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## **BEIJING MEDIA CORPORATION LIMITED**

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

**(Stock Code: 1000)**

### **CONNECTED TRANSACTIONS**

#### **Independent financial adviser**



**WALLBANCK BROTHERS**  
**Securities (Hong Kong) Limited**

- On 10 April, 2007, COL entered into the Champion Supplementary Agreement and the Swidon Supplementary Agreement, respectively, with BYD, TOM and TML in connection with the proposed acquisitions by COL of TML's 100% interest in Champion and Swidon, respectively. The transactions thereunder will constitute discloseable and connected transactions and be subject to, amongst other things, Independent Shareholders' approval.
- The Board has recently been informed by TOM that TOM now controls the composition of the board of directors of TTHL which currently holds a 49% equity interest in COL, a 51%-owned subsidiary of the Company. Therefore, TOM and its associates (as defined in the Listing Rules) have become connected persons of the Company and the transactions under the Authorisation Agreement, as referred to in the Company's announcement dated 20 March 2006, have become connected transactions for the Company. Disclosure is made in this announcement pursuant to Rule 14A.41 of the Listing Rules.
- On 10 April 2007, the Company, COL, TOM, TTHL, Champion and Swidon entered into the Termination Agreement to terminate the Authorisation Agreement. The Termination Agreement constitutes a connected transaction of the Company.
- Under the Equity Transfer Agreement entered into between BYD and TTHL, BYD agreed to acquire TTHL's 49% equity interest in COL. Upon completion of the Equity Transfer Agreement, the joint venture arrangement between the Company and BYD in respect of the incorporation of COL will constitute a connected transaction. In addition, COL will become a connected person of the Company and the ongoing transactions between COL and the Company and/or its subsidiaries (other than COL) will become connected transactions of the Company. Disclosure is made in this announcement pursuant to Rule 14A.41 of the Listing Rules. Future transactions under the Guarantee Agreement entered into between the Company and COL will constitute continuing connected transactions and be subject to, amongst other things, Independent Shareholders' approval.

- Wallbanck Brothers Securities (Hong Kong) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Champion Supplementary Agreement, the Swidon Supplementary Agreement and the Guarantee Agreement.
- A circular containing, among other things, details of the Champion Supplementary Agreement, the Swidon Supplementary Agreement and the Guarantee Agreement, a letter from the Independent Board Committee, a letter of advice from Wallbanck Brothers Securities (Hong Kong) Limited and a notice convening the EGM, will be despatched to shareholders of the Company as soon as practicable.

## 1. INTRODUCTION

Since 2003, COL has been engaged in the marketing and organising of China Open tennis tournaments which, since the execution of the Authorisation Agreement, has been pursuant to an authorisation granted by Champion and Swidon to COL under the Authorisation Agreement. Champion and Swidon are the relevant ATP and WTA membership holders, respectively. Under an agreement entered into by the WTA, Swidon and BYD on 18 March 2007 (“**Upgrade Agreement**”), Swidon will become a Tier I WTA Tournament Class Member (as defined under WTA’s by-laws) which will entitle Swidon to organise and stage a top level WTA Tournament in Beijing from 2009 onwards.

On 18 March 2007, BYD, TOM and TML entered into the Champion SPA regarding BYD’s acquisition of TML’s 100% interest in Champion and the Swidon SPA regarding BYD’s acquisition of TML’s 100% interest in Swidon. On the same date, BYD and TTHL entered into the Equity Transfer Agreement pursuant to which BYD agreed to acquire TTHL’s 49% equity interest in COL.

