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 2010

FINANCIAL HIGHLIGHTS:

1. Turnover for the year of 2010 was RMB759,473,000, representing a decrease of RMB69,986,000 or 8.44% as compared with 2009

2. Profit before income tax for the year of 2010 was RMB106,684,000, representing a decrease of RMB48,325,000 or 31.18% as compared with 2009

3. Earnings per share was RMB0.52, representing a decrease of RMB0.24 or 31.58% as compared with 2009

4. The Board proposes to declare a final dividend of RMB0.50 per share, representing an increase of RMB0.10 or 25% as compared with 2009

The Board announces the audited consolidated results of the Group for the year ended 31 December 2010 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

	NOTES	**Year ended 31/12/2010** *RMB'000*	Year ended 31/12/2009 *RMB'000*
Turnover	*2*	**759,473**	829,459
Cost of sales		**(662,229)**	(725,139)
Gross profit		**97,244**	104,320
Investment income	*3*	**29,631**	36,636
Other income	*4*	**14,984**	4,530
Distribution and selling expenses		**(18,907)**	(15,319)
Administrative expenses		**(46,395)**	(41,296)
Finance costs	*5*	**(3,080)**	(4,828)
Impairment losses recognised on trade and other receivables		**(3,075)**	(9,936)
Release of financial guarantee liability		**16,484**	–
Financial guarantee expense		**–**	(16,611)
Gain on deemed disposal of a subsidiary		**17,948**	–
Share of loss of associates		**(465)**	–
Share of profit (loss) of jointly-controlled entities		**2,315**	(23,258)
Gain on disposal of a jointly-controlled entity		**–**	120,771
Profit before tax		**106,684**	155,009
Income tax expense	*6*	**(3,002)**	(5,857)
Profit for the year and total comprehensive income	*7*	**103,682**	149,152
Profit for the year and total comprehensive income attributable to:			
Owners of the Company		**101,644**	150,619
Non-controlling interests		**2,038**	(1,467)
		103,682	149,152
EARNINGS PER SHARE – basic and diluted (RMB per share)	*9*	**0.52**	0.76

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**31/12/2010**	31/12/2009
		RMB'000	*RMB'000*
Non-current Assets			
Property, plant and equipment		**15,631**	13,621
Prepayments for land use rights		**27,900**	28,789
Investment properties		**13,642**	8,372
Intangible assets		**22,747**	23,842
Interests in associates		**1,135**	1,000
Interests in jointly-controlled entities		**117,328**	–
Available-for-sale financial assets		**4,500**	–
Trade receivables	*10*	**1,868**	3,564
Other receivables, prepayments and deposits		**21,475**	34,596
Restricted bank deposits		**25,000**	85,000
Deferred tax assets		**1,034**	890
		252,260	199,674
Current Assets			
Prepayments for land use rights		**889**	889
Investment at fair value through profit or loss		**–**	2,000
Held-to-maturity financial assets		**5,000**	10,000
Inventories		**66,847**	69,580
Trade receivables	*10*	**132,754**	249,277
Other receivables, prepayments and deposits		**66,520**	91,641
Restricted bank deposits		**99,648**	77,494
Short-term bank deposits		**944,565**	943,587
Bank balances and cash		**198,963**	153,763
		1,515,186	1,598,231
Current Liabilities			
Trade payables	*11*	**137,299**	177,958
Other payables and accruals		**151,648**	129,552
Deferred revenues		**8,600**	19,329
Dividend payables to non-controlling shareholders		**2,717**	2,934
Income tax payables		**876**	1,857
Bank loans		**60,000**	–
Financial guarantee liability		**–**	16,484
		361,140	348,114
Net Current Assets		**1,154,046**	1,250,117
Total Assets less Current Liabilities		**1,406,306**	1,449,791
Capital and Reserves			
Share capital		**197,310**	197,310
Reserves		**1,184,741**	1,160,132
Equity attributable to owners of the Company		**1,382,051**	1,357,442
Non-controlling interests		**24,082**	27,349
Total Equity		**1,406,133**	1,384,791
Non-current Liability			
Bank loans		**–**	65,000
Deferred tax liabilities		**173**	–
		1,406,306	1,449,791

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 (the "HKICPA").

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK INT 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC) – INT 17	Distributions of Non-cash Assets to Owners

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

HKFRS 3 (as revised in 2008) Business Combinations

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised) is applicable, the application of HKFRS 3 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current accounting period.

Results of the Group in future periods, may be affected by future transactions for which HKFRS 3 (Revised) and the consequential amendments to the other HKFRSs are applicable.

HKAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (as revised in 2008) has resulted in changes in the term "minority interest" to "non-controlling interest" and the Group's accounting policies regarding increase or decrease in ownership interests in subsidiaries of the Group.

In prior years, in the absence of specific requirements in HKFRSs, increase in interests in existing subsidiaries was treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. The impact of decrease in interests in subsidiaries that did not involve loss of control (being the difference between the consideration received and the carrying amount of the share of net assets disposed of) was recognised in profit or loss. Under HKAS 27 (as revised in 2008), all increases or decreases in such interests are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date the control is lost. A gain or loss on loss of control is recognised in profit or loss as the difference between the proceeds, if any, and these adjustments.

These changes have been applied prospectively from 1 January 2010 in accordance with the relevant transitional provisions.

