggregate amount of approximate RMB78,924,000 for the year ended 31 December 2009. If the profit distribution proposal is approved by the Shareholders in the annual general meeting of 2009 by way of an ordinary resolution, the final dividend will be paid to the holders of H Shares whose names appear on the H Share register of members of the Company on Saturday, 8 May 2010.

According to the Law on Corporate Income Tax of the People's Republic of China and its implementing rules which came into effect on 1 January 2008 and other relevant rules, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Shares register of members of the Company. Any shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore their dividends receivables will be subject to the withholding of the corporate income tax.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Saturday, 8 May 2010 to Monday, 7 June 2010 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the Annual General Meeting and voting in the meeting as well as quality for receiving dividend payment, all transfer documents of the holders of H Shares of the Company must be lodged at our H Shares Registrar at Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Friday, 7 May 2010.

CORPORATE GOVERNANCE

During the year ended 31 December 2009 and up to the date of this announcement, the Company has fully complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules.

PUBLICATION OF THE RESULT ANNOUNCEMENT AND ANNUAL REPORT

This result announcement will be published on the Company's website (www.bjmedia.com.cn) and the Stock Exchange's website (www.hkex.com.hk). The 2009 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders and available on the same websites in due course.

By order of the Board
Zhang Yanping
Chairman

Beijing, the PRC, 9 April 2010

As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Zhang Yabin, Sun Wei, He Pingping, Du Min, the non-executive directors of the Company, Liu Han, Xu Xun, Li Yigeng 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.

DEFINITIONS

"Articles of Association"	The Articles of Association of the Company as amended that was approved in the general meeting held on 20 June 2008
"Audit Committee"	The audit committee under the Board
"Beiqing CeCi"	Beiqing CeCi Advertising (Beijing) Limited, a jointly controlled entity of the Company
"Beiqing Top"	Beijing Beiqing Top Advertising Limited, a subsidiary of the Company
"Board"	The board of Directors
"BYD Logistics"	BYD Logistics Company Limited, a subsidiary of the Company
"COL"	Beijing China Open Promotion Co., Ltd., a wholly-owned subsidiary of the Parent with effect from 21 December 2009
"Company", or "us" or "Beijing Media"	Beijing Media Corporation Limited
"Company Law"	The Company Law of the PRC
"Directors"	The directors of the Company
"Domestic Share"	The ordinary shares of RMB1.00 per share in the capital of the Company
"Group"	The Company and its subsidiaries
"H Shares"	The foreign shares listed overseas of RMB1.00 per share in the ordinary share capital of the Company
"Heqing Media"	Heqing Media Corporation Limited, a subsidiary of the Company
"HYDA"	Hebei Youth Daily Agency, the substantial shareholder of Heqing Media
"Listing Rules"	The rules governing the listing of securities on the Stock Exchange
"Parent" or "BYDA"	Beijing Youth Daily Agency, the controlling shareholder of the Company

"PRC" or "China"	The People's Republic of China, not including Hong Kong, Macau Special Administration Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder"	has the meaning as ascribed under the Listing Rules
"Supervisors"	The supervisors of the Company