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BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1000)

CONTINUING CONNECTED TRANSACTIONS PROPOSED ANNUAL CAPS FOR THE THREE YEARS ENDING 31 DECEMBER 2018

Reference is made to the Prospectus and the Announcements in respect of Continuing Connected Transactions.

The Company expects to enter into and/or renew the agreements regarding the Continuing Connected Transactions, and proposes the annual caps for the Continuing Connected Transactions for the three years ending 31 December 2018.

The Continuing Connected Transactions will be conducted between the members of the Group and the members of the Parent Group. As the Parent is the controlling shareholder of the Company, the Parent and its subsidiaries are therefore connected persons of the Company under the Listing Rules. The transactions contemplated under the 2015 Distribution Services Framework Agreement, the 2015 Mutual Property Tenancy Agreement, Advertising Business Agreement, the 2015 Printing Framework Agreement, and the Advertising Agency Framework Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) of the proposed annual caps of the 2015 Distribution Services Framework Agreement and the 2015 Mutual Property Tenancy Agreement for the three years ending 31 December 2018 exceed 0.1% but are below 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) of the proposed annual caps of the Advertising Business Agreement, the 2015 Printing Framework Agreement, and the Advertising Agency Framework Agreement for the three years ending 31 December 2018 exceed 5%, the transactions contemplated thereunder are therefore subject to the annual review, reporting, announcement and independent shareholders' approval requirements for the Company.

An EGM will be convened to seek the approval of the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the proposed annual caps thereof. Voting at the EGM will be conducted by poll and the Parent and its associates will abstain from voting at the EGM.

A circular containing, among other things, further particulars of the Non-exempt Continuing Connected Transactions together with, the recommendations of the Independent Board Committee, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice convening the EGM is expected to be despatched to the Shareholders no more than 15 business days after the publication of this announcement in accordance with the Listing Rules.

I. INTRODUCTION

Reference is made to the Announcements in respect of Continuing Connected Transactions.

The Company expects to enter into and/or renew the agreements regarding the Continuing Connected Transactions, and proposes the annual caps for the Continuing Connected Transactions for the three years ending 31 December 2018.

II. CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT UNDER THE LISTING RULES

(1) 2015 Distribution Services Framework Agreement

On 22 October 2015, the Company and the Parent entered into the 2015 Distribution Services Framework Agreement to renew the 2012 Distribution Services Framework Agreement for another term of three years with effect from 1 January 2016 to 31 December 2018.

Date

22 October 2015

Parties

(i) the Company

(ii) the Parent

Continuing transactions

Pursuant to the 2015 Distribution Services Framework Agreement, the Parent Group was engaged by the Company to distribute its direct mail advertisements and its wrap-around advertisements to the subscribers of Beijing Youth Daily.

Term and termination

The 2015 Distribution Services Framework Agreement is for a term of three years commencing from 1 January 2016 and ending on 31 December 2018. Upon expiry, the 2015 Distribution Services Framework Agreement will, subject to the compliance with the relevant requirements under the Listing Rules and the agreement of the parties, be renewed for a further term of three years.

Price determination

Under the 2015 Distribution Services Framework Agreement, the distribution fee for the direct mail advertisement shall be RMB0.08 per page, and the distribution fee for the wrap-around advertisements shall be determined according to the market conditions, but in any event shall fall within the range of RMB0.08 and RMB0.50 per page. The pricing mechanism under the 2015 Distribution Services Framework Agreement is comparable to the fees charged by the PRC public postal services.

Payment

The distribution fee payable by the Company to the Parent under the 2015 Distribution Services Framework Agreement are payable by cash on a monthly basis and funded by the Company's internal resources. The Directors are of view that such payment terms are in line with the market practice.

Annual caps

Actual transaction value

The actual transaction value of the transactions contemplated under the 2012 Distribution Services Framework Agreement for the two years ended 31 December 2014 and for the eight months ended 31 August 2015 are set out below:

	Year ended	Year ended	Eight Months
Transactions	31 December 2013	31 December 2014	ended
	<i>(RMB)</i>	<i>(RMB)</i>	31 August 2015
			<i>(RMB)</i>
Fees payable by the			
Company to the Parent	2,512,021.07	1,733,716.19	433,545.68

Historical annual caps

The historical annual caps for the transactions under the 2012 Distribution Services Framework Agreement for the three years ending 31 December 2015 are set out below:

Transactions	Year ended 31 December 2013 (RMB)	Year ended 31 December 2014 (RMB)	Year ending 31 December 2015 (RMB)
Fees payable by the Company to the Parent	9,000,000	9,000,000	9,000,000

The Directors have been monitoring the transaction amount contemplated under the 2012 Distribution Services Framework Agreement and for the two years ended 31 December 2014, the annual cap for each year has not been exceeded. As at the date of this announcement, the annual cap for the transactions contemplated under the 2012 Distribution Services Framework Agreement for the year ending 31 December 2015 has not been exceeded.

Proposed annual caps

The proposed annual caps for the transactions contemplated under the 2015 Distribution Services Framework Agreement for the three years ending 31 December 2018 are set out below:

Transactions	Year ending 31 December 2016 (RMB)	Year ending 31 December 2017 (RMB)	Year ending 31 December 2018 (RMB)
Fees payable by the Company to the Parent	3,000,000	3,000,000	3,000,000

In arriving at the above proposed annual caps, the Directors have taken into account the following factors:

- (i) the historical actual transaction value under the 2012 Distribution Services Framework Agreement for the two years ended 31 December 2014 and eight months ended 31 August 2015; and

- (ii) the expected growth of the demand for distribution services of direct mail and wrap-around advertisements. With the establishment of the Group's media resources supermarket, the Company will comprehensively integrate Beijing Youth Daily and the media as well as relevant resources under the Company which will be exploited at depth and developed systematically, and sell the products formed by three-dimensional packaging. Moreover, the Group built a one-station procurement platform to optimize the resource purchasing process of the clients. Therefore, it is expected that the advertising sales volume of Beijing Youth Daily will increase in the next three years, and the Company's demand for distribution services of direct mail and wrap-around advertisements will increase accordingly.