On 10 April 2007, COL entered into the Champion Supplementary Agreement and the Swidon Supplementary Agreement (collectively, “**Supplementary Agreements**”), respectively, with BYD, TOM and TML pursuant to which the rights and obligations of BYD under the Champion SPA and the Swidon SPA were respectively transferred to and assumed by COL from the execution date of the Supplementary Agreements, as detailed in section 2.1 of this announcement. The transactions thereunder constitute discloseable and connected transactions for the Company under the Listing Rules and are subject to, among other things, the Independent Shareholders’ approval. The Company believes the proposed acquisitions of the respective 100% interest in Champion and Swidon will result in COL’s paying reduced licence fees and greater certainty for COL’s hosting future China Open tennis tournaments. The Company also believes that through the Upgrade Agreement, the China Open WTA tennis tournament, run by COL, has potential to become one of the world’s leading tennis events and therefore provide improved returns to the Company. Upon completion of the Supplementary Agreements, Champion and Swidon will become wholly owned subsidiaries of COL and the Authorisation Agreement will be terminated pursuant to the Termination Agreement entered into on 10 April 2007 between the Company, COL, TOM, TTHL, Champion and Swidon, as detailed in section 2.2 of this announcement. Thereafter, the arrangements under the Authorisation Agreement will be replaced by new arrangements among Champion, Swidon and COL without involving TOM or any of its associates. The transactions under the Termination Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Under the Equity Transfer Agreement, BYD agreed to acquire a 49% equity interest in COL from TTHL. Upon completion of the Equity Transfer Agreement, COL will be jointly held by the Company and BYD as to 51% and 49%, respectively. Therefore, the joint venture arrangement between the Company and BYD in respect of the incorporation of COL will constitute a connected transaction of the Company, as detailed in section 2.3 of this announcement. In addition, COL will become a connected person of the Company (pursuant

to Rule 14A.11 (5) of the Listing Rules) and the guarantees provided by the Company for the benefit of COL will become connected transactions. The Guarantee Agreement, entered into between the Company and COL for the purpose of future provision of guarantees by the Company, will constitute a continuing connected transaction of the Company and details are set out in section 2.4 of this announcement.

It is currently intended that the Supplementary Agreements, the Termination Agreement and the Equity Transfer Agreement will complete at the same time, subject to the approval of the Supplementary Agreements by the Independent Shareholders at the EGM and the approval granted by the board of directors of the WTA of the Upgrade Agreement, which was obtained on 27 March 2007.

The Board has recently been informed by TOM that TOM now controls the composition of the board of directors of TTHL which currently holds a 49% equity interest in COL. Therefore, TOM and its associates (as defined in the Listing Rules) have become connected persons of the Company and the transactions under the Authorisation Agreement become connected transactions of the Company. Disclosure pursuant to Rule 14A.41 of the Listing Rules is made in section 3 of this announcement.

Wallbanck Brothers Securities (Hong Kong) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Champion Supplementary Agreement, the Swidon Supplementary Agreement and the Guarantee Agreement.

A circular containing, among other things, the details of the Champion Supplementary Agreement, the Swidon Supplementary Agreement and the Guarantee Agreement, a letter from the Independent Board Committee, a letter of advice from Wallbanck Brothers Securities (Hong Kong) Limited and a notice convening the EGM, will be despatched to shareholders of the Company as soon as practicable.

## **2. CONNECTED TRANSACTIONS**

### **2.1. Supplementary Agreements**

Date: 10 April 2007

Contracting Parties: COL,  
BYD,  
TOM, and  
TML

Under the Champion SPA and the Swidon SPA, BYD agreed to acquire TML's 100% interest in the entire issued share capital in Champion and Swidon for the consideration of US\$6,201,550 and US\$9,302,325 (equivalent to approximately HK\$48,478,756.66 and HK\$72,718,134.99), respectively.

Under the Supplementary Agreements, the rights and obligations of BYD under the Champion SPA and the Swidon SPA were transferred to and assumed by COL from the execution date of the Supplementary Agreements. No consideration is payable by COL to BYD in connection with such transfer. Under the Champion SPA and the Swidon SPA, COL will pay to TML US\$6,201,550 and US\$9,302,325 (equivalent to approximately HK\$48,478,756.66 and HK\$72,718,134.99) in consideration of COL's acquisition of the 100% interest in the entire issued share capital in Champion and Swidon, respectively. Such considerations were determined by reference to (i) the historical authorisation fees for ATP and WTA memberships paid to Champion and Swidon; and (ii) the market prices for the transfer of the beneficial ownership of ATP and WTA memberships. COL will fund the consideration through commercial bank loans which are to be guaranteed by COL's shareholders, the Company and BYD, in proportion to their respective shareholdings in COL (see section 2.4 below).

Under the Supplementary Agreements, BYD has undertaken to guarantee the due performance and observance by COL all of its obligations under the Champion SPA and the Swidon SPA and accept joint and several liability with COL for any failure by COL to perform and/or observe any of its obligations under the Champion SPA and the Swidon SPA.

