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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

The Board announces that, on 28 March 2008, the Company and XHM agreed to renew the BMC Distribution Services Agreement pursuant to which XHM was engaged by the Company to distribute its direct mail advertisements and magazines.

The renewal of the BMC Distribution Services Agreement constitutes a continuing connected transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the requirement of independent shareholders' approval.

The Directors are of the view that the renewal of the BMC Distribution Services Agreement was entered into and carried out in the ordinary and usual course of business and on normal commercial terms which are fair and reasonable and are in the interests of the Shareholders as a whole.

1. THE RENEWAL OF THE BMC DISTRIBUTION SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 27 June 2007 ("**Announcement**").

The Company and XHM entered into the BMC Distribution Services Agreement on 27 June 2007. Under the terms of the BMC Distribution Services Agreement, XHM is engaged by the Company to distribute its direct mail advertisements to subscribers of the Beijing Youth Daily as an insert of the Beijing Youth Daily.

Under the BMC Distribution Services Agreement, a distribution fee of RMB0.08 per each page of advertisement is payable by the Company to XHM on a monthly basis. The Company is of the view that the pricing mechanism is comparable to the fees charged by the PRC public postal services. The BMC Distribution Services Agreement should be terminated on 31 December 2007 and be renewable upon mutual agreement between parties thereto.

On 28 March 2008, the Company and XHM agreed to renew the BMC Distribution Services Agreement by extending the agreement for a further one-year term from 1 January 2008 to 31 December 2008, provided that all terms thereunder should remain unchanged.

XHM has been providing the services of delivering direct mail advertisements for the Company since the beginning of 2005. For the years ended 31 December 2005, 2006 and 2007, the total delivery fees paid by the Company to XHM for the delivery services were approximately RMB8.16 million, RMB1.0 million and RMB3.8 million (equivalent to approximately HK\$7.67 million, HK\$0.96 million and HK\$4.056 million), respectively.

Although there is no cap fixed under the BMC Distribution Services Agreement, the Company estimates that the aggregate maximum value under the BMC Distribution Services Agreement will not exceed RMB7 million in 2008 (equivalent to approximately HK\$7,756,200) based on the historical transaction values, and an prospective expansion of the advertisement business resulting from the Beijing Olympic Games in 2008.

The Listing Rules implications

XHM is a non-wholly owned subsidiary of BYDA, the controlling shareholder of the Company, and therefore is a connected person of the Company under rule 14A.11 of the Listing Rules. Accordingly, the transaction referred to under the renewal of the BMC Distribution Services Agreement above constitutes a continuing connected transaction of the Company.

The transaction value under the renewal of the BMC Distribution Services Agreement is expected to be more than 0.1%, but less than 2.5% of the relevant percentage ratios (other than the profit ratio) under the Listing Rules. Therefore the transaction thereunder shall be subject to the reporting and announcement requirements, but exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

Reasons for renewal of the BMC Distribution Services Agreement

Beijing Youth Daily is one of the most widely circulated newspapers distributed and sold in Beijing, PRC. Since 2003, besides the publication of traditional advertisements in Beijing Youth Daily, the Company has been providing direct mail advertising services as an additional advertising channel involving Beijing Youth Daily. Considering the successful arrangement with XHM for its provision of distribution services over the last few years, the Board is of the view that the entering into of the arrangement under the BMC Distribution Services Agreement on a continuing basis will be beneficial to the Company and provide greater certainty of the Company's operations.

The renewal of the BMC Distribution Services Agreement was entered into following arm's length negotiations among the parties thereto. The Directors (including independent non-executive Directors) are of the view that the renewal of the BMC Distribution Services Agreement has been entered into on normal commercial terms which are fair and reasonable and in the interests of the Shareholders as a whole.

2. INFORMATION RELATING TO THE COMPANY AND XHM

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

XHM is a limited liability company incorporated in PRC which is principally engaged in the distribution of newspapers and other goods.

3. DEFINITIONS

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

“BMC Distribution Services Agreement”	the distribution services agreement dated 27 June 2007 which was entered into between the Company and XHM;
“Board”	the board of Directors;
“BYDA”	北京青年報社 (Beijing Youth Daily Agency);
“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, which for the purposes of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	the lawful currency of the People’s Republic of China;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“XHM”	小紅帽發行股份有限公司 (XiaoHongMao Corporation), a subsidiary of BYDA.

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

Beijing, PRC, 28 March 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 on the Company’s website at www.bjmedia.com.cn