Internal control measures

- (a) in determining the above-mentioned pricing policies, the advertising department of Company is responsible for proposing the price, which will be reviewed by Board office of the Company to ensure that the price is fair and reasonable, on normal commercial terms, as well as more favorable than terms available to independent parties, and is subject to the final approval by the head of the advertising department of the Company;
- (b) the Board office of the Company is responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions of the Group, including but not limited to the pricing terms, payment arrangements and actual transaction amount under each of the specific implementation agreements on a monthly basis to ensure it does not exceed any applicable caps;
- (c) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions contemplated under the 2015 Distribution Services Framework Agreement to ensure that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the related agreements are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; and
- (d) the auditors of the Company will also conduct an annual review on the pricing and annual caps of such continuing connected transactions.

Taking into account of: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the 2015 Distribution Services Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that such methods and procedure can ensure that the transactions contemplated under the 2015 Distribution Services Framework Agreement will be conducted on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

Implementation agreements

The Company and the members of the Parent Group have entered into and will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transaction contemplated under the 2015 Distribution Services Framework Agreement during its term. Each implementation agreement will set out the detailed services, the specifications, quantities, prices and other relevant terms.

As the implementation agreements provide for the supply of services as contemplated under the 2015 Distribution Services Framework Agreement, they do not constitute new categories of connected transactions. Any such implementation agreements will be within the ambit of the 2015 Distribution Services Framework Agreement and the relevant annual caps, if exceeded, the Company will comply with the relevant Listing Rules accordingly.

Reasons for entering into the 2015 Distribution Services Framework Agreement

In consideration of the successful arrangement with the Parent Group for its provision of distribution services over the last twelve years, the Company is of the view that the entering into the 2015 Distribution Services Framework Agreement on a continuous basis will be beneficial to the Group and provide greater certainty to the Group's operations.

Listing Rules implications

As the Parent is the controlling shareholder of the Company, the Parent and its subsidiaries are therefore connected persons of the Company under the Listing Rules. Accordingly, the respective transactions under the 2015 Distribution Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) in respect of the proposed annual caps under the 2015 Distribution Services Framework Agreement for the three years ending 31 December 2018, exceed 0.1% but are below 5%, the transactions thereunder are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

(2) 2015 Mutual Property Tenancy Agreement

On 22 October 2015, the Company and the Parent entered into the 2015 Mutual Property Tenancy Agreement to renew the 2012 Mutual Property Tenancy Agreement for another term of three years with effect from 1 January 2016 to 31 December 2018.

Date

22 October 2015

Parties

(i) the Company

(ii) the Parent

Continuing transactions

Pursuant to the 2015 Mutual Property Tenancy Agreement, the Parent agreed to lease from the Company the floor area of 415 square meters on 5th floor, the floor area of 415 square meters on 8th floor, the whole of 19th, and the whole of 23rd floors of the Beijing Youth Daily Agency Building amounting to a total floor area of 2,340 square meters; whereas the Company agreed to lease from the Parent the whole of 7th floor of the Beijing Youth Daily Agency Building amounting to a total floor area of 830 square meters.

Term and termination

The 2015 Mutual Property Tenancy Agreement is for a term of three years commencing from 1 January 2016 and ending on 31 December 2018. Each party under the 2015 Mutual Property Tenancy Agreement was granted the right to extend their tenancies by giving two months' written notice to the counterparty before the expiration.

Price determination

The annual rental of RMB5,380,830 payable by the Parent under the 2015 Mutual Property Tenancy Agreement throughout the tenancy period is calculated based on a daily rental of RMB6.3 per square meter which is the same rental as payable during the period of the three years ending 31 December 2018.

The annual rental of RMB1,908,585 payable by the Company under the 2015 Mutual Property Tenancy Agreement throughout the tenancy period is calculated based on a daily rental of RMB6.3 per square meter which is the same rental as payable during the period of the three years ending 31 December 2018.

The unit rental under the 2015 Mutual Property Tenancy Agreement, which is determined by reference to the rental information of at least two properties of similar specification and sizes in similar locations and after arm's length negotiation based on market terms, increased approximately 40% as compared with that under the 2012 Mutual Property Tenancy Agreement.

Payment

The rentals under the 2015 Mutual Property Tenancy Agreement are payable by cash in a lump sum or by installments pursuant to the 2015 Mutual Property Tenancy Agreement and funded by the Group's and the Parent Group's internal resources. The Directors are of view that such payment terms are in line with the market practice.

Annual caps

Actual transaction value

The actual transaction value of the transactions contemplated under the 2012 Mutual Property Tenancy Agreement for the two years ended 31 December 2014 and for the eight months ended 31 August 2015 are set out below:

Transactions	Year ended 31 December 2013 (RMB)	Year ended 31 December 2014 (RMB)	Eight Months ended 31 August 2015 (RMB)
Rental payable by the Parent to the Company	3,843,450	3,843,450	2,558,790
Rental payable by the Company to the Parent	1,363,275	1,363,275	918,540

Historical annual caps

The historical annual caps for the transactions under the 2012 Mutual Property Tenancy Agreement for the three years ending 31 December 2015 are set out below:

Transactions	Year ended 31 December 2013 (RMB)	Year ended 31 December 2014 (RMB)	Year ending 31 December 2015 (RMB)
Rental payable by the Parent to the Company	3,843,450	3,843,450	3,843,450
Rental payable by the Company to the Parent	1,363,275	1,363,275	1,363,275

The Directors have been monitoring the transaction amount contemplated under the 2012 Mutual Property Tenancy Agreement and for the two years ended 31 December 2014, the annual cap for each year has not been exceeded. As at the date of this announcement, the annual caps for the transactions contemplated under the 2012 Mutual Property Tenancy Agreement for the year ending 31 December 2015 have not been exceeded.

