



Dear Shareholders,

On behalf of Beijing Media Corporation Limited ("Beijing Media" or the "Company", together with its subsidiaries, collectively the "Group"), I am pleased to present the report on results of the Group for the year 2005.

2005 was a difficult and challenging year for the Group. During the year, the PRC advertisement sector recorded an overall slowdown in growth as a result of the sluggish PRC real estate market and delay in project approval and sales activities. As such, advertising revenue, the primary income stream of Beijing Media's core business, fell substantially with advertising revenue related to the real estate sector falling the most. Advertising revenue of the Company for 2005 was approximately RMB590,203,000, down by approximately 34.3% from 2004.

The Group is principally engaged in sales of advertising space, printing and production of newspapers and trading of print-related materials. The Group's principal advertising medium is the Beijing Youth Daily Agency ("BYDA") Papers, including "Beijing Youth Daily", the second biggest newspaper in Beijing in terms of advertising revenue calculated based on the standard fee unit per rate card in Beijing in 2005 according to the data obtained from 北京慧聰國際資訊有限公司 ("Beijing Hui Cong International Information Co. Ltd.").

Turnover of the Group for 2005 was approximately RMB857,607,000, representing a decrease of approximately 28.0% compared with that in 2004. Profit attributable to equity holders of the Company for the year was approximately RMB10,087,000, approximately 94.8% down from 2004. Earnings per share was approximately RMB0.05. The Board (the "Board") of Directors (the "Directors") of the Company recommended a final dividend of RMB0.25 per share.

The Company made announcements on 3, 12 and 17 October 2005 in respect of the detention of and allegations of bribery or corruption against six employees of the Company by the Prosecution Office of the Beijing Dongcheng District and the Second Prosecution Branch Office of the Beijing City, the PRC. An independent financial advisor has been engaged to conduct an internal investigation on the possible financial impact of this incident on the Company's financial statements. The investigation report of the independent financial advisor was issued on 18 April 2006 and, upon review by the Audit Committee and approval by the Board of the Company, the investigation findings are expected to be announced shortly. The Company believes that the allegations against the six employees has no significant effect on the overall financial statements of the Company.

In September 2005, the Group organised the second China Open Tennis Tournament (the "China Open") in Beijing, which attracted world-renowned tennis players such as Juan Ferrero, the Williams sisters and Maria Sharapova. The 16-day tournament attracted an audience of approximately 210,000. Financial performance of the 2004 and 2005 China Open Tournament was poorer than had been anticipated. An announcement was released by the Group on 20 March 2006 setting out details of the new arrangement and agreement between the Group and its partners of the China Open. We believe that the new arrangement and agreement will represent an effective and efficient platform for COL to organise the future China Open tennis tournament and will provide better return to the Group. Given its two years of experience in organising the tournament, the Group is confident in the successful organisation of the China Open 2006. Spectator sports are attracting an increasing amount of attention in the PRC advertising market, and we are confident that the China Open will establish itself as a major revenue source for the Group.

Leveraging on the Beijing Youth Daily platform, which enjoys a broad readership base, 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 has grown into 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 cooperation to diversify its media business, and to sustain as well as utilize the ongoing relationship between the Group and BYDA, in order to further develop the Company into a leading cross-media company in the PRC.

The performance of the Group in 2005 was the result of the concerted efforts and contributions of the management and staff of each of the business units. The quality of the management team and staff is key to our success in seizing favourable market opportunities. 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.

Zhang Yanping

Chairman

23 April 2006, Beijing, the PRC