



HK Stock Code: 1000

2010 INTERIM REPORT

Beijing Media Corporation Limited

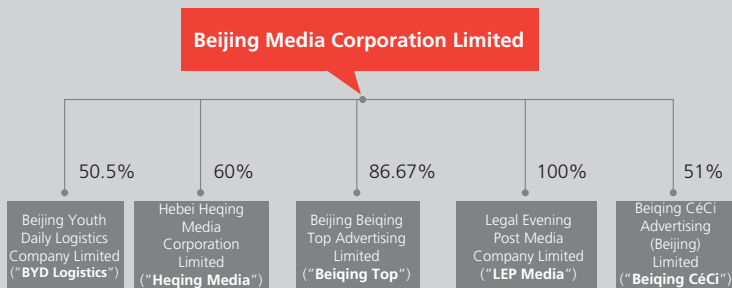
A joint stock company incorporated
in the People's Republic of China with limited liability

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COMPANY PROFILE

Beijing Media Corporation Limited (the “Company” or “Beijing Media”, together with its subsidiaries collectively as the “Group”), is one of the leading media companies in the People’s Republic of China. The Company’s main advertising medium is Beijing Youth Daily (《北京青年報》). Other core businesses of the Group include the production of newspapers, printing and trading of print-related materials. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 22 December 2004.

COMPANY STRUCTURE



COMPANY WEBSITE

www.bjmedia.com.cn

STOCK INFORMATION

- Stock Code: 1000
- Board Lot: 500 Shares
- Number of Shares Issued (as at 30 June 2010): 197,310,000
- Market Capitalization (as at 30 June 2010): HK\$966.82 million
- Financial Year End: 31 December
- Bloomberg’s Stock Machine Search Code: 1000 HK Equity
- Reuters Stock Machine Search Code: 1000. HK

EXECUTIVE DIRECTORS¹

Zhang Yanping (*Chairman*)
Zhang Yabin
Sun Wei (*President*)

NON-EXECUTIVE DIRECTORS²

Li Shiheng
Wu Peihua
Liu Han
Xu Xun
Li Yigeng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Tsang Hing Lun
Wu Changqi
Liao Li

COMPANY SECRETARY

Yu Leung Fai

AUDIT COMMITTEE

Tsang Hing Lun (*Chairman*)
Wu Changqi
Liu Han

REMUNERATION COMMITTEE

Wu Changqi (*Chairman*)
Tsang Hing Lun
Liao Li

AUTHORIZED REPRESENTATIVES³

Zhang Yanping
Sun Wei

ALTERNATIVE AUTHORIZED REPRESENTATIVES⁴

Shang Da
Yu Leung Fai

REGISTERED OFFICE

Building A, No. 23 Baijiazhuang Dongli,
Chaoyang District, Beijing,
the People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

LEGAL ADVISER (as for Hong Kong Law)

DLA Piper Hong Kong
17/F Edinburgh Tower, The Landmark,
15 Queen's Road, Central, Hong Kong

INTERNATIONAL AUDITORS

SHINEWING (HK) CPA Limited
43/F Lee Gardens, 33 Hysan Avenue,
Causeway Bay, Hong Kong

DOMESTIC AUDITORS

ShineWing Certified Public Accountants Co., Ltd.
9/F, Block A, Fu Hua Mansion,
No. 8 Chaoyangmen Beidajie, Dongcheng District,
Beijing, the People's Republic of China

HONG KONG SHARE REGISTRAR

Computershare Hong Kong
Investor Services Limited
46/F, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Notes:

1. Mr. He Pingping and Mr. Du Min ceased to be executive directors of the Company with effect from 7 June 2010, please refer to the announcement of the Company dated 9 April 2010 for details.
2. Mr. Li Shiheng and Ms. Wu Peihua were appointed as non-executive directors of the Company with effect from 7 June 2010, please refer to the announcement of the Company dated 9 April 2010 for details.
3. Mr. Du Min ceased to be the authorized representative of the Company with effect from 7 June 2010 and Mr. Zhang Yanping was appointed as the authorized representative of the Company with effect from 7 June 2010, please refer to the announcement of the Company dated 10 June 2010 for details.
4. Mr. Tsang Hing Lun ceased to be the alternative authorized representative of the Company with effect from 7 June 2010 and Mr. Shang Da was appointed as the alternative authorized representative of the Company with effect from 7 June 2010, please refer to the announcement of the Company dated 10 June 2010 for details.

Dear Shareholders,

On behalf of the Group, I am pleased to present the report on interim results of the Group for the six months ended 30 June 2010.

BUSINESS REVIEW OF THE GROUP

The Group is principally engaged in three core businesses: (1) advertising business, which contributed most of the turnover of the Group; (2) printing business, the turnover in which is principally derived from the revenue generated from the printing services provided by BYD Logistics; and (3) trading business of print-related materials, which involves the supply and trading of, among other things, newsprint, ink, lubricants, films, PS boards and rubber sheets to third parties (including commercial printers etc.).

Total turnover of the Group for the first half of 2010 was RMB351,803,000 (corresponding period of 2009: RMB377,526,000), representing a decrease of approximately 6.81% as compared with that for the corresponding period of 2009. Profit attributable to owners of the Company was approximately RMB36,878,000 (corresponding period of 2009: RMB9,645,000), representing an increase of approximately 282.35% as compared with that for the corresponding period of 2009.