The Supplementary Agreements were reached after arm's-length negotiations among parties thereto. Upon completion of Supplementary Agreements, COL will hold a 100% interest in Champion and Swidon, respectively.

The net profit for the year ended 31 December 2006 and the book value of total net asset of Champion as at 31 December 2006 were approximately HK\$4.45 million and HK\$4.44 million, respectively, and the net loss for the year ended 31 December 2006 and the book value of total net asset of Swidon as at 31 December 2006 were approximately HK\$2.11 million and HK\$2.16 million, respectively. To the knowledge of the Company, the relevant financial information of Champion and Swidon for the year ended 31 December 2005 is not available as those two companies did not have operations prior to March, 2006 when the Authorisation Agreement was executed.

#### *Conditions*

The Supplementary Agreements are conditional upon, among other things:

- i) relevant PRC governmental approvals of the share transfer thereunder;
- ii) the approval of the Independent Shareholders of the Supplementary Agreements;
- iii) the approval of the WTA on the Upgrade Agreement (which condition has already been satisfied); and
- iv) relevant approvals from foreign exchange authorities in respect of the consideration contemplated under the Champion SPA and Swidon SPA having been obtained.

#### *Completion*

If for any reason the Authorisation Agreement has not been terminated at the completion of the Supplementary Agreements, all parties to the Authorisation Agreement will cease to have any rights or obligations under the Authorisation Agreement.

#### **Listing Rules Implications**

BYD, TOM and TML are all connected persons of the Company (as further explained in section 3 below) and are counterparties under the Supplementary Agreements. Accordingly, the transactions under the Supplementary Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios under the Listing Rules (other than the profit ratio) for the consideration payable under each of the Supplementary Agreements are expected to be more than 2.5%, the transactions under the Supplementary Agreements will be subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. BYD, TOM, TML and their respective associates (as defined in the Listing Rules) are required to abstain from voting at the EGM in relation to the resolutions approving the Supplementary Agreements.

As the acquisitions, in aggregate, under the Supplementary Agreements exceed 5% but less than 25% of the relevant percentage ratios (as defined in the Listing Rules), the acquisitions thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

#### **Reasons for entering into the Supplementary Agreements and the benefits to the Company**

The Company believes the proposed acquisition of the 100% interest in Campion and Swidon will result in COL's paying reduced licence fees and greater certainty for COL's hosting future China Open tennis tournaments. The Company also believes that through the Upgrade

Agreement, the China Open WTA tennis tournament, run by COL, has potential to become one of the world's leading tennis events and therefore provide improved returns to the Company. The Directors are of the view that the Supplementary Agreements were entered into and carried out in the ordinary and usual course of business of COL and the terms of the Supplementary Agreements are normal commercial terms which are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

## **2.2. The Termination Agreement**

Date: 10 April 2007

Contracting Parties: The Company,  
COL,  
TOM,  
TTHL,  
Champion, and  
Swidon

Reference is made to the Company's announcement dated 20 March 2006 in which the Company announced that, on 18 March 2006, the Company, COL, TOM, TTHL, Champion and Swidon had entered into the Authorisation Agreement regarding the organisation of future China Open tennis tournaments.

Under the Authorisation Agreement, Champion and Swidon, as the holders of relevant ATP and WTA memberships, respectively, granted to COL the exclusive right to use their respective ATP Tournament Class Membership and WTA Tournament Class Membership for the organisation of the China Open tennis tournaments in Beijing, PRC, once a year from 2006 until 2013. COL is entitled to all the commercial rights pertaining to the organisation of the China Open tennis tournaments, including the right to receive sponsorship funds, broadcasting fees, ticket sales and related product sales. In consideration, COL agreed to pay an aggregate ATP and WTA licence fee of US\$1,200,000 (equivalent to approximately HK\$9,380,640.00) per year to Champion and Swidon.

Under the Termination Agreement, the parties thereto agreed to terminate the Authorisation Agreement upon completion of the Supplementary Agreements. The Termination Agreement was arrived after arm's-length negotiations among parties thereto. No consideration is payable by the Company pursuant to the Termination Agreement.