The application of the revised standard has affected the accounting for the Group's deemed disposal of part of its interest in Beijing Beiqing Top Advertising Limited* (北京北青鼎力傳媒廣告有限公司) ("Beiqing Top") in the current year. The change in policy has resulted in the difference of approximately RMB9,971,000 between the fair value of the retained interest in Beiqing Top of approximately RMB33,124,000 and the carrying amount of the retained interest in Beiqing Top of approximately RMB23,153,000 at the date the control is lost being recognised in profit or loss. Therefore, the change in accounting policy has resulted in an increase in the profit for the year and interests in jointly-controlled entities of approximately RMB9,971,000 and RMB9,971,000 respectively.

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)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKAS 12 (Amendment)	Deferred Tax – Recovery of Underlying Assets[6]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HKFRS 1 (Amendment)	Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 1 (Amendment)	First-time Adoption of HKFRSs – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments[3]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 February 2010.
3 Effective for annual periods beginning on or after 1 July 2010.
4 Effective for annual periods beginning on or after 1 January 2011.
5 Effective for annual periods beginning on or after 1 July 2011.
6 Effective for annual periods beginning on or after 1 January 2012.
7 Effective for annual periods beginning on or after 1 January 2013.

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

If HKFRS 9 is adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013, the application of the new Standard will have a significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled "Disclosures – Transfers of Financial Assets" add the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The Directors do not anticipate that these amendments to HKFRS 7 will have a significant effect on the Group's disclosures regarding transfers of trade receivables previously effected. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) will affect the Group because the Group is a government-related entity. The disclosure regarding related party transactions and balances in these consolidated financial statements will be affected when the revised version of the standard is applied in the future accounting periods because some counterparties such as state-owned enterprises that did previously meet the definition of a related party may be excluded from the scope of the standard.

The amendments to HKAS 32 titled "Classification of Rights Issues" address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Group has not entered into any arrangements that would fall within the scope of the amendments. However, if the Group does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to HKAS 32 will have an impact on the classification of those right issues.

HK(IFRIC) – INT 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC) – INT 19 will affect the required accounting. In particular, under HK(IFRIC) – INT 19, equity instruments issued under such arrangements will be measured at their fair value and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

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 results and the financial position of the Group.

2. TURNOVER AND SEGMENT INFORMATION

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

Segment information

The Group's operating segments, based on information reported to the Board of the Company, being the chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance.

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 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.

Segment turnover and results

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

For the year ended 31 December 2010

	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	**472,566**	**56,080**	**219,337**	**11,490**	**–**	**759,473**
Inter-segment sales	**–**	**188,889**	**–**	**–**	**(188,889)**	**–**
Total	**472,566**	**244,969**	**219,337**	**11,490**	**(188,889)**	**759,473**
Segment profit (loss)	**44,544**	**(4,376)**	**4,896**	**(16,142)**		**28,922**
Investment and other income						**44,615**
Unallocated corporate expenses						**(55)**
Finance costs						**(3,080)**
Release of financial guarantee liability						**16,484**
Gain on deemed disposal of a subsidiary						**17,948**
Share of loss of associates						**(465)**
Share of profit of jointly-controlled entities						**2,315**
Profit before tax						**106,684**

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)
Financial guarantee expense						(16,611)
Share of loss of jointly-controlled entities						(23,258)
Gain on disposal of a jointly-controlled entities						120,771
Profit before tax						155,009

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 associates, share of profit (loss) of jointly-controlled entities, gain on deemed disposal of a subsidiary, gain on disposal of a jointly-controlled entity, release of financial guarantee liability and financial guarantee 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.

Segment assets and liabilities

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

At 31 December 2010

	Advertising	**Printing**	**Trading of print-related materials**	**Distribution**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	**171,607**	**42,182**	**123,667**	**16,362**	**353,818**
Unallocated corporate assets					**1,413,628**
Consolidated assets					**1,767,446**
Segment liabilities	**146,790**	**53,933**	**85,929**	**13,612**	**300,264**
Unallocated corporate liabilities					**61,049**
Consolidated liabilities					**361,313**

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

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 deferred tax liabilities, bank loans, financial guarantee liability and income tax payables. Liabilities for which reportable segments are jointly liable are allocated on the basis of turnover earned by individual reportable segments.

Other segment information

For the year ended 31 December 2010

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)*	**6,027**	**3,834**	**171**	**931**	**10,963**
Depreciation	**2,607**	**186**	**155**	**691**	**3,639**
Amortisation charges	**1,920**	**12**	**11**	**78**	**2,021**
Loss on disposal of property, plant and equipment	**–**	**–**	**–**	**3**	**3**
Impairment losses on trade and other receivables	**61**	**–**	**3,014**	**–**	**3,075**
Reversal of write-down of inventories	**–**	**(1,409)**	**(1,192)**	**–**	**(2,601)**

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 associates	**–**	**–**	**–**	**–**	**1,135**	**1,135**
Interests in jointly-controlled entities	**117,328**	**–**	**–**	**–**	**–**	**117,328**
Share of loss of associates	**–**	**–**	**–**	**–**	**(465)**	**(465)**
Share of profit of jointly-controlled entities	**2,315**	**–**	**–**	**–**	**–**	**2,315**
Interest income	**17,687**	**1,527**	**1,367**	**4**	**8,832**	**29,417**
Finance costs	**(812)**	**–**	**–**	**(2,268)**	**–**	**(3,080)**
Income tax expense	**(174)**	**–**	**(630)**	**–**	**(2,198)**	**(3,002)**

For the year ended 31 December 2009

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)*	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 *RMB'000*	Printing *RMB'000*	Trading of print-related materials *RMB'000*	Distribution *RMB'000*	Unallocated *RMB'000*	Total *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)