RESULTS OF GROUP MEMBERS

Total turnover from advertising business of the Group for the first half of 2010, mainly derived from Beijing Media, was RMB210,550,000 (corresponding period of 2009: RMB192,644,000), representing an increase of approximately 9.29% as compared with that for the corresponding period of 2009.

The sales volume of advertising business for plane media as a whole shrank in the first half of 2010 due to the global financial crisis. However, Beijing Youth Daily (《北京青年報》) secured its stable position with a leading advertising market share among the major metropolitan newspapers in Beijing. In the face of the challenging plane media market, Beijing Media took initiatives to diversify its business models, and organized the housing exhibition, the summer hiking event themed "Green Trip, Green Life" (綠行天下、綠動生活) and the "Let's Goal" (追球) campaign in line with the World Cup event. The rollout of Sunshine (《尚色》), a new magazine targeting high-end readership of luxurious brand consumers, marked another milestone for Beijing Youth Daily (《北京青年報》) in expanding its advertising sales business on luxury products. Such series of events helped to improve the operating results of the Group's advertising business. In addition, Qionghai Special Issue (《瓊海特刊》) and Qinhuangdao Special Issue (《秦皇島特刊》) were launched in the first half of 2010 as a move to explore market resources outside Beijing and recorded sound gains. Those series of events and the operational initiatives forced the improvement of the results of advertising business sales and operational management expertise of Beijing Media, allowing it to maintain a good momentum in spite of the unfavourable external market environment.

The Group is also engaged in the printing business and the trading of print-related materials through its subsidiary BYD Logistics. Turnover of the Group from the printing business and the trading of print-related materials for the first half of 2010 was RMB24,930,000 and RMB110,895,000 (corresponding period of 2009: RMB25,187,000 and RMB155,614,000), respectively, representing a decrease of 1.02% and 28.74% as compared with those of the corresponding period of 2009, respectively.

The major revenue generators of BYD Logistics for the first half of 2010 shifted from revenue from intra-group printing and trading business to revenue from third-party printing and trading business. Notable success was achieved in building up a diversified non-intra-group third-party customer portfolio.

Heqing Media, a subsidiary of Beijing Media established in Hebei Province, is principally engaged in the publication of Hebei Youth Daily (《河北青年報》) and the sales of its advertising space. During the first half of 2010, the average daily circulation of Hebei Youth Daily remained above 110,000. Driven by effective advertisement, publication and operations, it brings increasing advertisement value addition to its existing and new customers under a multi-channel, cross-media and comprehensive service matrix. While fully covering the city, Hebei Youth Daily focuses on distribution in major urban areas to highlight its quality and positioning, and extends its presence through intercity transit and airlines. As the new leading media in Shijiazhuang, it devoted much effort in improving the layout image and content in 2010. A wide range of activities were organized including launching of Heqing Forum (河青大講堂), realization of the Children's Day Wishes of Yushu, carousing with the World Cup (暢飲世界杯), Real Happy Farm and Donation for drought-fighting, which further enhanced its reputation in the newspaper and periodical market of Shijiazhuang. On business operations, thanks to expanded niches and improved services under enhanced management, turnover of Heqing Media for the first half of 2010 increased by 50.62% as compared with that for the corresponding period of 2009, of which revenue from advertising business increased by 55.07% and revenue from publication increased by 33.01%.

CéCi (《CéCi姐妹科學》) is the first Korean-style trendy magazine introduced into the People's Republic of China by Beiqing CéCi which was jointly established by Beijing Media and a Korean partner. Its lively wording and easygoing style give the best annotation to the orient trendy life of Chinese professional ladies. By organizing regular market activities between readership and brands, Beiqing CéCi dedicates to promoting innovative Asian culture, such as inviting certain renowned stylists including teacher Xiao P to demonstrate trendy makeup and fashion mix for spring and summer 2010 in various shopping malls, presenting Asian-style makeup to the general readers. Joining the efforts of PT Platinum Gold International Association ("PT國際鉑金國際協會") and the jewellery giant Chow Sang Sang, it presented a practical and marvellous wedding show in the 2010 Wedding Expo. In the Chinese International Clothing Exposition, an on-site seminar of "Asian New Fashion" was delivered by staff of Beiqing CéCi. At the "LOHAS Beauty" ("樂活美人") event co-hosted with Marja Kurki and Zen Yoga Center, an on-site demonstration of Asian stylish accessory mix was also presented. The holding of the said campaigns, while showcasing the charm of "Asian New Fashion", increased the awareness of CéCi among more brands and readers.

CéCi has extended its presence across major cities in the People's Republic of China including Hong Kong Special Administrative Region. Through two years' operation, CéCi, being the favourite magazine of urban white-collar, has become the most popular female magazine in Beijing and Shanghai, and is well recognized by the experts in the industry. With a sound track record of sales since its launching, the revenue from advertising sales of CéCi for the first half of 2010 increased significantly as compared with that for the corresponding period of 2009, representing an increase of 129%.

