



Dear Shareholders,

I have great pleasure to present, on behalf of Beijing Media Corporation Limited (the "Company" together with its subsidiaries, collectively the "Group"), the first report on results of the Group subsequent to the Company's listing in Hong Kong.

2004 was an exciting year for the Group. Capitalizing on opportunities resulting from a growing Beijing media market, our business and corporate development remained on track over the year. The Group successfully completed its IPO and listed its H Shares on the Main Board of the SEHK on 22 December 2004, raising approximately HK\$1.04 billion in proceeds. The Company is the first state-owned PRC media corporation to be publicly listed overseas, establishing a key milestone in the development of the Group.

We are principally engaged in the sales of advertising space, the printing and production of newspapers and the trading of print-related materials. Our principal advertising medium is the BYD Papers, including Beijing Youth Daily, the second biggest newspaper in Beijing based on circulation level in 2003.

Advertising revenue generated from the Beijing Youth Daily ranked first in Beijing and second in the PRC in 2004. Our advertising revenue in 2004 reached RMB814,127,000.

Growth in advertising revenue from Beijing Youth Daily remained the key driver of the increases in the Group's turnover and profits. In 2004, the Group's annual turnover reached RMB1,101,335,000, a 2.9% increase from 2003. Our profit attributable to shareholders in the same period reached RMB194,180,000, or a 26.8% increase from 2003. Earnings per share amounted to RMB1.31. The Board of the Company recommended a final dividend of RMB0.39 per Share.

In September 2004, the Group organised the first China Open Tennis Tournament (the "China Open") in Beijing. The tournament attracted the participation of many world-class tennis players including Marat Safin, Roger Federer and Venus Williams, and recorded an attendance of approximately 300,000 during the 17 days of the tournament. With the experience gained in organising the first China Open, the Group is confident that the China Open 2005 will be more successful. Spectator sports are attracting an

increasing amount of attention in the China advertising market, and we are confident that the China Open will establish itself as another major revenue source for us.

Leveraging on the Beijing Youth Daily platform with its broad readership base, the generous support of the Beijing Municipal Government, the right to host the China Open, as well as an experienced and dedicated management team, the Group achieved commendable results and market recognition, and became one of the major media companies in the PRC. The Company will continue to focus on its current businesses as its core operations, whilst considering selective acquisitions and alliances to diversify its media business, and to sustain as well as utilize the ongoing relationship between the Group and BYD, in order to further develop the Company into a leading cross-media company in the PRC.

The outstanding performance of the Group in 2004 was the result of the devoted effort and contribution of the management team and staff of each of the business units. The quality of the management team is key to our success in the market. On behalf of the Group's shareholders and other members of the Board, I would like to take this opportunity to express my sincere gratitude to the management and staff of each of the business units, and to share with them the glory of their achievement.

Chairman

ZHANG Yanping

25 April 2005

Beijing, the PRC