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 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Interest on bank deposits	**26,980**	35,787
Imputed interest income on non-current trade and other receivables	**2,437**	475
Total interest income	**29,417**	36,262
Income from investment at FVTPL	**121**	–
Income from held-to-maturity financial assets	**93**	374
	29,631	36,636

Investment income earned on financial assets, analysed by category of financial assets not designed as at FVTPL, is as follows:

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Loans and receivables (including bank balances and cash)	**29,417**	36,262
Held-to-maturity financial assets	**93**	374
	29,510	36,636

4. OTHER INCOME

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Rental income *(a)*	**7,544**	4,150
Government grants *(b)*	**600**	–
Waiver of agency fee	**2,525**	–
Consultation service income	**330**	105
Financial guarantee income	**–**	127
Foreign exchange gains	**2,690**	–
Gain from changes in fair value of investment properties	**1,063**	–
Others	**232**	148
	14,984	4,530

Note:

(a) Direct outgoing in respect of rental income earned during the year ended 31 December 2010 amounted to approximately RMB3,164,000 (2009: RMB702,000), which has been included in administrative expenses.

(b) Government grants represented unconditional grant from the PRC government in relation to the project funds for technology of media at the provincial level Government grant was determined at the sole discretion of the relevant Chinese government authorities.

5. FINANCE COSTS

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Interest expense on bank loans wholly repayable within five years	**3,080**	4,764
Discount charges on bank acceptance notes	**–**	64
	3,080	4,828

6. INCOME TAX EXPENSE

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Current taxation – PRC Enterprise Income Tax ("EIT")	**2,782**	5,551
Under provision in prior years-PRC EIT	**191**	64
Deferred tax	**29**	242
	3,002	5,857

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 Company's PRC subsidiaries is 25% for both years.

7. PROFIT FOR THE YEAR

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

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Depreciation of property, plant and equipment	**3,639**	5,395
Amortisation charges (included in administrative expenses)	**2,021**	2,277
Total depreciation and amortisation	**5,660**	7,672
Auditors' remuneration	**1,560**	1,680
Foreign exchange gains	**2,690**	–
Loss on disposal of property, plant and equipment	**3**	118
Operating leases rental in respect of buildings	**8,427**	4,755
Impairment losses recognised on financial assets		
– trade and other receivables	**3,075**	9,936
– available-for-sale financial assets	**–**	136
	3,075	10,072
Reversal of write-down of inventories (included in cost of sales)	**(2,601)**	(1,078)
Employee benefit expenses	**53,843**	52,409
Cost of inventories charged to profit or loss	**397,299**	484,427

8. DIVIDENDS

	Year ended 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Dividends recognised as distribution during the year: 2009 Final – RMB0.40 (2009: 2008 final dividend RMB0.20) per share	**78,924**	39,462

At the annual general meeting held on 7 June 2010, the Shareholders approved the final dividends of RMB0.40 per ordinary share amounting to a total of RMB78,924,000 in respect of the year ended 31 December 2009. The amounts have been reflected as an appropriation of retained earnings for the year ended 31 December 2010.

The final dividend of RMB0.50 per share totaling RMB98,655,000 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 31/12/2010 *RMB'000*	Year ended 31/12/2009 *RMB'000*
Profit for the year attributable to the owners of the Company	**101,644**	150,619
Weighted average number of ordinary shares in issue (thousands)	**197,310**	197,310
Basic earnings per share (RMB per share)	**0.52**	0.76

Basic earnings per share and diluted earnings per share for the two years ended 31 December 2010 are the same as there were no diluting events existed during both years.

10. TRADE RECEIVABLES

	31/12/2010 *RMB'000*	31/12/2009 *RMB'000*
Trade receivables		
– Due from ultimate holding company	**8,685**	46,542
– Due from other related parties	**38,261**	56,254
– Due from third parties	**93,056**	164,108
	140,002	266,904
Less: Impairment loss recognised	**(5,380)**	(14,063)
Trade receivables	**134,622**	252,841
For reporting purpose, analysed as:		
Non-current assets	**1,868**	3,564
Current assets	**132,754**	249,277
	134,622	252,841

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

	31/12/2010	31/12/2009
	RMB'000	*RMB'000*
Within 3 months	**80,100**	100,577
4 months to 6 months	**24,139**	52,482
7 months to 12 months	**14,008**	38,783
1 year to 2 years	**15,485**	66,101
Over 2 years	**6,270**	8,961
	140,002	266,904

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 as at 31 December 2010 included balances of approximately RMB84,396,000 (2009: RMB133,238,000) which were neither past due nor impaired. The Group does not hold any collateral over the trade receivables that are neither past due nor impaired.

Before accepting any new customer, the Group's sales department will assess the potential customer's credit quality and fix credit limits to be granted to the customer. The credit limits attributed to customers are reviewed once a year. 60% (2009: 50%) of the trade receivables that are neither past due nor impaired have the good track record with the Group.

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 historical records 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 rate of 5.76% (2009: 5.76% to 7.47%) per annum.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately RMB50,226,000 (2009: RMB119,603,000) 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:

	31/12/2010	31/12/2009
	RMB'000	*RMB'000*
Overdue by:		
Within 3 months	**24,139**	48,552
4 months to 6 months	**7,004**	13,126
7 months to 12 months	**7,910**	24,298
1 year to 2 years	**11,098**	33,514
Over 2 years	**75**	113
	50,226	119,603

Receivables that were past due but not impaired relate to a number of independent customers that represent sales made to recognised and creditworthy independent customers. These customers who trade on credit terms are subject to credit verification procedures. 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.