### **Listing Rules Implications**

As currently TOM, TTHL, Champion and Swidon are all connected persons of the Company (as further explained in section 3 below), the Company's entering into the Termination Agreement constitutes a connected transaction of the Company. As the relevant percentage ratios under the Listing Rules (other than the profit ratio) for the amounts payable under the Authorisation Agreement which is to be terminated under the Termination Agreement will be more than 0.1% but less than 2.5%, the transactions under the Termination Agreement are subject to the reporting and announcement requirements, but exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Reasons for entering into the Termination Agreement and the benefits to the Company**  
Upon completion of the Supplementary Agreements, Champion and Swidon will become wholly owned subsidiaries of COL. Therefore, the Authorisation Agreement should be terminated and replaced by new arrangements among Champion, Swidon and COL without involving TOM or any of its associates. The Directors (including independent non-executive Directors) are of the view that the Termination Agreement was entered into in the ordinary and usual course of business of COL and the terms thereof are normal commercial terms which are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

### **2.3. Joint Venture Arrangement between BYD and the Company**

Under the Equity Transfer Agreement dated 18 March 2007 entered into between BYD and TTHL, BYD agreed to acquire the 49% equity interest in COL from TTHL. Upon the completion of the Equity Transfer Agreement, COL will become a joint venture between the Company and BYD in which they hold 51% and 49% equity interest, respectively. As BYD holds an approximate 63.72% interest in the Company, the joint venture arrangement between the Company and BYD in respect of the incorporation of COL will constitute a connected transaction of the Company.

#### **Principal Terms of the joint venture arrangement (“JV Arrangement”)**

Parties and percentage equity interest in COL: The Company and BYD will hold 51% and 49% equity interest in COL, respectively.

Business of COL: COL is principally engaged in the marketing and organising of China Open tennis tournaments.

Board of directors: The board of directors of COL comprises 5 directors. The Company is entitled to appoint three directors, and BYD is entitled to appoint two directors. Except for certain matters which require unanimous approval by the board of directors, board resolutions can be passed by a vote in favor by two-thirds of the directors present at board meetings. The Chairman of the board of directors shall be appointed by the Company.

Registered capital: RMB5 million (equivalent to approximately HK\$5.06 million)

Total investment: RMB5 million (equivalent to approximately HK\$5.06 million)

Joint venture term: 20 years from the date of the issue of business licence of COL being 11 December 2003.

Profit distribution: Profits will be distributed to the Company and BYD in accordance with their proportionate equity interests in COL.

Apart from the contribution to the registered capital as stated above, the Company has no any other capital commitment pursuant to the JV Arrangement.

COL will remain a subsidiary of the Company for the purposes of the Listing Rules and will be accounted for as a jointly controlled entity in the Company’s financial statements.

The net loss of COL for the two years ended 31 December 2006 was approximately RMB35.63 million and RMB38.32 million (equivalent to approximately HK\$36.03 million and HK\$38.75 million), respectively. The book value of total asset of COL as at 31 December 2005 and 31 December 2006 was RMB1.72 million and RMB30.70 million (equivalent to approximately HK\$1.74 million and HK\$31.04 million), respectively.

#### **Conditions**

The JV Arrangement will take effect upon the completion of the transfer of the 49% equity interest in COL from TTHL to BYD under the Equity Transfer Agreement.

#### **Listing Rules Implications**

As the aggregate amount contributed by the Company to COL is more than 0.1% but less than 2.5% of the relevant percentage ratios (other than the profit ratio) under the Listing Rules, the JV Arrangement will constitute a connected transaction and is subject to the reporting and announcement requirements, but exempted from the independent shareholders’ approval requirements under the Chapter 14A of the Listing Rules.

#### **Reasons for entering into the Agreement and the benefits to the Company**

Under the Equity Transfer Agreement, BYD will acquire the 49% equity interest in COL held by TTHL and accede to the joint venture contract entered into by TTHL and the Company.

The Directors (including independent non-executive Directors) are of the view that the JV Arrangement was entered into in the ordinary and usual course of business of the Company and the terms thereof are normal commercial terms which are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

#### 2.4. Guarantees provided by the Company to COL

Upon completion of the transfer of the 49% equity interest in COL from TTHL to BYD under the Equity Transfer Agreement, COL will become a joint venture between the Company and BYD as to 51% and 49%, respectively. BYD holds an approximate 63.72% equity interest in the Company and is also entitled to exercise more than 10% of the voting power at any general meeting of COL, a non-wholly owned subsidiary of the Company. As such, COL will become a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules.