Proposed annual caps

The respective proposed annual caps for the transactions contemplated under the 2015 Mutual Property Tenancy Agreement for the three years ending 31 December 2018 are set out below:

Transactions	Year ending 31 December 2016 (RMB)	Year ending 31 December 2017 (RMB)	Year ending 31 December 2018 (RMB)
Rental payable by the Parent to the Company	5,380,830	5,380,830	5,380,830
Rental payable by the Company to the Parent	1,908,585	1,908,585	1,908,585

In arriving at the proposed annual caps in respect of the 2015 Mutual Property Tenancy Agreement between the Parent and the Company, the Directors have taken into account, among other matters, the market price, rental area, the then market conditions and the historical figures of the actual value of the transactions under the 2012 Mutual Property Tenancy Agreement for the two years ended 31 December 2014 and for the eight months ended 31 August 2015.

Internal control measures

- (a) in determining the above-mentioned pricing policies, the finance department of Company is responsible for proposing the price, which will be reviewed by Board office of the Company to ensure that the price is fair and reasonable, on normal commercial terms, as well as more favorable than terms available to independent parties, and is subject to the final approval by meeting of presidents of the Company;
- (b) the Board office of the Company would gather the rental information of at least two properties of similar specification and sizes in similar locations and negotiate based on such market terms to make sure that the terms available to the Company would be more favorable than those available to third parties;
- (c) the Board office of the Company is responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions of the Group, including but not limited to the pricing terms, payment arrangements and actual transaction amount on a monthly basis to ensure it does not exceed the applicable cap;

- (d) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions contemplated under the 2015 Mutual Property Tenancy Agreement to ensure that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the related agreements are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; and
- (e) the auditors of the Company will also conduct an annual review on the pricing and annual caps of such continuing connected transactions.

Taking into account of: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the 2015 Mutual Property Tenancy Agreement, the Directors (including the independent non-executive Directors) are of the view that such methods and procedure can ensure that the transactions contemplated under the 2015 Mutual Property Tenancy Agreement will be conducted on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

Reasons for entering into the 2015 Mutual Property Tenancy Agreement

The Company is of the view that the 2015 Mutual Property Tenancy Agreement will (i) enable the Group to secure stable rental income; (ii) maintain the stability of the operations of the Group; (iii) avoid any unnecessary disruption to the operations of the Group, and (iv) minimise any unnecessary relocation costs.

Listing Rules implications

The Parent is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the respective transactions under the 2015 Mutual Property Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) in respect of the proposed annual caps under the 2015 Mutual Property Tenancy Agreement for the three years ending 31 December 2018, exceed 0.1% but are below 5%, the transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

III. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO INDEPENDENT SHAREHOLDERS' APPROVAL UNDER THE LISTING RULES

(1) Advertising Business Agreement

Reference is made to the Prospectus and the announcements of the Company dated 9 April 2010 and 31 October 2012, respectively.

Date

7 December 2004 and 9 April 2010

Parties

- (i) the Company
- (ii) the Parent

Continuing transactions

Pursuant to the Advertising Business Agreement:

- a) the Company has been granted by the Parent the exclusive right to sell all of the advertising space in the Beijing Youth Daily and is entitled to all revenue derived from such sales;
- b) the Company is responsible for the printing, including printing costs and the choice of newsprint of the Beijing Youth Daily; and
- c) the Company is required to allocate up to 360 pages per year of advertising space in respect of the Beijing Youth Daily to the Parent for publicity announcements and notices (provided that the advertising space allocated will not exceed 9% of the total advertising space of each paper per issue), for which no fee will be payable.

Term and termination

The Advertising Business Agreement is for a term commencing from 1 October 2004 and ending on 30 September 2033. Upon expiry, the Advertising Business Agreement will, subject to compliance with the requirements of the Listing Rules, be automatically renewed.

Price determination

The consideration for the transactions contemplated under the Advertising Business Agreement is equal to 16.5% of the total advertising revenue generated from the Beijing Youth Daily or such figure or formula as the parties may agree in the future.

The percentage of the fees payable to the Parent was determined through arm's length negotiations between the Company and the Parent taking into account factors including, the costs of provision of the editorial content by the Parent for Beijing Youth Daily and a reasonable profit margin, which is determined after taking into account of various factors including but not limited to operation costs and historical transaction conditions. There is no same or similar arrangement in the advertising industry, as such the percentage of the fees payable under the Advertising Business Agreement is not comparable to the market rate. Please also refer to the Prospectus for details.

Payment

The consideration under the Advertising Business Agreement are payable by cash on a monthly basis according to the Advertising Business Agreement and funded by the Company's internal resources. The Directors are of view that such payment terms are in line with the market practice.