Movement in the impairment loss on trade receivables:

	2010	2009
	RMB'000	*RMB'000*
1 January	**14,063**	6,281
Impairment loss recognised	**3,014**	9,936
Amount written off as uncollectible	**–**	(2,154)
Derecognised upon deemed disposal of a subsidiary	**(11,697)**	–
31 December	**5,380**	14,063

In determining the recoverability of a trade receivable, the Group considers the change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Included in the impairment loss of trade receivables are individually impaired trade receivables with an aggregate balance of approximately RMB4,582,000 (2009: RMB13,499,000). The Group does not hold any collateral over these balances.

Age of impaired trade receivables:

	31/12/2010	31/12/2009
	RMB'000	*RMB'000*
Overdue by:		
Within 3 months	**–**	–
4 months to 6 months	**–**	–
7 months to 12 months	**2,965**	–
1 year to 2 years	**559**	12,182
Over 2 years	**1,856**	1,881
	5,380	14,063

11. TRADE PAYABLES

	31/12/2010	31/12/2009
	RMB'000	*RMB'000*
Trade payables		
– Due to the ultimate holding company	**7,949**	8,904
– Due to other related parties	**25,470**	48,236
– Due to third parties	**103,880**	120,818
	137,299	177,958

The balance of trade payables as at 31 December 2010 includes bills payables of approximately RMB50,222,000 (2009: RMB39,790,000).

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

	31/12/2010	31/12/2009
	RMB'000	*RMB'000*
Within 3 months	**120,392**	142,662
4 months to 6 months	**14,031**	13,193
7 months to 12 months	**2,103**	21,186
1 year to 2 years	**270**	597
Over 2 years	**503**	320
	137,299	177,958

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.

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 customers, including commercial printers.

Total turnover of the Group for 2010 was RMB759,473,000 (2009: RMB829,459,000), representing a decrease of 8.44% as compared with 2009. Profit attributable to owners of the Company for 2010 was RMB101,644,000 (2009: RMB150,619,000), representing a decrease of 32.52% as compared with 2009.

In 2010, the Company's revenue from advertising sales was affected due to the strengthened Chinese government's macro control on domestic real estate market. With a commitment to innovations, our management team employed a variety of marketing tactics, incorporated new techniques and initiatives into market promotion to seek a new business model, and thus maintained the leading position in the advertising market of Beijing's metropolitan newspapers in the year. As a dominating mainstream media in Beijing, the Company still captured a wealth of opportunities in the unfavourable environment and maintained stable market share in terms of revenue from advertising sales, the source of the Company's principal operations, in print media sector in Beijing. Meanwhile, the results of the Company's subsidiaries achieved significant growths and grabbed a spotlight in the Group's development. Revenue of the Group from advertising sales for 2010 was RMB472,566,000 (2009: RMB469,031,000), representing an increase of 0.75% as compared with 2009.

In 2010, Heqing Media, a subsidiary of the Company, had made great strides in operating status and profitability, and witnessed a leap in business results, which was driven by the ever-increasing brand influence and significant improvement in content and media competitiveness of Hebei Youth Daily operated by Heiqing Media. With a turnaround in 2010, its revenue from advertising sales recorded a growth of 48.90% as compared with 2009, and the profit for the year reached nearly RMB5 million.

Under its tactics of attracting subscriptions through organising social events, Hebei Youth Daily staged a series of activities including "Reader's Skiing Festival" (讀者滑雪節), "Reader's Fairly Tale Festival" (讀者童話節), "Happy Planting Festival" (開心植樹節) and "Heqing Happy Farm" (河青開心農場), it has led to an advantageous regional coverage in the urban area of capital of Hebei province and a full-scale coverage of high-quality readership. Subscription channel was also broadened and reader base was optimised. In 2010, Hebei Youth Daily established its unique subscription advantage, ranking absolute No.1 in terms of retail volume in urban area of capital of Hebei province for three consecutive years. It has built up an apparent exclusive strength compared with other local mainstream newspapers, with the percentage of exclusive readership exceeding 60% and the percentage of the loyalty of readers at 89.7%. As a result, Hebei Youth Daily boasted a more cost efficient media platform with high value, a more creative advertisement team with strong promotion ability and a full spectrum of advertisement products. In particular, Heqing Group Sales (河青團購) has become a shining brand name in capital of Hebei province and a classic role model for Shijiazhuang city media sector to cooperate with merchants on market promotion.

In 2010, Heqing Media and Hebei Publishing Group (河北出版集團) entered into a strategic agreement, pursuant to which the parties agreed to pool their advantageous resources to explore on market opportunities in Hebei. The entering into the agreement is expected to further strengthen the leading marketing position of Heqing Media in Hebei province.

Beiqing CéCi, a subsidiary of the Company, focused on providing advertising agency service for CéCi (《CéCi姐妹科學》) magazine, a premium women's magazine for fashion mavens. In 2010, CéCi magazine generated considerable growth in the results of its advertising sales as compared with 2009. As a new fashion icon in Asia, CéCi magazine has been striving to promote the creative Asian cultural development. In July 2010, in order to better promote the Chinese ceramic culture, CéCi magazine integrated various resources and successfully introduced the "Chinese Ceramic T-shirt" (中國陶瓷T恤) series. To fulfill the objective of "Shaping Ceramic Arts into Chic Culture" (將陶瓷藝術時尚化), CéCi spared effort to establish effective promotion platforms during the session of Shanghai Expo, aiming to convey the richness of Chinese culture through ceramic arts to the world. Through series of marketing activities, CéCi magazine managed to establish a marvelous brand image.