BUSINESS EXPANSION OF THE GROUP

During the first half of 2010, Beijing Media continued to press forward its business shifting from traditional media to new media. Based on the fast-growing Heqing Media, the Company took more efforts in Hebei market development, including entering into a strategic cooperation agreement with Hebei Publishing Group to tap on opportunities in the book publication sector. While exploring the new investment fields, Beijing Media also focused on drawing upon the influence of its existing media in Beijing mainstream audience, especially the significant media effects in the automobile sector. The aviation media segment was also proceeding smoothly by Beijing Media. After repositioning itself as a mainstream financial press, the Civil Aviation Administration of China News (Inflight Edition) (《中國民航報機艙版-TOP時空》) further launched local special issues targeting regional markets and a fleet of aviation periodicals was taking shape. In addition, the Company hosted large-scale exhibitions to make full play of media influence in its readership base and dominating industries. The exhibition with two successful sessions has become one of the most influential annual automobile shows in Beijing. The 2010 Beijing Automobile Exhibition was held in August this year, it covered nearly 30,000 square metres in 4 exhibition halls, a double area of the previous one, where more than 100 new models of 30 brands will be showcased.

PROSPECTS AND FUTURE PLANS

Looking into its advertising operations in the second half of 2010, the Group will continue to uphold its operating philosophy adopted in the first half of 2010. The Group will continue to pursue higher profitability by increasing consolidation of internal resources, advancing innovative solutions and introducing fresh approach to diversify advertising operations. In the meantime, to secure its number one market position in cosmopolis mainstream newspaper media in Beijing, the Group will continue to enhance innovation for advertisers from different industries and to roll out various promotional activities.

In the second half of 2010, the Group will, through Beijing CéCi, continue to forge a brand new platform for its trendy magazine media. Following the successful release and distribution of the magazine, position in mainstream plane media will be sought for the magazine, so as to seek the better development of the trendy magazine media sector.

In the second half of 2010, the Company will further press ahead the chain internet bar business to explore the opportunities in new media market. To facilitate the aviation media segment, the Company will continue to extend its LED business from Terminal 3 of Beijing Capital Airport to other airports, aiming to build up a LED media network covering airport terminals of major cities across the People's Republic of China as soon as possible.

While maintaining its existing core businesses in the second half of 2010, the Company intends to further diversify its media business through selective acquisitions and cooperation. Aiming at further development, the Group will bolster its ongoing relationship with Beijing Youth Daily Agency, in order to stand out from its peers as a leading cross-media company in the People's Republic of China.

The Group's business growth is heavily dependent on the concerted efforts of our management and staff in each enterprise. The quality of the management and staff is the key to our success in seizing favourable market opportunities. On behalf of the Company's shareholders and other members of the board of directors, I would like to take this opportunity to express my sincere gratitude to the management and staff of each of the enterprises.

Zhang Yanping

Chairman

20 August 2010

Beijing, the People's Republic of China

FINANCIAL POSITION AND OPERATIONAL RESULTS**1. Turnover**

For the six months ended 30 June 2010, turnover of the Group was RMB351,803,000 (corresponding period of 2009: RMB377,526,000), representing a decrease of 6.81% as compared with that for the corresponding period of 2009. Revenue from advertising increased by RMB17,906,000, representing an increase of 9.29% as compared with that for the corresponding period of 2009. Revenue from printing decreased by RMB257,000, representing a decrease of 1.02% as compared with that for the corresponding period of 2009. Revenue from the trading of print-related materials decreased by RMB44,719,000, representing a decrease of 28.74% as compared with that for the corresponding period of 2009.

2. Cost of Sales and Operating Expenses

For the six months ended 30 June 2010, cost of sales of the Group was RMB313,846,000 (corresponding period of 2009: RMB343,548,000), representing a decrease of 8.65% as compared with that for the corresponding period of 2009. Operating expenses were RMB32,254,000 (corresponding period of 2009: RMB23,170,000), representing an increase of 39.21% as compared with that for the corresponding period of 2009. Operating expenses accounted for 9.17% (corresponding period of 2009: 6.14%) of turnover of the Group for the first half of 2010, comprising mainly distribution and selling expenses as well as administrative expenses.

3. Gross Profit

For the six months ended 30 June 2010, gross profit of the Group was RMB37,957,000 (corresponding period of 2009: RMB33,978,000), representing an increase of 11.71% as compared with that for the corresponding period of 2009. Gross profit margin was 10.79% (corresponding period of 2009: 9%).

4. Investment and other income

For the six months ended 30 June 2010, investment and other income of the Group was RMB19,364,000 (corresponding period of 2009: RMB23,693,000), representing a decrease of 18.27% as compared with that for the corresponding period of 2009.

5. Finance cost

For the six months ended 30 June 2010, finance cost of the Group was RMB1,559,000 (corresponding period of 2009: RMB2,963,000), excluding net foreign exchange gains of RMB719,000 (corresponding period of 2009: RMB33,000), representing a decrease of 47.38% as compared with that for the corresponding period of 2009.

6. Release of financial guarantee liability

For the six months ended 30 June 2010, release of financial guarantee liability of the Group was RMB16,484,000 (corresponding period of 2009: nil).

FINANCIAL POSITION AND OPERATIONAL RESULTS *(Continued)***7. Profit Attributable to owners of the Company**

For the six months ended 30 June 2010, profit attributable to owners of the Company was RMB36,878,000 (corresponding period of 2009: RMB9,645,000), representing an increase of 282.35% as compared with that for the corresponding period of 2009.