Annual caps

Actual transaction value

The actual transaction value under the transactions contemplated under the Advertising Business Agreement for the two years ended 31 December 2014 and for the eight months ended 31 August 2015 are set out below:

Transactions	Year ended 31 December 2013 (RMB)	Year ended 31 December 2014 (RMB)	Eight Months ended 31 August 2015 (RMB)
Fees payable by the Company to the Parent	44,496,184.82	46,496,123.71	16,669,715.13

Historical annual caps

The historical annual caps for the transactions under the Advertising Business Agreement for the three years ending 31 December 2015 are set out below:

Transactions	Year ended 31 December 2013 (RMB)	Year ended 31 December 2014 (RMB)	Year ending 31 December 2015 (RMB)
Fees payable by the Company to the Parent	100,000,000	100,000,000	100,000,000

The Directors have been monitoring the transaction amount contemplated under the Advertising Business Agreement and for the two years ended 31 December 2014, the annual cap for each year has not been exceeded. As at the date of this announcement, the annual cap for the transactions contemplated under the Advertising Business Agreement for the year ending 31 December 2015 has not been exceeded.

Proposed annual caps

The proposed annual caps for the transactions contemplated under the Advertising Business Agreement for the three years ending 31 December 2018 are set out below:

Transactions	Year ending 31 December 2016 (RMB)	Year ending 31 December 2017 (RMB)	Year ending 31 December 2018 (RMB)
Fees payable by the Company to the Parent	55,000,000	55,000,000	55,000,000

In arriving at the above proposed annual caps, the Directors have taken into account the following factors:

- (i) The historical figures of the actual value of the transactions under the Advertising Business Agreement for the two years ended 31 December 2014 and for the eight months ended 31 August 2015;
- (ii) Though according to the ranking list in terms of the advertising placement value of periodicals in the PRC from 2013 to 2014, Beijing Youth Daily ranked No.6 amongst the metropolitan newspapers in the PRC, and ranked No.1 in Beijing for six consecutive years. However, due to the macroeconomic downturn of the PRC in the recent years, the increasing impact on traditional media from emerging media, and the year-on-year decrease of the total placement of the print media of Beijing metropolitan newspapers, the Company's total advertising revenue for the year of 2013 and 2014 decreased to some extent as compared with that of 2012;

- (iii) The Company will adopt a series of measures to actively cope with the difficulties in the future, and has confidence in maintaining the stability of advertising business. With the establishment of the Group's media resources supermarket, the Company will comprehensively integrate Beijing Youth Daily and the media as well as relevant resources under the Company which will be exploited at depth and developed systematically, and sell the products formed by three-dimensional packaging in order to satisfy the clients' diversified demands; and
- (iv) The advertising center of the Company has set up the resource integration center, the emerging media center and the new products development center, focusing on the resources of Beijing Youth Daily and developing new forms of advertising, events and other related products. At present, these departments have already carried out the research and development of various media products, as well as events with different scales and of themes such as public welfare, children, sports, beauty makeup, etc.. Sales of all types of media products and activity products will become increasingly important in the Company's business structure, which may lead to an increase of the advertising income of the Company.

Internal control measures

- (a) in determining the above-mentioned pricing policies, the advertising department of Company is responsible for proposing the price, which will be reviewed by Board office of the Company to ensure that the price is fair and reasonable as well as on normal commercial terms, and is subject to the final approval by the head of the advertising department of the Company;
- (b) the Board office of the Company is responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions of the Group, including but not limited to the pricing terms, payment arrangements and actual transaction amount under the Advertising Business Agreement on a monthly basis to ensure it does not exceed any applicable caps;
- (c) pursuant to the connected transaction management rules of the Company, the Company will implement, amend and improve the relevant mechanism and the requirements;
- (d) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions contemplated under the Advertising Business Agreement to ensure that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the related agreements are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; and
- (e) the auditors of the Company will also conduct an annual review on the pricing and annual caps of such continuing connected transactions.

Taking into account of: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the Advertising Business Agreement, the Directors (including the independent non-executive Directors) are of the view that such methods and procedure can ensure that the transactions contemplated under the Advertising Business Agreement will be conducted on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

Reasons for entering into the Advertising Business Agreement

The Company is of the view that the Advertising Business Agreement will (i) secure a stable and exclusive platform for the advertising business, the core business of the Group; and (ii) reduce the risks which the Company might incur during the course of operation of the Company.

Listing Rules implications

The Parent is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the respective transactions under the Advertising Business Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) in respect of the proposed annual caps under the Advertising Business Agreement for the three years ending 31 December 2018 exceed 5%, the transactions contemplated thereunder are subject to the annual review, reporting, announcement and independent shareholders' approval requirements for the Company.

(2) 2015 Printing Framework Agreement

On 22 October 2015, BYD Logistics and the Parent entered into the 2015 Printing Framework Agreement to renew the 2012 Printing Framework Agreement for another term of three years with effect from 1 January 2016 to 31 December 2018.

Date

22 October 2015

Parties

- (i) BYD Logistics, a subsidiary of the Company
- (ii) the Parent

Continuing transactions

Pursuant to the 2015 Printing Framework Agreement, BYD Logistics has agreed to provide printing services and printing materials to the Parent in respect of the relevant newspapers and magazines of the Parent (excluding Beijing Youth Daily) and other newspapers and magazines of the Parent which may be introduced by it from time to time.

Term and termination

The 2015 Printing Framework Agreement is for a term of three years commencing from 1 January 2016 and ending on 31 December 2018. Upon expiry, the 2015 Printing Framework Agreement will, subject to the compliance with the relevant requirements under the Listing Rules and the agreement of the parties, be renewed for a further term of three years.

Price determination

Under the 2015 Printing Framework Agreement, the price shall be determined in accordance with the following pricing principles:

- 1) the relevant market price, which is determined by reference to the prevailing market prices for comparable services which are available on an arm's length basis and provided by at least two independent services providers located in the same region or surrounding areas thereof; and
- 2) where there is no relevant market price, then the contracted price agreed by both parties, which shall be determined on the basis of reasonable cost plus reasonable profit margin:
 - a) the reasonable cost shall be determined by reference to the operation cost and labor cost of the products and/or services provided by BYD Logistics, and the payback period; and
 - b) the expected profit margin is from 2.5% to 7%, which is line with the industry and not lower than the profit rate charged to independent third parties by BYD Logistics. The above-mentioned range of profit is determined by reference to the profit margin of the prevailing market and the then market for the products and/or services as contemplated thereunder, the average profit margin in the related industry, and/or the overall profit margin of the BYD Logistics in the past years.