In 2010, the Group further consolidated its internal resources, expanded investment channels and diversified investment portfolio. In particular, the Group established BQTM, an operating entity primarily engaging in brand new aviation media segment, and ZWST, a wholly-owned subsidiary primarily engaging in the operation of cybercafes chain nationwide, as well as participated in the restructuring of Keyin Media and invested in Suzhou Huaying Culture Industry Investment Enterprise (蘇州華映文化產業投資企業).

In 2010, by consolidating the LED business at Terminal 3 of Beijing Capital Airport and the business of the Civil Aviation Administration of China News (Inflight Edition) (《中國民航報TOP時空》), the Group established BQTM, an operating entity engaging in brand new aviation media segment. The Group will forge ahead with LED simulcast network at airports across the country, aviation print media and aviation outdoor media businesses through BQTM. Through which, our Group will become a leading cross-media aviation media group in the PRC.

As a strategic investor, Beijing Media participated in the restructuring of Keyin Media, a subsidiary of China Printing Group (中國印刷集團). Keyin Media is principally engaged in the business of printing professional journals and books, as well as internet, E-commerce of printing materials. The investment in Keyin Media will enable the Group to expand its industrial chain to printing media, printing industry exhibitions, E-commerce of printing materials and character database based on the existing business of BYD Logistics, thereby strengthening the print-related segments of the Group.

In light of the policies of the Chinese government on supporting and encouraging the chain operation, expansion, professionalizing and branding of cybercafes, and in response to the trend and policies to support and guide individual cybercafes into chain operations, Beijing Media established a wholly-owned subsidiary, ZWST, to perform national chain operation of cybercafes in the PRC through merger and acquisition nationwide.

In addition, in 2010, Beijing Media successfully invested in Suzhou Huaying Culture Industry Investment Enterprise (蘇州華映文化產業投資企業). The entity was jointly established by Suzhou High-Tech Venture Capital Group (蘇州高新創業投資集團) and Meridian Capital (SG) Ltd. with an expected total investment amount of RMB800 million, focusing on investment in media, film and television, culture and internet.

All of the investment initiatives above enabled the Group to diversify investment portfolio and set up extensive media platforms with comprehensive audience group, covering newspapers, magazines, internet and aviation broadcast. Meanwhile, the Group managed to provide all-round sophisticated media marketing platforms for advertisers to place advertisements, which enabled advertisers to maximize return by selecting diversified cross-channel, cross-media and cross-region advertising portfolios.

INDUSTRY REVIEW

In 2010, Beijing Media maintained its leading position in the industry with competitive advantages in key advertising sectors such as real estate, automobile, etc.. The Group further strengthened its cooperation with companies in real estate and automobile sectors through adoption of new technologies and new measures in advertising and marketing to proactively seek a new business model, enhancement of the placement of advertisements in relevant sectors through brand promotional campaigns and organization of seminars and exhibitions. By adopting these new technologies and initiatives in turn reinforced absolute competitive strength in the brand of Beijing Media in key advertising placement sectors such as automobile and real estate.

Through strengthened management of the fashion magazine Sunshine (《尚色》), the Group expanded its competitive advantages into high-end luxury products sector. In addition, other businesses of the Group also gained sound momentum in development and external printing business maintained attractive growth as well.

In 2011, the Group will continue to put emphasis on its core business, namely newspaper advertising sales, and to make efforts to develop multi-media business, consolidate the Group's resources and optimize corporate structure, with an aim to place a sound foundation for future operations.

ADVERTISING BUSINESS

Turnover from advertising sales of the Group for 2010 was RMB472,566,000, accounting for 62.22% of the total turnover (2009: RMB469,031,000, accounting for 56.55% of the total turnover), and representing an increase of 0.75% as compared with 2009.

The Group attached great importance to innovation and took the initiative to explore new models of advertising operations. Brand promotional campaigns effectively boosted the placement of advertisement in relevant sectors and enabled the Group to tap into a new sector, namely the exhibition industry. The Group organized automobile exhibitions and real estate seminars and exhibitions, which reinforced the absolute competitive advantages of the brand of Beijing Media in key advertising placement sectors such as automobiles and real estate in 2010 and thus brought the surge in turnover arising from placement of advertisements in automobile industry.

Moreover, the Group proactively capitalized on new technologies and new measures in advertising and marketing. Leveraging on widely applied 3D technology, Beijing Youth Daily introduced the first special edition featuring real estate exhibition in Beijing in September 2010 with vivid three-dimensional effects. The edition was well reputated by the customers and recorded significant revenue from advertising sales. This practice boosted the placement of advertisements and further cemented the market share.

In terms of marketing tactics, the Group further emphasized the importance of delivering customer-oriented services, proactively developed new customers and cultivated new selling points for its business. Instead of merely offering lower price to win customers yet at the expense of affecting the overall advertisement pricing system, the Group prepared tailor-made marketing plans for customers with no advertisement placed, set up an integrated communication platform for marketing and utilized the Group's various resources for customer services in a bid to make the best use of the Group's resources and explore additional sources of revenue, The Group attached more importance to the process management and team building in the internal management of advertisement operation. The Group also created a standardized working environment, improved operating efficiency and thus prevented and mitigated potential loopholes and risks. On top of the traditional communication method by personal visits and telephone calls, the Group launched a customer relations SMS platform to cater for market needs, providing customer service staff from the advertising department with alternative approach in offering services to advertisers.