8. Non-current Assets

As at 30 June 2010, non-current assets of the Group was RMB186,689,000 (31 December 2009: RMB199,674,000) which mainly comprised property, plant and equipment, prepayments for land use rights, investment properties and intangible assets of RMB12,385,000 (31 December 2009: RMB13,621,000), RMB28,345,000 (31 December 2009: RMB28,789,000), RMB9,045,000 (31 December 2009: RMB8,372,000), and RMB23,305,000 (31 December 2009: RMB23,842,000); and interests in associates of RMB866,000 (31 December 2009: RMB1,000,000). In addition, long-term trade receivables of RMB2,745,000 (31 December 2009: RMB3,564,000), and long-term other receivables, prepayments and deposits of RMB24,190,000 (31 December 2009: RMB34,596,000), restricted bank deposits of RMB85,000,000 (31 December 2009: RMB85,000,000), and deferred tax assets of RMB808,000 (31 December 2009: RMB890,000).

9. Net Current Assets

As at 30 June 2010, net current assets of the Group was RMB1,216,831,000 (31 December 2009: RMB1,250,117,000). Current assets mainly comprised prepayments for land use rights of RMB889,000 (31 December 2009: RMB889,000), and investments at fair value through profit or loss of RMB5,500,000 (31 December 2009: RMB2,000,000), and held-to-maturity financial assets of RMB3,000,000 (31 December 2009: RMB10,000,000), and inventories of RMB64,923,000 (31 December 2009: RMB69,580,000), and trade receivables of RMB224,516,000 (31 December 2009: RMB249,277,000), and other receivables, prepayments and deposits of RMB77,541,000 (31 December 2009: RMB91,641,000), and restricted bank deposits of RMB57,694,000 (31 December 2009: RMB77,494,000), and short-term bank deposits of RMB1,004,921,000 (31 December 2009: RMB943,587,000), and bank balances and cash of RMB135,535,000 (31 December 2009: RMB153,763,000). Current liabilities mainly comprised trade payables of RMB127,493,000 (31 December 2009: RMB177,958,000), and other payables and accruals of RMB134,230,000 (31 December 2009: RMB129,552,000), and deferred income of RMB13,841,000 (31 December 2009: RMB19,329,000), and dividends payable of RMB80,865,000 (31 December 2009: RMB2,934,000), and income tax payable of RMB1,259,000 (31 December 2009: RMB1,857,000), and financial guarantee liability of RMBnil (31 December 2009: RMB16,484,000).

10. Liquidity and Financial Resources

As at 30 June 2010, the Group has maintained a stable cash flow. Bank balances and cash and short term bank deposits of the Group was RMB1,140,456,000 (31 December 2009: RMB1,097,350,000). As at 30 June 2010, the equity-to-borrowing ratio (defined as a percentage of net interest-bearing borrowings over share capital and reserves attributable to the owners of the Company) was 4.56% (31 December 2009: 4.79%).

FINANCIAL POSITION AND OPERATIONAL RESULTS (Continued)

11. Equity-to-Debt Ratio

As at 30 June 2010, equity-to-debt ratio of the Group was 321.66% (31 December 2009: 335.21%) (ratio derived from dividing the Group's total equity by its total liabilities).

12. Taxation

For the six months ended 30 June 2010, income tax expense of the Group were RMB2,205,000 (corresponding period of 2009: RMB7,486,000), representing a decrease of 70.55% as compared with that for the corresponding period of 2009. Due to the increase in profit before tax of the Group and the decrease in income tax expense, the effective tax rate applicable to the Group decreased from 42.87% in the first half of 2009 to 5.53% in the first half of 2010. The taxation authority in the People's Republic of China has granted the Company an income tax exemption of five years effective from 1 January 2009 to 31 December 2013.

13. Bank Borrowings, Overdrafts and other Borrowings

As at 30 June 2010, long-term bank loans 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.).

USE OF PROCEEDS FROM LISTING

The Company raised a total net proceeds of about HK\$889,086,000 from the 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 30 June 2010:

Proposed use of proceeds	Amounts Proposed <i>HK\$</i>	Amounts used <i>HK\$</i>
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

USE OF PROCEEDS FROM LISTING *(Continued)*

As at 30 June 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 government of the People's Republic of China 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 People's Republic of China.

During the first half 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 under mature conditions in the second half of 2010.

CAPITAL STRUCTURE

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

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2010, to the best knowledge of the directors, supervisors and the chief executive of the Company, the persons listed in the following table had interests and/or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong):

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

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

Save as disclosed above, to the best knowledge of the directors, supervisors and the chief executive of the Company, as at 30 June 2010, there was no other person with interests and/or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

CAPITAL EXPENDITURES

Capital expenditures mainly including expenditures on office equipment of the Group for the first half of 2010 was RMB697,000 (corresponding period of 2009: RMB277,000). The Group anticipates that capital expenditures for the second half of 2010 will mainly comprise expenditure consistent with business strategies.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

	As at 30 June 2010 <i>RMB'000</i>	As at 31 December 2009 <i>RMB'000</i>
Guarantees for bank loans of a connected party	40,000	209,100
Guarantees for credit line facilities of subsidiaries	20,200	20,200

As at 30 June 2010, the Company entered into a pledge and guarantee agreement with Bank of Beijing, pursuant to which, the Company pledged fixed deposits with an amount of RMB50,000,000 so as to secure a loan of RMB40,000,000 granted to Beijing China Open Promotion Co., Ltd.⁵ ("COL") by Bank of Beijing.

As at 30 June 2010, the Company entered into an entrusted loan agreement with China Everbright Bank ("Everbright Bank") to provide an entrusted loan of not more than RMB25,000,000 in cash to Beijing CÉCi through Everbright Bank.