Payment

The consideration under the 2015 Printing Framework Agreement are payable by installments pursuant to the agreed payback period and according to the specific and separate implementation agreements and funded by the relevant party's internal resources. The Directors are of view that such payment terms are in line with the market practice.

Annual caps

Actual transaction value

The actual transaction values of the transactions contemplated under the 2012 Printing Framework Agreement for the two years ended 31 December 2014 and for the eight months ended 31 August 2015 are set out below:

Transactions	Year ended 31 December 2013 (RMB)	Year ended 31 December 2014 (RMB)	Eight Months ended 31 August 2015 (RMB)
Fees payable by the Parent to the BYD Logistics	9,115,435.72	38,550,090.92	15,152,103.09

The significant increase of the transaction value in 2014 under the 2012 Printing Framework Agreement as compared to the transaction value in 2013 was due to that BYD Logistics resumed the business relationship with LEPA, the subsidiary of the Parent to provide printing service and printing materials to LEPA. The implementation of such business led to an increase BYD Logistics' income from printing business amounted to approximately RMB20 million to RMB30 million as compared with that of 2014. The decrease of the actual transaction values for the eight months ended 31 August 2015 as compared to the same period of last year is mainly attributable to the decrease of printing volume of LEPA as compared to the same period of last year.

Historical annual caps

The historical annual caps for the transactions under the 2012 Printing Framework Agreement for the three years ending 31 December 2015 are set out below:

Transactions	Year ended 31 December 2013 (RMB)	Year ended 31 December 2014 (RMB)	Year ending 31 December 2015 (RMB)
Fees payable by the Parent to the BYD Logistics	100,000,000	100,000,000	100,000,000

The Directors have been monitoring the transaction amount contemplated under the 2012 Printing Framework Agreement and for the two years ended 31 December 2014, the annual cap for each year has not been exceeded. As at the date of this announcement, the annual cap for the transactions contemplated under the 2012 Printing Framework Agreement for the year ending 31 December 2015 has not been exceeded.

Proposed annual caps

The proposed annual caps for the transactions contemplated under the 2015 Printing Framework Agreement for the three years ending 31 December 2018 are set out below:

Transactions	Year ending 31 December 2016 (RMB)	Year ending 31 December 2017 (RMB)	Year ending 31 December 2018 (RMB)
Fees payable by the Parent to the BYD Logistics	40,000,000	40,000,000	40,000,000

In arriving at the above proposed annual caps, the Directors have taken into account the following factors:

- (i) the historical figures of the actual value of the transactions under the 2012 Printing Framework Agreement for the two years ended 31 December 2014 and for the eight months ended 31 August 2015;
- (ii) it is expected that the price of raw materials such as paper, and the print volume of relevant newspapers will remain stable in the next three years as compared to the year of 2015, therefore the Company expects that the transaction value in the next three years will stable growth; and
- (iii) the expected possible new newspaper printing business and material printing business to be brought by the Parent in the next three years, such as the printing of tickets, souvenirs and brochures, etc. to be brought by the sports, cultural and other media companies under the Parent. It is expected that such printing business will bring an increase of RMB1 million to RMB5 million of BYD Logistics' revenue in each year of the next three years.

Internal control measures

- (a) in determining the above-mentioned pricing policies, the manager of BYD Logistics' printing business department is responsible for proposing the price, which will be reviewed by the vice president in charge of BYD Logistics' printing business department to ensure that the price is fair and reasonable, on normal commercial terms, as well as more favorable than terms available to independent parties, and is subject to the final approval by the general manager of BYD Logistics;
- (b) the Board office of the Company is responsible for monitoring, collecting and evaluating the detailed information of the continuing connected transactions under the 2015 Printing Framework Agreement, including but not limited to the pricing terms, payment arrangements and actual transaction amount under each of the specific implementation agreements on a monthly basis to ensure it does not exceed any applicable caps;

- (c) pursuant to the connected transaction management rules of the Company, the Company will implement, amend and improve the relevant mechanism and the requirements, to specify that the subsidiaries of the Company shall comply with the above-mentioned pricing policies in respect of the continuing connected transactions contemplated under the 2015 Printing Framework Agreement;
- (d) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions contemplated under the 2015 Printing Framework Agreement to ensure that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the related agreements are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; and
- (e) the auditors of the Company will also conduct an annual review on the pricing and annual caps of such continuing connected transactions.

Taking into account of: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the 2015 Printing Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that such methods and procedure can ensure that the transactions contemplated under the 2015 Printing Framework Agreement will be conducted on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

Implementation agreements

BYD Logistics and the members of the Parent Group have entered into and will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the 2015 Printing Framework Agreement during its term. Each implementation agreement will set out the detailed services, the specifications, quantities, prices and other relevant terms.

As the implementation agreements provide for the supply of printing services and printing materials as contemplated under the 2015 Printing Framework Agreement, they do not constitute new categories of connected transactions. Any such implementation agreements will be within the ambit of the 2015 Printing Framework Agreement and the relevant annual caps, if exceeded, the Company will comply with the relevant Listing Rules accordingly.

Reasons for entering into the 2015 Printing Framework Agreement

The Company is of the view that the 2015 Printing Framework Agreement will enable the Group to have the Parent Group as a stable customer of the relevant services in its ordinary course of business.