PRINTING BUSINESS AND TRADING OF PRINT-RELATED MATERIALS

The Group engaged in printing business and trading of print-related materials through its subsidiary BYD Logistics. In 2010, turnover from printing business and trading of print-related materials of the Group was RMB56,080,000 and RMB219,337,000, respectively, representing an increase of 11.60% and a decrease of 27.28% as compared with 2009 (2009: RMB50,252,000 and RMB301,614,000, respectively).

On 11 December 2010, BYD Logistics established Beijing Youth Daily Digital Printing Centre (北京青年報數碼印刷中心), which made BYD Logistics become the first printing house producing photograph and digital prints in Beijing. The establishment aimed to build a one-stop industrial chain covering commercial photograph, placement prior to the output of graphic design, digital printing output and on-site finished products binding. This will further facilitate the development of the Group's printing business.

EVENTS ORGANIZED DURING THE YEAR

In 2010, the Company hosted again the 2010 Beijing Automobile Show, co-organized by Beijing Four Seasons Real Estate Trade Fair, participated in Beijing International Automotive Exhibition as the exclusive designated strategic newspaper partner and held Public Rating Activity on the Best Racing Car (賽道風雲評選) in the automobile industry.

With "Create Happy Auto Life, Welcome Greener Auto Society" (創造快樂汽車生活、迎接綠色汽車社會) as its theme, the 2010 Beijing Automobile Exhibition was held at National Conference Centre of Olympic Park from 12 to 15 August 2010. The four-day exhibition called up over 30 major first-tier brands with over 150 major models in the automobile market and attracted over 100,000 visitors. 2,014 cars were sold in total during the exhibition. This exhibition occupied larger areas with more brands participating as compared with previous ones. A number of brands chose to show their products in more spacious areas. Nissan March, Hyundai Verna and Mitsubishi ASX targeted this show as their debut of distribution in Beijing. Beijing Automobile Exhibition is well positioned itself as a platform for auto makers to launch new models in Beijing. The increasing number of new cars and stricter participation standards enabled Beijing Automobile Exhibition which our Group is devoted to step forward to a higher level, namely Grade B auto exhibition. It also organized a series of humanistic and public charity events similar to those held during the previous exhibitions. The 2010 Beijing Automobile Model Contest was sponsored by the Shanghai auto brand Roewe. Other activities also gained wide recognition and support from participants. The 2010 Beijing Automobile Exhibition has become a platform for car manufacturers, distributors and the general public in Beijing to interact and exchange information and ideas.

Since August 2010, Beijing Media has planned and organized the "Charm of the Suburban Beijing– the Best Holiday Residence for Readers" (魅力京郊榜－讀者最滿意的假日棲居地) contest. Activities covered substantially all aspects of leisure trips, such as resorts, rural trips, hot spa, fruit picking, skiing and golf. Hundreds of tourist attractions and projects in suburban of Beijing participated in the contest, providing the public with a channel to know more about the rich tourist resources in suburban of Beijing and boosting the placement of tourist advertisements.

On 5 June 2010, the World Environment Day, Beijing Media organized "Greener World, Greener Life" (綠行天下　綠動生活) healthy walk activity, conveying the concept of low carbon and environmental friendly lifestyle to the community and raising the public's awareness of environment protection and healthcare. In addition, the Company also assisted New Balance in holding "New Balance 6 Km Race City Series" (新百倫愛跑6公里城市系列賽) – Beijing Stop in the Olympics Forest Park. These social events with public hot issues generated desirable advertising revenue and gained good publicity.

PROSPECTS AND FUTURE PLANS

In 2011, Sunshine, the fashion magazine invested and operated by the Group, will forge its alliance with Beijing Women Union by launching a brand new magazine, SUNSHINE Career Women. As a career fashion magazine focusing on the needs and life quality of the office ladies, SUNSHINE Career Women will further center on its targeted readers to provide a wealth of fabulous articles featuring skincare, arts and entertainment, social care, healthy emotions for female readers, becoming a companion full of wisdom and energy for office ladies to live a fabulous life. The big layout version of SUNSHINE Career Women and CéCi magazine, being core periodicals of our fashion magazine business, will strengthen the position of the Group in the luxury products industries, such as beauty and jewelry.

Meanwhile, the Group will expand and strengthen its aviation media business, printing media and related chain business based on the existing business operating by its members. Focusing on transformation of print media into digital media as well as the realization of cross-media placement of advertisement in advantageous sectors, the Group will take the initiative to seek breakthroughs in the fields of internet, mobile phone and electronic readers, and share the opportunities arising from the rapid development of new media markets. The Group will further expand professional media businesses on the basis of high-end education and tourism sectors, etc..

With the great support from the Beijing Municipal Government and the concerted efforts of the staff, the Group will establish an extensive media platform through the above-mentioned development plans and position itself as a leading cross-media corporation in the PRC to optimize maximum returns for its Shareholders.

FINANCIAL POSITION AND OPERATIONAL RESULTS

1. Turnover

Turnover of the Group for 2010 was RMB759,473,000 (2009: RMB829,459,000), representing a decrease of 8.44% as compared with 2009. Revenue from advertising sales was RMB472,566,000 (2009: RMB469,031,000), representing an increase of 0.75% as compared with 2009. Revenue from printing was RMB56,080,000 (2009: RMB50,252,000), representing an increase of 11.60% as compared with 2009. Revenue from trading of print-related materials was RMB219,337,000 (2009: RMB301,614,000), representing a decrease of 27.28% as compared with 2009.

