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BEIJING MEDIA CORPORATION LIMITED

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

CONTINUING CONNECTED TRANSACTION

On 30 May, 2008, the Company entered into the Advertising Agreement with Today Sunshine, pursuant to which, Today Sunshine will act as an advertising agent for all commercial advertisements on Four Billboards for a period of two years commencing from 1 June 2008 (excluding the period from 1 July 2008 to 17 September 2008). Given that Today Sunshine is a subsidiary of BYDA, the controlling shareholder of the Company, the transactions under the Advertising Agreement will constitute continuing connected transactions of the Company and be subject to reporting and announcement requirements but exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

Advertising Agreement

Date: 1 June 2008

Duration: Two years commencing from 1 June 2008 (excluding the period from 1 July 2008 to 17 September 2008)

Contracting Parties: the Company

Today Sunshine, a non-wholly owned subsidiary of BYDA, a connected person of the Company

Transactions contemplated under the Advertising Agreement

On 15 May 2008, the Company entered into four authorisation agreements ("**Authorisation Agreements**") respectively with Beijing Municipal Administration Commission, pursuant to which the Company was granted an exclusive right for production and publication of commercial advertisements (including commonweal advertisements) on four billboards in stand-alone pillars located in Beijing ("**Four Billboards**") for the period from 1 June 2008 to 18 August 2010 (excluding the period from 1 July 2008 to 17 September 2008 due to strict requirements may be imposed on the billboards for Summer Olympic Games 2008 and Summer Paralympics 2008 in Beijing).

On 30 May 2008, the Company entered into the Advertising Agreement with Today Sunshine, pursuant to which Today Sunshine will act as an advertising agent of the Company to sell commercial advertisements can be posted on the Four Billboards for a period of two years commencing from 1 June 2008 (excluding the period from 1 July 2008 to 17 September 2008). Under the terms of the Advertising Agreement, the Company sells the advertisement spaces of the Four Billboards to Today Sunshine at a fixed price of RMB5,429,800 each year and Today Sunshine is entitled to resell the advertisement spaces to its end customers. Today Sunshine is responsible for the sales, production, installation, cleaning and regularly supervision of all the advertisements on the Four Billboards.

Each year the annual consideration of RMB5,429,800 is payable to the Company in two equal instalments on or before 1 October in that year and on before 1 April of the following year.

The Advertising Agreement became effective from the date of its execution.

Consideration and annual cap

The annual consideration of RMB5,429,800 payable by Today Sunshine to the Company under the Advertising Agreement was determined after arm's length negotiations between the Company and Today Sunshine. As it is the first time that the company cooperated with Today Sunshine in respect of outdoor billboard advertisement, there is no historical transaction amount available. In arriving the consideration, the factors taken into account by the parties include the reasonable profit margin and the current market conditions.

Listing Rules Implications

Today Sunshine is a subsidiary of BYDA, the controlling shareholder of the Company. Therefore Today Sunshine is a connected person of the Company under rule 14A.11 of the Listing Rules. Accordingly, the transactions under the Advertising Agreement constitute continuing 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 annual consideration payable under the Advertising Agreement is more than 0.1% but less than 2.5%, the transactions under the Advertising Agreement will be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reasons for entering into the Advertising Agreements and the benefits to the Company

The Company has established a cooperation relationship with Today Sunshine since 2004. The Company is of the opinion that the entering into of the Advertising Agreement will facilitate its operation of the billboard advertising business and reduce the unnecessary risk which might incur during the course of operation.

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

Information on the Company and Today Sunshine

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

Today Sunshine is a 55% owned subsidiary of BYDA. Today Sunshine is mainly engaged in outdoor billboard advertising business.

Definitions

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

“Advertising Agreement”	the advertising agreement entered into between the Company and Today Sunshine dated 30 May 2008
“BYDA”	Beijing Youth Daily Agency (北京青年報社), a state-owned enterprise incorporated in PRC
“Company”	Beijing Media Corporation Limited
“Directors”	the directors of the Company
“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
“Today Sunshine”	Beijing Today Sunshine Advertising Co., Ltd. (北京今日陽光廣告有限公司) a 55% owned subsidiary of BYDA

By Order of the Board
Zhang Yanping
Chairman

Beijing, PRC, 30 May 2008

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, Li Wenqing, 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 Company’s website at www.bjmedia.com.cn.”