Listing Rules implications

As the Parent is the controlling shareholder of the Company, the Parent and its subsidiaries are therefore connected persons of the Company under the Listing Rules. Accordingly, the respective transactions under the 2015 Printing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) in respect the proposed annual caps under the 2015 Printing Framework Agreement for the three years ending 31 December 2018 exceed 5%, the transactions contemplated thereunder are subject to the annual review, reporting, announcement and independent shareholders' approval requirements for the Company.

(3) Advertising Agency Framework Agreement

In order to make better use of the media resources and the industry influence of the Parent, on 22 October 2015, the Company and the Parent entered into the Advertising Agency Framework Agreement to regulate the transactions in relation to the mutual advertising agency service between the Group and the Parent Group.

The Company and LEPA have entered into an advertising agency framework agreement dated 27 February 2013 in relation to the mutual supply of advertising agency service between the Group and LEPA Group which will be expired on 31 December 2015. The agreement will not be renewed upon expiry, and will be replaced and covered by the Advertising Agency Framework Agreement.

Date

22 October 2015

Parties

(i) the Company

(ii) the Parent

Continuing transactions

Pursuant to the Advertising Agency Framework Agreement, (1) the Parent shall authorize the Group to act as the advertising agent of the Parent Group to sell advertising space in the journals or media and the emerging media resources in the possession of or represented by the Parent Group (excluding Beijing Youth Daily) and to provide related services; (2) the Company shall authorize the Parent Group to act as the advertising agent of the Group to sell advertising space in the Beijing Youth Daily and other journals or media and the emerging media resources in the possession of or represented by the Group and to provide related services.

Term and termination

The Advertising Agency Framework Agreement is for a term of three years commencing from 1 January 2016 and ending on 31 December 2018. Upon expiry, the Advertising Agency Framework Agreement will, subject to, compliance with the relevant requirements under the Listing Rules and agreement of the parties, be renewed for a further term of three years.

Price determination

Under the Advertising Agency Framework Agreement, the price shall be determined in accordance with the contract price agreed by the Company and the Parent, which shall be no less favorable to the Company than those available to independent third parties. The contract price shall be determined after arm's length negotiations between the Company and the Parent according to unit price set out in the standard advertising price lists of the Company and the Parent (subject to applicable discounts: generally at around 30%-50% discount which is also applicable to independent third parties and thus no less favorable than available to independent third parties, and the specific discount is determined also with reference to the industry nature, market circumstances, placement position and publishing time, etc.), actual placement quantity, size and other factors.

The standard price lists of the Company and the Parent are determined with reference to the placement size, placement position and the placement color (color or black and white) and are disclosed on the advertising rate card formulated and published by the Company and the Parent in that year, respectively. The aforesaid standard price lists of the Company and the Parent are also applicable to advertising agency agreements with other independent third parties. The Company believes that the standard price list are fair and reasonable, and on normal commercial terms.

Payment

The consideration under the Advertising Agency Framework Agreement are payable by cash in a lump sum or by installments according to the specific and separate implementation agreements and funded by the relevant party's internal resources. The Directors are of view that such payment terms are in line with the market practice.

Annual caps

Proposed annual caps

The proposed annual caps for the transactions contemplated under the Advertising Agency Framework Agreement for the three years ending 31 December 2018 are set out below:

Transactions	Year ending 31 December 2016 (RMB)	Year ending 31 December 2017 (RMB)	Year ending 31 December 2018 (RMB)
Advertising placement fee payable by the Parent to the Company	50,000,000	50,000,000	50,000,000
Advertising placement fee payable by the Company to the Parent	50,000,000	50,000,000	50,000,000

In arriving at the above proposed annual caps, the Directors have taken into account the following factors:

- (i) The Company and LEPA have entered into an advertising agency framework agreement on 27 February 2013 in relation to the mutual supply of advertising agency service between the Group and LEPA Group for a term commenced on 27 February 2013 and ending on 31 December 2015. For the two years ended 31 December 2014 and the eight months ended 31 August 2015, the actual amount of advertising placement fee paid by LEPA to the Company as the authorized advertising agent of the Group was RMB25,985,757.37, RMB29,759,605.65, and 699,747, respectively, the actual amount of advertising placement fee paid by the Company to LEPA as the authorized advertising agent of the LEPA Group was RMB464,435.84, RMB869,811.32, and nil, respectively.
- (ii) With the establishment of the Group's media resources supermarket, the Company will comprehensively integrate Beijing Youth Daily as well as the media and relevant resources under the Company which will be exploited at depth and developed systematically, and sell the products formed by three-dimensional packaging in order to satisfy the clients' diversified demands.

The Company proposes to enter into the Advertising Agency Framework Agreement to expand the service scope in respect of the mutual supply of advertising agency services between the Group and the Parent Group. The Parent shall authorize the Group to act as the advertising agent of the Parent Group to sell advertising space in the journals or media and the emerging media resources in the possession of or represented by the Parent Group (excluding Beijing Youth Daily) and to provide related services, and the Company shall authorize the Parent Group to act as the advertising agent of the Group to sell advertising space in the Beijing Youth Daily and other journals or media and the emerging media resources in the possession of or represented by the Group and to provide related services.

Due to the expansion of service scope, the Company expects that the transaction values of the Advertising Agency Framework Agreement for the next three years will increase significantly compared with the transaction amount in respect of the provision of mutual advertising agency services between the Group and the LEPA Group;

- (iii) Due to the change of market conditions, the sales products of the Company will increasingly integrate emerging media resources, as well as other relevant resources including off-line events. As at the date of the announcement, the total sales amount of emerging media under Beijing Youth Daily facilitated by the advertising center of the Company is up to RMB900,000. The Company expects that the relevant business will maintain the growth trend with the coming of advertising peak season at the end of the year; and
- (iv) At present, the advertising center of the Company has set up the resource integration center, the emerging media center and the new products development center, focusing on the resources of Beijing Youth Daily and developing new forms of advertising, events and other related products. At present, these departments have already carried out the research and development of various media products, as well as events with different scales and of themes such as public welfare, children, sports, beauty makeup, etc.. Sales of all types of media products and activity products will become increasingly important in the Company's business structure, which may lead to an increase of the advertising income of the Company.