2. Cost of Sales and Operating Expenses

Cost of sales of the Group for 2010 was RMB662,229,000 (2009: RMB725,139,000), representing a decrease of 8.68% as compared with 2009. Operating expenses of the Group for 2010 was RMB65,302,000 (2009: RMB56,615,000), representing an increase of 15.34% as compared with 2009. Operating expenses accounted for 8.60% (2009: 6.83%) of the Group's turnover for 2010, comprising mainly selling and distribution expenses as well as administrative expenses.

3. Gross Profit

Gross profit of the Group for 2010 was RMB97,244,000 (2009: RMB104,320,000), representing a decrease of 6.78% as compared with 2009. Gross profit margin of the Group for 2010 was 12.80% (2009: 12.58%).

4. Profit Attributable to owners of the Company

Profit attributable to owners of the Company for 2010 was RMB101,644,000 (2009: RMB150,619,000), representing a decrease of 32.52% as compared with 2009.

5. *Final Dividend*

The Board recommends the distribution of a final dividend of RMB0.50 per share (2009: RMB0.40 per share).

6. *Non-current Assets*

As at 31 December 2010, the non-current assets of the Group was RMB252,260,000 (31 December 2009: RMB199,674,000) which mainly comprised of property, plant and equipment, prepayments for land use rights, investment properties and intangible assets of RMB15,631,000 (31 December 2009: RMB13,621,000), RMB27,900,000 (31 December 2009: RMB28,789,000), RMB13,642,000 (31 December 2009: RMB8,372,000), and RMB22,747,000 (31 December 2009: RMB23,842,000) respectively; interests in jointly-controlled entities was RMB117,328,000 (31 December 2009: RMBnil) and interests in associates was RMB1,135,000 (31 December 2009: RMB1,000,000); available-for-sale financial assets was RMB4,500,000 (31 December 2009: RMBnil); trade receivables was RMB1,868,000 (31 December 2009: RMB3,564,000), other receivables, prepayments and deposits was RMB21,475,000 (31 December 2009: RMB34,596,000), restricted bank deposits was RMB25,000,000 (31 December 2009: RMB85,000,000) and deferred tax assets was RMB1,034,000 (31 December 2009: RMB890,000).

7. *Net Current Assets*

As at 31 December 2010, net current assets of the Group was RMB1,154,046,000 (31 December 2009: RMB1,250,117,000). Current assets mainly comprised of bank balances and cash of RMB198,963,000 (31 December 2009: RMB153,763,000), short-term bank deposits of RMB944,565,000 (31 December 2009: RMB943,587,000), restricted bank deposits of RMB99,648,000 (31 December 2009: RMB77,494,000), inventories of RMB66,847,000 (31 December 2009: RMB69,580,000) as well as trade receivables of RMB132,754,000 (31 December 2009: RMB249,277,000), other receivables, prepayments and deposits of RMB66,520,000 (31 December 2009: RMB91,641,000), held-to-maturity financial assets of RMB5,000,000 (31 December 2009: RMB10,000,000), investments at fair value through profit or loss of RMBnil (31 December 2009: RMB2,000,000) and prepayments for land use rights of RMB889,000 (31 December 2009: RMB889,000). Current liabilities mainly comprised of bank loans of RMB60,000,000 (31 December 2009: RMBnil), trade payables of RMB137,299,000 (31 December 2009: RMB177,958,000), other payables and accruals of RMB151,648,000 (31 December 2009: RMB129,552,000), deferred revenues of RMB8,600,000 (31 December 2009: RMB19,329,000), dividend payables to non-controlling shareholders of RMB2,717,000 (31 December 2009: RMB2,934,000), income tax payables of RMB876,000 (31 December 2009: RMB1,857,000), and financial guarantee liability of RMBnil (31 December 2009: RMB16,484,000).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group has maintained a stable cash flow. Bank balances and cash and short-term bank deposits of the Group was RMB1,143,528,000 (31 December 2009: RMB1,097,350,000). As at 31 December 2010, equity-to-borrowing ratio (defined as a percentage of net interest-bearing borrowings over equity attributable to owners of the Company) of the Group was 4.34% (31 December 2009: 4.79%).

EQUITY-TO-DEBT RATIO

As at 31 December 2010, equity-to-debt ratio of the Group was 389.17% (31 December 2009: 335.21%). (Ratio derived from dividing the Group's total equity by its total liabilities).

TAXATION

For the year ended 31 December 2010, taxation expenses of the Group were RMB3,002,000 (2009: RMB5,857,000), representing a decrease of 48.75% as compared with 2009. The effective tax rate applicable to the Group decreased from 3.78% in 2009 to 2.81% in 2010. The taxation authority in the PRC has granted the Company a tax exemption of five years from 1 January 2009 to 31 December 2013.

BANK BORROWINGS, OVERDRAFTS AND OTHER BORROWINGS

As at 31 December 2010, bank loans of the Group was RMB60,000,000 (31 December 2009: RMB65,000,000); such bank loans bear interest of 4.86% p.a. (2009: 4.86% p.a.).

FINANCE COST

Finance cost of the Group for 2010 was RMB3,080,000 (2009: RMB4,828,000).