##### Ongoing connected transactions

The Company has been providing guarantees for bank facilities granted to COL. As at the date of this announcement, the aggregate amount of such bank facilities is RMB148.35 million (equivalent to approximately HK\$150.01 million) comprising six fixed-term bank loans, as detailed below:

Item	Interest	Term	Facility granted RMB
1	5.508%	1 June 2006 – 1 June 2007	12,500,000 (equivalent to approximately HK\$12,640,000)
2	5.508%	18 August 2006 – 18 August 2007	48,600,000 (equivalent to approximately HK\$49,144,320)
3	5.508%	18 August 2006 – 18 August 2007	8,200,000 (equivalent to approximately HK\$8,291,840)
4	5.508%	18 August 2006 – 18 August 2007	8,050,000 (equivalent to approximately HK\$8,140,160)
5	5.508%	21 March 2007 – 21 March 2008	12,000,000 (equivalent to approximately HK\$12,134,400)
6	5.508%	30 March 2007 – 30 March 2008	59,000,000 (equivalent to approximately HK\$59,660,800)
TOTAL			148,350,000 (equivalent to approximately HK\$150,011,520)

The above loans were mainly utilised by COL to repay loans and expenses incurred from the operation of the China Open tennis tournaments from 2004 to 2006. Upon completion of the Equity Transfer Agreement, the above transactions will become connected transactions of the Company and are subject to the reporting and announcement requirements under Rule 14A.41 of the Listing Rules.

##### The Guarantee Agreement

To regulate the relationship between the Company and COL in respect of the future provision of guarantees, the Company and COL entered into the Guarantee Agreement on 10 April 2007. Pursuant to the Guarantee Agreement, the Company will provide guarantees, upon request by COL, to banks for the bank loans and facilities granted to COL in the aggregate amount of not exceeding RMB307.23 million (equivalent to approximately HK\$310.67 million) for the purpose of allowing COL to utilise the bank loans and facilities guaranteed by the Company. The Directors expect that the facilities amounting to RMB148.35 million (equivalent to approximately HK\$150.01 million) to be guaranteed under the Guarantee Agreement will be utilised for the renewal of the six loans as described above and the

remaining facilities amounting to RMB158.88 million (equivalent to approximately HK\$160.66 million) will be utilised to facilitate the operation of the China Open tennis tournaments in 2007 and pay consideration for COL's acquisition of the 100% equity interest in Champion and Swidon, respectively (as detailed in section 2.1 above), and the related upgrade fees payable to the WTA.

The term of the Guarantee Agreement will commence from the date of the completion of the Equity Transfer Agreement until 30 March 2008.

The guarantees to be provided by the Company under the Guarantee Agreement are in proportion to its equity interest in COL. BYD also issued a letter to the Company and COL on 18 March 2007 to confirm that it will provide guarantees for up to the 49% of bank loans and facilities granted to COL from 18 March 2007.

As the total amount of the Guarantee Agreement is expected to be more than 2.5%, on an annual basis, of the relevant percentage ratios under the Listing Rules, the transactions under the Guarantee Agreement will constitute continuing connected transactions of the Company upon completion of the Equity Transfer Agreement and will be subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

**Reasons for the guarantees provided and to be provided by the Company to COL**

The Directors consider that the Company's provision of guarantees for bank loans and facilities granted to COL is in the interests of the Company in that such financial support will facilitate COL's business operations.

The Directors are of the view that the ongoing connected transactions above and the Guarantee Agreement were entered into on normal commercial terms following arm's-length negotiations between the parties thereto and the terms thereof are fair and reasonable, and in the interests of the shareholders of the Company as a whole.

**3. TOM AND ITS ASSOCIATES HAVE BECOME CONNECTED PERSONS OF THE COMPANY**

The Board has recently been informed by TOM that TOM now controls the composition of the board of directors of TTHL which currently holds a 49% equity interest in COL. TTHL is a substantial shareholder (as defined in the Listing Rules) of one of the Company's subsidiaries and TOM is an associate of TTHL. TOM and its associates are therefore connected persons of the Company for the purposes of the Listing Rules. Accordingly, the transactions under the Authorisation Agreement have become connected transactions for the Company under the Listing Rules.