As at 30 June 2010, the Company entered into an entrusted loan agreement with Everbright Bank to provide an entrusted loan of not more than RMB60,000,000 in cash to Heqing Media through Everbright Bank.

As at 30 June 2010, the Company entered into an agreement with China CITIC Bank to provide guarantee of acceptance bills of not more than RMB20,200,000 to BYD Logistics.

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

FOREIGN EXCHANGE RISKS

Renminbi is the functional currency used by the Company. The Company's operations conducted in the People's Republic of China 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.

note 5 COL ceased to be a subsidiary of the Company from 21 December 2009 and the Company will no longer provide any guarantee to secure loans to COL from 1 October 2010. Please refer to the announcement of the Company published on the website of Hong Kong Stock Exchange on 15 October 2009 for details.

STAFF

As at 30 June 2010, the Group had a total of 617 staff (as at 30 June 2009: 675 staff), whose remuneration and benefits are determined in accordance with market rates, State policies and individual performance.

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

As at 30 June 2010, none of the directors, supervisors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Hong Kong Stock Exchange pursuant to Division 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions which they were taken or deemed to have under such provisions of the Securities and Futures Ordinance), or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be recorded into the register of the Company, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("**Model Code**") to be notified to the Company and the Hong Kong Stock Exchange.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2010, none of the Company or any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

MATERIAL INVESTMENTS

For the six months ended 30 June 2010, the Company had no material investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

For the six months ended 30 June 2010, the Company had no material transactions of acquisitions and disposals of assets.

MATERIAL LEGAL MATTERS

The Company was not involved in any material litigation or arbitration and, so far as the Company is aware, no material litigation or claim was pending or threatened against the Company for the six months ended 30 June 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has fully complied with the code provisions set out under the Code on Corporate Governance Practices under Appendix 14 of the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the six months ended 30 June 2010.

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

The Company has adopted the Model Code under Appendix 10 of the Listing Rules regarding securities transactions by directors and supervisors of the Company. Upon specific enquiries by the Company, all directors and supervisors have strictly complied with the requirements under the Model Code for the six months ended 30 June 2010.

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 to be applied by the Group with the management of the Company, and has also discussed with the directors on matters concerning the internal controls and financial reporting of the Company, including review of the financial statements of the Group for the first half of 2010 without dissenting opinions.

CONNECTED TRANSACTIONS MANAGEMENT

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

INTERIM DIVIDEND

The board of directors do not recommend the distribution of any interim dividend for the six months ended 30 June 2010.

		Six months ended 30 June	
		2010	2009
		<i>RMB'000</i>	Restated <i>RMB'000</i>
<i>Notes</i>		(Unaudited)	(Unaudited)
Turnover	3	351,803	377,526
Costs of sales		(313,846)	(343,548)
Gross profit		37,957	33,978
Investment income		14,102	20,683
Other income		5,262	3,010
Release of financial guarantee liability		16,484	–
Distribution and selling expenses		(9,159)	(6,611)
Administrative expenses		(23,095)	(16,559)
Finance costs		(1,559)	(2,963)
Share of loss of jointly controlled entities		–	(14,074)
Share of loss of an associate		(134)	–
Profit before tax	4	39,858	17,464
Income tax expense	5	(2,205)	(7,486)
Profit for the half-year and total comprehensive income		37,653	9,978
Attributable to:			
Owners of the Company		36,878	9,645
Non-controlling interests		775	333
		37,653	9,978
EARNINGS PER SHARE – basic and diluted			
(RMB per share)	6	0.1869	0.0489

	Notes	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment	8	12,385	13,621
Prepayments for land use rights		28,345	28,789
Investment properties		9,045	8,372
Intangible assets		23,305	23,842
Interests in associates	9	866	1,000
Interest in a jointly controlled entity		–	–
Trade receivables	10	2,745	3,564
Other receivables, prepayments and deposits		24,190	34,596
Restricted bank deposits		85,000	85,000
Deferred tax assets		808	890
		186,689	199,674
Current Assets			
Prepayments for land use rights		889	889
Investment at fair value through profit or loss		5,500	2,000
Held-to-maturity financial assets		3,000	10,000
Inventories		64,923	69,580
Trade receivables	10	224,516	249,277
Other receivables, prepayments and deposits		77,541	91,641
Restricted bank deposits		57,694	77,494
Short-term bank deposits		1,004,921	943,587
Bank balances and cash		135,535	153,763
		1,574,519	1,598,231
Current Liabilities			
Trade payables	11	127,493	177,958
Other payables and accruals		134,230	129,552
Deferred revenue		13,841	19,329
Dividends payable		80,865	2,934
Income tax payable		1,259	1,857
Financial guarantee liability		–	16,484
		357,688	348,114
Net Current Assets		1,216,831	1,250,117

At 30 June 2010

<i>Notes</i>	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Total Assets less Current Liabilities	1,403,520	1,449,791
Capital and Reserves		
Share capital	197,310	197,310
Reserves	1,118,086	1,160,132
Equity attributable to owners of the Company	1,315,396	1,357,442
Non-controlling interest	28,124	27,349
Total equity	1,343,520	1,384,791
Non-current liability		
Bank loans	60,000	65,000
	1,403,520	1,449,791