Internal control measures

- (a) in determining the above-mentioned pricing policies, the operating department of the Company's advertising center is responsible for proposing the price, which will be reviewed by Board office of the Company to ensure that the price is fair and reasonable, on normal commercial terms, as well as more favorable than terms available to independent parties, and is subject to the final approval by the head of the advertising department of the Company;

- (b) the operating department of the Company's advertising center is responsible for monitoring, collecting and evaluating the market data, including but not limited to the prevailing market and the then market price for comparable services in the related industry on a monthly basis, which is subject to the final review by the Board office of the Company. Under the circumstances such as the then market price for the comparable services increases or decreases by more than 15% as compared with the price of the specific service under the Advertising Agency Framework Agreement as set by the Company, the operating department of the Company's advertising center will put forward the proposal of price adjustment and carry out the preliminary review, which is subject to the final approval by the Board office of the Company to ensure that the price is fair and reasonable, on normal commercial terms, as well as more favorable than terms available to independent parties;
- (c) the Board office of the Company is responsible for monitoring, collecting and evaluating the implement condition of the pricing terms, payment arrangements and actual transaction amount under each of the specific implementation agreements on a monthly basis to ensure it does not exceed any applicable caps;
- (d) pursuant to the connected transaction management rules of the Company, the Company will implement, amend and improve the relevant mechanism and the requirements, to specify that the subsidiaries of the Company shall comply with the above-mentioned pricing policies in respect of the continuing connected transactions contemplated under the Advertising Agency Framework Agreement;
- (e) the independent non-executive Directors have reviewed and will continue to review the continuing connected transactions contemplated under the Advertising Agency Framework Agreement to ensure that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the related agreements are fair and reasonable, and in the interest of the Company and the Shareholders as a whole; and
- (f) the auditors of the Company will also conduct an annual review on the pricing and annual caps of such continuing connected transactions.

Taking into account of: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the Advertising Agency Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that such methods and procedure can ensure that the transactions contemplated under the Advertising Agency Framework Agreement will be conducted on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

Implementation agreements

Members of the Group and the Parent Group have entered into and will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the Advertising Agency Framework Agreement during its term thereof. Each implementation agreement will set out the detailed services, the specifications, quantities, prices, payment method, date and other relevant terms.

As the implementation agreements provide for the services as contemplated under the Advertising Agency Framework Agreement, as such, they do not constitute new categories of connected transactions. Any such implementation agreements will be within the ambit of the Advertising Agency Framework Agreement and the relevant annual cap, and if exceeded, the Company will comply with the relevant Listing Rules accordingly.

Reasons for entering into the Advertising Agency Framework Agreement

The Company is of the view that entering into the Advertising Agency Framework Agreement will (i) provide wider advertising platform and offer richer services to the clients of the Company; (ii) facilitate the development of more clients by the Company; (iii) generate higher return from the Company's advertising agent and related services business as well as from the Company's advertising business; (iv) establish the one-stop procurement platform, and optimize the resources purchasing process available to the clients; (v) integrate the resources of the Group, and enhance the Group's overall market competitiveness by the systematic development of all areas of the Group's internal resources as well as products packaging; and (vi) gradually shift the business focus from traditional media to emerging media by following the demand of market development and the rapid growth of emerging media resources platform.

Listing Rules implications

As the Parent is the controlling shareholder of the Company, the Parent and its subsidiaries are therefore connected persons of the Company under the Listing Rules. Accordingly, the respective transactions under the Advertising Agency Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) in respect the proposed annual caps for the transactions contemplated under the Advertising Agency Framework Agreement for the three years ending 31 December 2018 exceed 5%, the transactions contemplated thereunder are subject to the annual review, reporting, announcement and independent shareholders' approval requirements for the Company.

IV. GENERAL INFORMATION

An EGM will be convened to seek the approval of the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the proposed annual caps thereof. Voting at the EGM will be conducted by poll and the Parent and its associates will abstain from voting at the EGM.

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions under the 2015 Distribution Services Framework Agreement and the 2015 Mutual Property Tenancy Agreement (i) have been negotiated on an arm's length basis; (ii) will be conducted on normal commercial terms, or on terms no less favorable than those available to or from independent third parties under prevailing local market conditions; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the annual caps for the three years ending 31 December 2018, mentioned above are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Directors (excluding the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser) are of the view that the terms of the Non-exempt Continuing Connected Transactions (i) have been negotiated on an arm's length basis; (ii) will be conducted on normal commercial terms, or on terms no less favorable than those available to or from independent third parties under prevailing local market conditions; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the annual caps for the three years ending 31 December 2018, mentioned above are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Zhang Yanping, Mr. Yu Haibo, Ms. He Xiaona, Mr. Li Shiheng, Mr. Liu Han, Ms. Wu Peihua, Mr. Li Xiaobing and Mr. Wang Lin, also directors or senior management of the Parent, are deemed to have material interests in the transactions under the Continuing Connected Transactions and have abstained from voting on the relevant Board resolutions. Other than those Directors mentioned above, none of the other Directors has or is deemed to have a material interest in the transactions under the Continuing Connected Transactions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, there is no other continuing transaction entered into between any respective members of the Group and the Parent Group and its ultimate beneficial owner(s) or otherwise related, which would be, together with the transactions contemplated under any of the Continuing Connected Transactions, aggregated under Rule 14A.81 of the Listing Rules.