Five-Year Results Highlights

	For the year ended 31 December				
	2010	2009	2008	2007	2006
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Turnover	**759,473**	829,459	1,081,116	837,676	792,492
Profit for the year	**103,682**	149,152	37,463	10,885	21,975
Profit attributable to owners of the Company	**101,644**	150,619	40,309	10,639	21,917
Earnings per share – basic and diluted (RMB)	**0.52**	0.76	0.20	0.05	0.11

	As at 31 December				
	2010	2009	2008	2007	2006
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
			(Restated)	(Restated)	(Restated)
Total assets	**1,767,446**	1,797,905	1,680,887	1,610,906	1,593,709
Total liabilities	**361,313**	413,114	402,073	351,565	305,509
Equity attributable to owners of the Company	**1,382,051**	1,357,442	1,246,285	1,219,782	1,248,605
Shareholders' equity per share as at the end of the year (RMB)	**7.00**	6.88	6.32	6.18	6.33

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 2010:

	Proposed amount to be used	**Actual amount used**
	HK$	*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 2010, 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 Chinese government has not yet released 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 2010, 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 2011.

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 equipments, intangible assets and investment properties) of the Group for 2010 was RMB9,900,000 (2009: RMB9,890,000). Capital expenditures of the Group for 2010 mainly comprised expenditure consistent with business strategies.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2010, the Company entered into an entrusted loan agreement with China Everbright Bank, pursuant to which the Company would provide a loan of no more than RMB25,000,000 in total to Beiqing CéCi.

As at 31 December 2010, the Company entered into an entrusted loan agreement with China CITIC Bank, pursuant to which the Company would provide a loan of no more than RMB5,000,000 in total to Beiqing CéCi.

As at 31 December 2010, the Company entered into an entrusted loan agreement with China Everbright Bank, pursuant to which the Company would provide a loan of no more than RMB60,000,000 in total to Heqing Media.

As at 31 December 2010, the Company entered into an entrusted loan agreement with Guangdong Development Bank, pursuant to which the Company would provide a loan of no more than RMB3,600,000 in total to Beiqing Top.

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

MATERIAL INVESTMENTS

The Company established its wholly-owned subsidiary, ZWST, on 19 August 2010, with a registered capital of RMB20 million.

On 9 August 2010, the Company and Trans-media established BQTM with a registered capital of RMB156.86 million. The Company contributed 51% of the registered capital of BQTM in the amount of RMB80 million.

Save as disclosed above, there was no other material investment made by the Company in 2010.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

During 2010, there was no material acquisition or disposal of assets made by 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 and the management team have reviewed the accounting principles and practices adopted by the Group. 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 2010 without dissenting opinions.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 our 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 for the year ended 31 December 2010.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2010, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

RESULTS AND DIVIDEND

Turnover of the Group for the year of 2010 was approximately RMB759,473,000. Profit before tax was approximately RMB106,684,000. Profit attributable to owners of the Company was approximately RMB101,644,000. Pursuant to the prospectus of the Company issued on 13 December 2004, the Directors may determine with discretion whether to declare any dividend and to determine with discretion the amount, if any. The Company held its annual Board meeting on Friday, 18 March 2011 to propose a resolution recommending distribution of final dividend of RMB0.50 per share (tax inclusive) in an aggregate amount of approximately RMB98,655,000 for the year ended 31 December 2010. If the profit distribution proposal is approved by the Shareholders in the annual general meeting of 2010 by way of an ordinary resolution, the final dividend will be paid to the shareholders whose names appear on the register of members of the Company on Tuesday, 12 April 2011.

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 Tuesday, 12 April 2011 to Friday, 13 May 2011 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending the annual general meeting for the year of 2010 and voting in the meeting as well as qualifying 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 4:30 p.m. on Monday, 11 April 2011.

CORPORATE GOVERNANCE

During the year ended 31 December 2010, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

PUBLICATION OF THE RESULT ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the Company's website (www.bjmedia.com.cn) and the website of Hong Kong Stock Exchange (www.hkex.com.hk). The 2010 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, 18 March 2011

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

DEFINITIONS

"Audit Committee"	audit commttee of the Board
"Beijing Women Union"	The Women Union of Beijing
"Beiqing CéCi"	Beiqing CéCi Advertising (Beijing) Limited, a subsidiary of the Company
"Beiqing Top"	Beijing Beiqing Top Advertising Limited, a subsidiary of the Company
"Board"	The board of Directors
"BQTM"	Beiqing Transmedia Advertising Limited, a subsidiary of the Company
"BYD Logistics"	BYD Logistics Company Limited, a subsidiary of the Company
"Company", or "us" or "Beijing Media"	Beijing Media Corporation Limited
"Company Law"	The Company Law of the People's Republic of China
"Directors"	The directors of the Company
"Domestic Shares"	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"	Hebei Heqing Media Corporation Limited, a subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HYDA"	Hebei Youth Daily Agency, the substantial shareholder of Heqing Media
"Keyin Media"	Beijing Keyin Media and Culture Co., Ltd.
"LEP Media"	Legal Evening Post Media Company Limited, a subsidiary of the Company
"Listing Rules"	The rules governing the listing of securities on the Hong Kong Stock Exchange
"Main Board"	The main board of the Hong Kong Stock Exchange
"Parent" or "BYDA"	Beijing Youth Daily Agency, the controlling shareholder of the Company
"PRC" or "China"	The People's Republic of China, excluding Hong Kong, Macau Special Administration Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Expo"	The World Expo held in Shanghai, the PRC during 2010
"Supervisors"	The supervisors of the Company
"Trans-media"	Beijing Trans-media Co., Ltd.
"ZWST"	Beijing Zhong Wang Shi Tong Technologies Co, Ltd., a wholly-owned subsidiary of the Company