	Attributable to the owners of the Company						
	Share capital	Capital reserve	Statutory reserve fund	Retained earnings	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2010	197,310	896,169	137,869	126,094	1,357,442	27,349	1,384,791
Total comprehensive income for the half-year	-	-	-	36,878	36,878	775	37,653
2009 final dividends proposed and approved (note 7)	-	-	-	(78,924)	(78,924)	-	(78,924)
At 30 June 2010 (unaudited)	197,310	896,169	137,869	84,048	1,315,396	28,124	1,343,520
At 1 January 2009	197,310	896,169	136,637	16,169	1,246,285	32,529	1,278,814
Total comprehensive income for the half-year	-	-	-	9,645	9,645	333	9,978
2008 final dividends proposed and approved (note 7)	-	-	-	(39,462)	(39,462)	-	(39,462)
At 30 June 2009 (unaudited)	197,310	896,169	136,637	(13,648)	1,216,468	32,862	1,249,330

	Six months ended 30 June	
	2010 <i>RMB'000</i> (Unaudited)	2009 <i>RMB'000</i> (Unaudited)
Cash generated from (used in) operations	10,183	(19,763)
Income tax paid	(2,721)	(3,728)
Net cash from (used in) operating activities	7,462	(23,491)
Net cash used in investing activities	(18,122)	(17,420)
Net cash used in financing activities	(7,568)	(36,997)
Net decrease in cash and cash equivalents	(18,228)	(77,908)
Cash and cash equivalents at 1 January	153,763	225,640
Cash and cash equivalents at 30 June	135,535	147,732

1. BASIS OF PREPARATION

The Group's unaudited condensed interim financial information has been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except as described below.

In the current period, the Group has applied, for the first time, the following new standards, amendments and interpretations ("Int") ("new HKFRSs") issued by the HKICPA which are effective for the Group's financial year commencing on 1 January 2010.

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
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners
Annual Improvements Project	Improvements to HKFRSs 2009

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

HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 9	Financial Instruments ⁵
HKAS 24 (Revised)	Related Party Disclosures ³
HKAS 32 (Amendment)	Classification of Rights Issues ¹
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments ²
Annual Improvements Project	Improvements to HKFRSs 2010 ⁴

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

² Effective for annual periods beginning on or after 1 July 2010.

³ Effective for annual periods beginning on or after 1 January 2011.

⁴ Effective for annual periods beginning on or after 1 January 2011 (unless otherwise specified).

⁵ Effective for annual periods beginning on or after 1 January 2013.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 the 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.

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 financial position of the Group.

3. SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the internal reports reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. The Group's operating and reportable segments are as follows:

Advertising:	Sales of the advertising spaces in the media or events operated by Beijing Youth Daily Agency ("BYDA"), Hebei Youth Daily Agency ("HYDA") and the Civil Aviation Administration of China News Agency.
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 as follows.

3. SEGMENT INFORMATION (Continued)**(b) Segment turnover and results**

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

For the six months ended 30 June 2010 (Unaudited)	Trading of print-related					Total RMB'000
	Advertising RMB'000	Printing RMB'000	materials RMB'000	Distribution RMB'000	Eliminations RMB'000	
TURNOVER						
External sales	210,550	24,930	110,895	5,428	-	351,803
Inter-segment sales	-	88,686	-	-	(88,686)	-
Total	210,550	113,616	110,895	5,428	(88,686)	351,803
Segment profit (loss)	11,060	(49)	2,712	(8,014)		5,709
Investment and other income						19,364
Release of financial guarantee liability						16,484
Unallocated corporate expenses						(6)
Finance costs						(1,559)
Share of loss of an associate						(134)
Profit before tax						39,858
For the six months ended 30 June 2009 (Unaudited)						
	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	192,644	25,187	155,614	4,081	-	377,526
Inter-segment sales	-	80,677	-	-	(80,677)	-
Total	192,644	105,864	155,614	4,081	(80,677)	377,526
Segment profit (loss)	12,552	3,319	3,635	(8,690)		10,816
Investment and other income						23,693
Unallocated corporate expenses						(8)
Finance costs						(2,963)
Share of loss of jointly controlled entities						(14,074)
Profit before tax						17,464

3. SEGMENT INFORMATION (Continued)

(b) Segment turnover and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) earned (incurred) by each segment without allocation of investment and other income, release of financial guarantee liability, unallocated corporate expenses, financial costs, share of loss of an associate, share of loss of jointly controlled entities 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 mutually agreed rate between segments.

(c) Segment assets

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

At 30 June 2010 (Unaudited)

	Advertising RMB'000	Printing RMB'000	Trading of print-related materials RMB'000	Distribution RMB'000	Total RMB'000
Segment assets	258,783	39,822	137,890	19,405	455,900
Unallocated corporate assets					1,305,308
Consolidated assets					1,761,208

At 31 December 2009 (Audited)

	Advertising RMB'000	Printing RMB'000	Trading of print-related materials RMB'000	Distribution RMB'000	Total 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

3. SEGMENT INFORMATION (Continued)**(c) Segment assets** (Continued)

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 fair value through profit or loss, held-to-maturity financial assets, interests in associates, interest in a jointly controlled entity, 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.

4. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	Six months ended 30 June	
	2010 <i>RMB'000</i> (Unaudited)	2009 <i>RMB'000</i> (Unaudited)
Interest expenses	1,559	2,963
Amortisation charges (included in administrative expenses)	1,080	1,122
Depreciation of property, plant and equipment	1,830	1,872
Cost of inventories	193,333	237,995
Bank interest income	(14,009)	(20,683)
Income from held-to-maturity financial assets	(91)	(334)
Gain on disposal of investment at fair value through profit or loss	(2)	–
Net foreign exchange gains	(719)	(33)
Reversal of write-down of inventories (included in cost of sales)	(1,328)	(856)
Impairment loss recognised (reversed) on trade receivables	860	(1,165)
Impairment loss recognised on available-for-sale financial assets	–	136
Loss on disposal of property, plant and equipment	4	28

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)
Current income tax – PRC Enterprise Income Tax (“EIT”)	2,123	7,269
Deferred income tax	82	217
	2,205	7,486

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.

6. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2010 (Unaudited)	2009 (Unaudited)
Profit for the half-year attributable to the owners of the Company (RMB'000)	36,878	9,645
Weighted average number of ordinary shares in issue (thousands)	197,310	197,310
Basic earnings per share (RMB per share)	0.1869	0.0489

The basic and diluted earnings per share for the six months ended 30 June 2010 are the same (2009: the same) as there were no diluting events existed during the six months ended 30 June 2010 (2009: no diluting events).

7. DIVIDENDS

- (a) The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: nil).
- (b) Final dividend proposed and approved during the interim period is as follows:

	Six months ended 30 June	
	2010 RMB'000 (Unaudited)	2009 <i>RMB'000</i> (Unaudited)
Final dividend in respect of the financial year ended 31 December 2009, proposed and approved during the current interim period, of RMB0.40 per share (2008 final dividend proposed and approved during six months ended 30 June 2009: RMB0.20 per share)	78,924	39,462

8. PROPERTY, PLANT AND EQUIPMENT**Acquisitions and disposals**

During the six months ended 30 June 2010, the Group acquired assets with a cost of RMB598,000 (2009: RMB274,000).

Assets with a net carrying value of RMB4,000 were disposed of by the Group during the six months ended 30 June 2010 (2009: RMB31,000), resulting in a loss on disposal of RMB4,000 (2009: RMB28,000).

9. INTERESTS IN ASSOCIATES

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 <i>RMB'000</i> (Audited)
Unlisted in the PRC		
Cost of investment in associates	1,881	1,281
Share of post-acquisition losses	(415)	(281)
	1,466	1,000
Amount due to an associate	(600)	-
	866	1,000

9. INTERESTS IN ASSOCIATES (Continued)

Amount due to an associate is unsecured, interest-free and repayable by 21 December 2011.

The Group's associates are entities established and operated in the PRC. Details of the Group's associates as at 30 June 2010 are as follows:

Name of entity	Form of business structure	Class of shares held	Proportion of registered capital held by the Group	Principal activity
Beijing Leisure Trend Advertising Company ("Leisure Trends")	Limited liability company	Registered capital	49%	Provision of advertising services
Beijing Beijing Shengda Automobile Service Company ("Beijing Shengda")	Limited liability company	Registered capital	20%	Provision of automobile services
Beijing Beijing Time Information Consultant Company ("Beijing Time")	Limited liability company	Registered capital	30%	Inactive

10. TRADE RECEIVABLES

Included in trade receivables are amounts receivables with the following ageing analysis:

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Within 3 months	111,191	100,577
4 months to 6 months	38,483	52,482
7 months to 12 months	39,994	38,783
1 year to 2 years	43,578	66,101
Over 2 year	8,938	8,961
	242,184	266,904
Less: Impairment loss recognised	(14,923)	(14,063)
Trade receivables – net	227,261	252,841
For reporting purpose, analysis as:		
Non-current assets	2,745	3,564
Current assets	224,516	249,277
	227,261	252,841

10. TRADE RECEIVABLES *(Continued)*

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

The Company entered into arrangements with certain of the advertising agents allowing them to settle their outstanding balances with fixed repayment schedules in the next 2 to 6 years. The Company has assessed these customers' repayment history and ability to repay before entering into these arrangements. The Group recorded the outstanding balances with maturities beyond 12 months from the reporting period end date as 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.

11. TRADE PAYABLES

Included in trade payables are amounts payables with the following ageing analysis:

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Within 3 months	91,629	142,662
4 months to 6 months	12,673	13,193
7 months and 12 months	13,646	21,186
1 year to 2 years	9,118	597
Over 2 years	427	320
	127,493	177,958

12. COMMITMENTS UNDER OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Within one year	4,295	5,936
In the second to fifth years inclusive	3,018	4,470
	7,313	10,406

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
Within one year	5,627	7,512
In the second to fifth years inclusive	6,529	8,450
Over five years	452	555
	12,608	16,517

The properties are expected to generate rental yields of 14.24% (2009:14.6%) on an ongoing basis. The properties have committed tenants for the next 1 to 7 years.

13. RELATED PARTY TRANSACTIONS

The Group had transactions with the following related parties during the six months ended 30 June 2010 and 2009:

Name of related parties	Nature of relationship
BYDA	Ultimate Holding Company
Beijing Beiqing Advertising Limited	A subsidiary of BYDA
Beijing XiaoHongMao Corporation	A subsidiary of BYDA
Beijing Today Sunshine Advertising Co., Ltd	A subsidiary of BYDA
Beijing China Open Promotion Company Limited (" COL ")	A subsidiary of BYDA
Beiqing CéCi Advertising (Beijing) Limited (" Beiqing CéCi ")	A jointly controlled entity of the Company
Leisure Trend	An associate of the Company
Beiqing Shengda	An associate of the Company
Beiqing Time	An associate of the Company
Joonng Ang m&b Limited	A venturer of Beiqing CéCi
Xin Hua Net Printery	A minority shareholder
Workers Daily	A minority shareholder
Beijing Min Yi Printing Technology Services Company	A minority shareholder
Beijing Ke Yin Printing Technology Services Company	A minority shareholder
HYDA	A minority shareholder

The names of companies referred to in the above represent management's best efforts in translating the Chinese names of these companies as no English names for these companies have been registered.