Reference is made to the announcement of the Company dated 20 March 2006 in which the Company announced that, on 18 March 2006, the Company, COL, TOM, Champion, Swidon and TTHL had entered into the Authorisation Agreement regarding the organisation of future China Open tennis tournaments. Please see the announcement of the Company dated 18 March 2006 for details of the Authorisation Agreement and reasons for entering into such agreement.

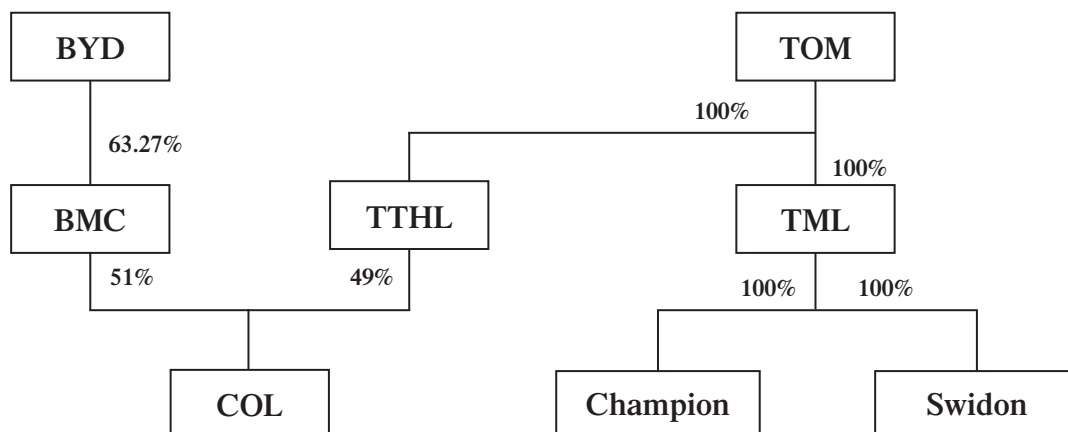
The Authorisation Agreement is subject to the reporting and announcement requirements under Rules 14A.41 of the Listing Rules. Upon completion of the Equity Transfer Agreement, neither TTHL nor TOM or any of its associates will be a connected person of the Company. Pursuant to the Termination Agreement as described in section 2.2 above, the Authorisation Agreement will be terminated upon completion of the Supplementary Agreements which is currently intended to occur simultaneously with the completion of the Equity Transfer Agreement.



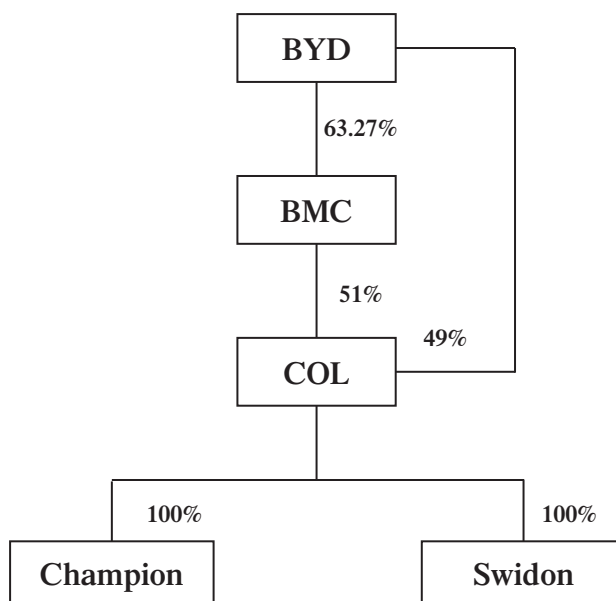
#### 4. CORPORATE CHARTS RELATING TO THE ACQUISITIONS

The following charts illustrate the shareholding structure of the relevant companies before and after the completion of the Supplementary Agreements and the Equity Transfer Agreement:

##### Before completion



##### After completion



#### 5. INFORMATION ON THE COMPANY, COL, BYD, TOM, TTHL, TML, CHAMPION AND SWIDON

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

COL is a 51%-owned subsidiary of the Company while TTHL holds the remaining 49% equity interest of COL. After completion of the Equity Transfer Agreement, BYD will hold the 49% interest of COL. COL is principally engaged in marketing and organising the China Open tennis tournaments.

BYD is a state-owned enterprise and ultimately controlled by the Beijing Municipal Government. BYD is principally engaged in the holding of eight newspapers, one magazine and two online media. BYD is a controlling shareholder of the Company.