At as the date of this announcement, the Parent and its associates, who directly and indirectly, hold 124,839,974 shares (represent approximately 63.27% of the issued share capital of the Company), control or are entitled to control over the voting right in respect of their shares in the Company. Therefore, the Parent and its associates will abstain from voting on the resolutions in relation to the Non-exempt Continuing Connected Transactions and the proposed annual caps thereof at the EGM.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions and the proposed annual caps thereof. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

A circular containing, among other things, further particulars of the Non-exempt Continuing Connected Transactions together with, the recommendations of the Independent Board Committee, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, and a notice convening the EGM is expected to be despatched to the Shareholders no more than 15 business days after the publication of this announcement in accordance with the Listing Rules. If there is expected to be delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

V. GENERAL INFORMATION ON THE PARTIES TO THE TRANSACTIONS

The Company

The Company is a leading media company in the PRC and is principally engaged in production of newspapers and magazines, printing and trading of print-related materials.

The Parent

The Parent is a state-owned enterprise and ultimately controlled by the Beijing Municipal Government. The Parent is principally engaged in the holding of twelve newspapers, two magazines and four online media. The Parent is a controlling shareholder of the Company.

BYD Logistics

BYD Logistics is a non-wholly owned subsidiary of the Company and is involved in the business of providing storage, transportation, logistics and printing services and the trading of print-related materials.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Advertising Agency Framework Agreement”	the advertising agency framework agreement entered into between the Company and the Parent on 22 October 2015
“Advertising Business Agreement”	the advertising business agreement dated 7 December 2004 and the supplemental agreement to the advertising business agreement dated 9 April 2010 entered into between the Company and the Parent

“Announcements”	the announcements of the Company dated 9 April 2010 and 31 October 2012, respectively
“associate(s)”	has the meaning ascribed under the Listing Rules
“Beijing Youth Daily”	a newspaper named Beijing Youth Daily (北京青年報)
“Beijing Youth Daily Agency Building”	the Beijing Youth Daily Agency Building situated at Building A, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the PRC
“Board”	the board of directors of the Company
“BYD Logistics”	Beijing Youth Daily Logistics Company Limited (北京青年報現代物流有限公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of the Company
“Company”	Beijing Media Corporation Limited (北青傳媒股份有限公司), a joint stock limited company incorporated under the laws of the PRC and whose H shares are listed and traded on the Hong Kong Stock Exchange
“Continuing Connected Transactions”	the transactions under the 2015 Distribution Services Framework Agreement, the 2015 Mutual Property Tenancy Agreement, the Advertising Business Agreement, the 2015 Printing Framework Agreement, and the Advertising Agency Framework Agreement
“controlling shareholder”	has the meaning ascribed under the Listing Rules
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for approving, among others, the Non-exempt Continuing Connected Transactions and the proposed annual caps for the three years ending 31 December 2018 thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Independent Board Committee”	an independent board committee of the Board comprising all of the independent non-executive Directors, who have no material interest in the Non-exempt Continuing Connected Transactions, namely Mr. Song Jianwu, Mr. Cui Baoguo, Mr. Wu Tak Lung, Mr. Cui Enqing and Mr. Chen Ji, which was established to advise the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions as well as the proposed annual caps thereof
“Independent Financial Adviser” or “Wallbanck Brothers”	Wallbanck Brothers Securities (Hong Kong) Limited, a licensed corporation under the SFO to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and the proposed annual caps thereof
“Independent Shareholders”	shareholders of the Company who are not required to abstain from voting on the resolutions in relation to the Non-exempt Continuing Connected Transactions to be proposed at the EGM under the Listing Rules and the proposed annual caps thereof
“LEPA”	Legal Evening Post Agency (法制晚報社), a subsidiary of the Parent
“LEPA Group”	LEPA and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-exempt Continuing Connected Transactions”	the transactions under the Advertising Business Agreement, the 2015 Printing Framework Agreement, and the Advertising Agency Framework Agreement
“Parent”	Beijing Youth Daily Agency (北京青年報社), a wholly state-owned enterprise incorporated under the laws of the PRC and the controlling Shareholder of the Company
“Parent Group”	the Parent and its subsidiaries (excluding the Group)
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 13 December 2004
“RMB”	Renminbi, the lawful currency of the PRC

“SFO”	the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholders”	the shareholders of the Company
“2012 Distribution Services Framework Agreement”	the distribution services framework agreement entered into between the Company and the Parent on 31 October 2012
“2012 Mutual Property Tenancy Agreement”	the mutual property tenancy agreement entered into between the Company and the Parent on 31 October 2012
“2012 Printing Framework Agreement”	the printing framework agreement entered into between BYD Logistics and the Parent on 31 October 2012
“2015 Distribution Services Framework Agreement”	the distribution services framework agreement entered into between the Company and the Parent on 22 October 2015
“2015 Mutual Property Tenancy Agreement”	the mutual property tenancy agreement entered into between the Company and the Parent on 22 October 2015
“2015 Printing Framework Agreement”	the printing framework agreement entered into between BYD Logistics and the Parent on 22 October 2015

By Order of the Board
Beijing Media Corporation Limited
Zhang Yanping
Chairman of the Board

Beijing, the PRC
22 October 2015

As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Yu Haibo, He Xiaona and Duan Gang, the non-executive directors of the Company, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Wang Lin and Xu Xun, and the independent non-executive directors of the Company, Song Jianwu, Cui Baoguo, Wu Tak Lung, Cui Enqing and Chen Ji.

Please also refer to the published version of this announcement on the Company’s website at www.bjmedia.com.cn.