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("**state-controlled entities**"). In the ordinary course of business of the Group and at normal commercial terms, the Group may from time to time conduct business with other state-owned entities. The directors consider that those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned and therefore no disclosure on the details of such transactions with those state-controlled entities was made in the financial statements.

In addition to the related party information shown elsewhere in these unaudited condensed consolidated interim financial information, the following is a summary of the significant related party transactions entered into in the ordinary course of business between the Group and their related parties during the period and the balances due from and to these related parties as at the end of the reporting period.

13. RELATED PARTY TRANSACTIONS (Continued)

(a) Related party balances

	30 June 2010 RMB'000 (Unaudited)	31 December 2009 RMB'000 (Audited)
BYDA		
Trade receivables	10,777	46,542
Other receivables, prepayments and deposits	687	–
Trade payables	5,660	8,904
Dividend payables	49,936	–
Subsidiaries of BYDA		
Trade receivables	12,606	11,167
Other receivables, prepayments and deposits	1,118	–
Trade payables	1,682	8,328
Other payables and accruals	3,046	150
A jointly controlled entity of the Company		
Trade receivables	99	–
Other receivables, prepayments and deposits	16	–
An associate of the Company		
Trade receivables	1,438	2,075
Other payables and accruals	50	50
Minority shareholders of Company's subsidiaries		
Trade receivables	6,110	1,976
Trade payables	996	499
Other payables and accruals	–	89
Dividend payables	1,491	2,438

The balances with related parties are unsecured, non-interest bearing and repayable on demand.

13. RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transactions

		Six months ended 30 June	
	Notes	2010 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)
BYDA			
Exclusive advertising right expenses	(i)	27,747	27,675
Provision of printing services		12,685	11,912
Rental income	(ii)	1,906	1,906
Rental expense	(iii)	676	676
Subsidiaries of BYDA			
Provision of advertising services		9,752	5,898
Payment of delivery and logistics services		2,597	1,956
Payment of agency fee		1,674	–
A jointly controlled entity of the Company			
Provision of printing services		85	–
An associate of the Company			
Provision of advertising services		738	3,876
Minority shareholders of Company's subsidiaries			
Sales of print-related materials		11,485	17,096
Payment of printing services		3,524	–
Purchase of print-related materials		858	–

- (i) Pursuant to the advertising space operating rights and options subscription agreement entered into between the Company and BYDA on 7 December 2004, the Company would pay 16.5% of the advertising revenue to BYDA for the period from 1 October 2004 to 30 September 2033.
- (ii) The Company rented certain offices situated in the Beijing Youth Daily Agency Building to BYDA from 1 January 2010 to 31 December 2012 with an annual rental fee of approximately RMB3,843,000.
- (iii) The Company rented certain offices situated in the Beijing Youth Daily Agency Building from BYDA from 1 January 2010 to 31 December 2012 with an annual rental fee of approximately RMB1,363,000.

In the opinion of the directors, the significant related party transactions as disclosed above were conducted in the ordinary course of business of the Group and at terms mutually agreed between the Group and the respective related parties.

13. RELATED PARTY TRANSACTIONS (Continued)

(c) Financial guarantees and pledge of assets

During the six months ended 30 June 2010, the financial guarantee in the amount of RMB153,000,000 provided by the Group to a bank in 25 July 2008 to secure the loan facilities of COL was cancelled and released. The financial guarantee liability of RMB16,484,000 at 31 December 2009 has been derecognised included in the Company's condensed consolidated statement of comprehensive income as income from the release of financial guarantee during the current period.

As at 30 June 2010, the Company pledged its bank deposits of RMB50,000,000 (2009: RMB66,400,000) and RMB25,000,000 (2009: RMB20,000,000) respectively as securities for the loan facilities granted to COL and Beijing CÉCi by various banks. As at 30 June 2010, the utilised amount of the loan facilities was RMB40,000,000 (2009: RMB56,100,000) and RMB25,000,000 (2009: RMB20,000,000) respectively.

(d) Key management compensation

	Six months ended 30 June	
	2010 RMB'000 (Unaudited)	2009 <i>RMB'000</i> (Unaudited)
Salaries and other short-term employee benefits	2,662	2,508

14. EVENTS AFTER REPORTING PERIOD

On 28 July 2010, the Company and Beijing Trans-media Company Limited ("Trans-media") entered into a joint venture agreement, pursuant to which the parties agreed to establish a joint venture company (the "JV Company") with limited liability and to contribute to the registered capital thereof. The JV Company is principally engaged in designing, production and placement of advertisements and the related agency services. Upon completion of the transaction contemplated under the joint venture agreement, the registered capital of the JV Company will amount to RMB156,860,000 and owned as to 51% and 49% by the Company and Trans-media, respectively.

15. COMPARATIVE FIGURES

Reclassification of comparative figures has been made in respect of investment income which were presented separately from other income in order to conform with the current period presentation.