TOM is a leading Chinese language media company in the great china region with diversified business interests and in five areas: internet, outdoor media, publishing, sports, television and entertainment across markets in mainland China, Taiwan and Hong Kong.

TTHL is a wholly owned subsidiary of TOM and TOM controls the composition of the board of directors of TTHL (as explained in section 3 above). TTHL currently holds a 49% equity interest in COL. TTHL is principally engaged in investment holding.

TML is a wholly owned subsidiary of TOM and the holding company of 100% interest in Champion and Swidon. TML is principally engaged in investment holding.

Champion is a wholly owned subsidiary of TML and holds the ATP membership. Champion is principally engaged in investment holding.

Swidon is a wholly owned subsidiary of TML and holds the WTA membership. Swidon is principally engaged in investment holding.

## **6. GENERAL**

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the terms of the Champion Supplementary Agreement, the Swidon Supplementary Agreement and the Guarantee Agreement, and Wallbanck Brothers Securities (Hong Kong) Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

A circular containing, among other things, details of the Champion Supplementary Agreement, the Swidon Supplementary Agreement and the Guarantee Agreement, a letter from the Independent Board Committee to the Independent Shareholders in relation to these agreements, a letter of advice from Wallbanck Brothers Securities (Hong Kong) Limited to advise the Independent Board Committee and Independent Shareholders on these agreements and a notice convening the EGM to approve these agreements and the transactions contemplated thereunder, will be despatched to shareholders of the Company as soon as practicable.

## **7. DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless otherwise indicated in the context:

“ATP”	the Association for Tennis Professionals
“Authorisation Agreement”	the authorisation agreement as referred to in the Company’s announcement dated 20 March 2006
“BYD”	Beijing Youth Daily Press Agency (北京青年報社), a state-owned enterprise incorporated in PRC
“COL”	China Open Promotion Company Limited (北京中國網球公開賽育推廣有限公司), a Sino-foreign equity joint venture enterprise established under PRC laws.
“Champion”	Champion Will International Limited, a limited liability company incorporated in the British Virgin Islands
“Champion SPA”	the share purchase agreement entered into by BYD, TOM and TML on 18 March 2007
“Champion Supplementary Agreement”	the supplementary agreement of the Champion SPA entered into by COL, BYD, TOM and TML on 10 April 2007
“Company”	Beijing Media Corporation Limited
“Directors”	the directors of the Company

“EGM”	the extraordinary general meeting of the Company to be held for Independent Shareholders to consider and approve the Supplementary Agreements and the Guarantee Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 18 March 2007 entered into between BYD and TTHL
“Guarantee Agreement”	the guarantee agreement entered into between the Company and COL
“Independent Board Committee”	An independent committee of the Board comprising Messrs. Tsang Hing Lun, Wu Changqi and Liao Li
“Independent Shareholders”	shareholders of the Company who are not required by the Stock Exchange to abstain from voting in respect of the Supplementary Agreements or the Guarantee Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“RMB”	the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Swidon”	Swidon Enterprises Limited, a limited liability company incorporated in the British Virgin Islands
“Swidon SPA”	the share purchase agreement entered into by BYD, TOM and TML on 18 March 2007
“Swidon Supplementary Agreement”	the supplementary agreement of the Swidon SPA entered into by COL, BYD, TOM and TML on 10 April 2007
“Termination Agreement”	the Termination Agreement of the Authorisation Agreement entered into by the Company, COL, TOM, TTHL, Champion and Swidon on 10 April 2007
“TML”	Tennis Management Limited, a limited liability company incorporated in the British Virgin Islands
“TOM”	TOM Group Limited, a limited liability company incorporated in the Cayman Islands
“TTHL”	Tennis Tournament Holding Limited, a limited liability company incorporated in the British Virgin Islands
“WTA”	the Women Tennis Association

By Order of the Board  
**Zhang Yanping**  
*Chairman*

Beijing, PRC, 10 April 2007

*As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Zhang Yabin, Sun Wei, He Pingping, Du Min, the non-executive directors of the Company, Liu Han, Xu Xun, Abraham van Zyl, and the independent non-executive directors of the Company, Tsang Hing Lun, Wu Changqi and Liao Li.*

“Please also refer to the published version of this announcement in The Standard.”