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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 TRANSACTIONS

- To regulate the relationship between the Company and COL in respect of the future provision of guarantees by the Company, the Company and COL entered into the Guarantee Agreement on 22 April 2008. The transactions under the Guarantee Agreement constitute continuing connected transactions and are subject to, amongst other things, Independent Shareholders' approval.
- The EGM will be convened for the purpose of seeking Independent Shareholders' approval for the Guarantee Agreement and its cap. BYDA and its associates will be required to abstain from voting at the EGM.

1. Introduction

Reference is made to the Company's announcement dated 10 April 2007. Since 2004 the Company has been providing guarantees for bank facilities granted to COL, a subsidiary of the Company, to facilitate COL's business operations. The guarantee agreement entered into between the Company and COL on 10 April 2007 (the "2007 Agreement") expired on 30 March 2008. During the term of the 2007 Agreement, the Company has provided guarantees to term loans amounting to RMB206,520,000 granted to COL, all of which will be expired in succession after 30 March 2008 but in any event no later than 30 March 2009, among which part of the term loans will be continuously guaranteed by the Company. To regulate the relationship between the Company and COL in respect of the future provision of guarantees by the Company, the Company and COL entered into the Guarantee Agreement on 22 April 2008. As COL is also a connected person of the Company, the transactions under the Guarantee Agreement will constitute continuing connected transactions of the Company and be subject to reporting, announcement and independent shareholders' approval requirements under the Chapter 14A of the Listing Rules.

Masterlink Securities (Hong Kong) Corporation Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Guarantee Agreement and its annual cap.

A circular providing, among other things, the details of the Guarantee Agreement, a letter from the Independent Board Committee, a letter of advice from Masterlink Securities (Hong Kong) Corporation Limited and a notice convening the EGM, will be despatched to shareholders of the Company as soon as practicable after the publication of the announcement.

2. Guarantee Agreement

On 22 April 2008, the Company and COL entered into the Guarantee Agreement pursuant to which the Company agreed to provide guarantees, upon request from COL, to banks for bank loans and facilities granted to COL in an aggregate principal amount not exceeding RMB209.1 million (equivalent to approximately HK\$232 million) together with accrued interests thereof, for the purpose of COL's utilization of the bank loans and facilities for its operational needs. The Company expects that the total amount of accrued interests under the Guarantee Agreement will not exceed RMB15.6 million, as the current interest rates for the bank loans to be guaranteed by the Company will be around 7.47% p.a., subject to the adjustment issued by People's Bank of China from time to time. The term ("Guarantee Term") of the Guarantee Agreement is two years commencing from the date that is approved by the Independent Shareholders at the EGM. Under the Guarantee Agreement, the Company will provide guarantees for the facilities utilised by COL in proportion to the Company's equity interest in COL. BYDA, which holds the remaining 49% equity interest of COL, will provide guarantees to the bank loans and facilities utilised by COL in proportion to its equity interest in COL pursuant to an agreement to be entered into between BYDA and COL. As COL expects to raise funds in an amount of approximately RMB410 million during the term of the Guarantee Agreement, the Company expects the maximum amount of principal of the bank loans and facilities to be granted to COL, guaranteed by the Company, would not exceed RMB209.1 million during the same period.

The Directors expect that facilities amounting to approximately RMB168.3 million (equivalent to approximately HK\$187 million) to be guaranteed under the Guarantee Agreement will be utilised for: (a) the renewal of the loans which were mainly incurred from the operations of the China Open tennis tournaments during the period from 2004 to 2007, in an amount of approximately RMB107.1 million; and (b) the renewal of loans which were utilised for paying the consideration for COL's acquisition of the 100% equity interest in Champion Will International Limited and Swidon Enterprises Limited in 2007 in an amount of approximately RMB61.2 million. The remaining facilities amounting to approximately RMB40.8 million (equivalent to approximately HK\$45 million) will be utilised to facilitate the operations of the China Open tennis tournaments in 2008, including the payment for WTA and ATP tournament licence fees, player invitation fees, tournament prizes, and promotional expenditure.

The Guarantee Agreement will become effective immediately upon approval of the Independent Shareholders at the EGM. Pursuant to the Guarantee Agreement, the Company will enter into several guarantee agreements with various banks for providing guarantees to bank loans and facilities granted to COL. The term of each of the bank loans or facilities granted to COL to be guaranteed by the Company under the Guarantee Agreement will be within the Guarantee Term.

For the four years ended 31 December 2004, 2005, 2006 and 2007, the amount guaranteed by the Company to COL was approximately RMB72.55 million, RMB56 million, RMB167.47 million and RMB214.61 million, respectively.

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 the business operations of COL which is one of Company's subsidiaries.

The Directors are of the view that the Guarantee Agreement was 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.

Listing Rules Implications

COL is held by the Company and BYDA as to 51% and 49%, respectively. BYDA and its associates hold in aggregated 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 subsidiary of the Company. As such, COL is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules.

As the maximum transaction value under the Guarantee Agreement is expected to be more than 2.5%, on an annual basis, of the relevant percentage ratios (other than the profit ratio) under the Listing Rules, the transactions under the Guarantee Agreement will constitute continuing connected transactions of the Company and will be subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

3. Information on the Company, COL and BYDA

The Company is known as 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.

COL is a 51%-owned subsidiary of the Company while BYDA holds the remaining 49% equity interest of COL. COL is treated as a jointly controlled entity and accounted for by the Company under the equity accounting method from an accounting perspective. COL is principally engaged in marketing and organising the China Open tennis tournaments.

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

4. General

The EGM will be convened for the purpose of seeking the Independent Shareholders' approval for the Guarantee Agreement and its annual cap. BYDA and its associates will be required to abstain from voting at the EGM. The voting in respect of the resolution on the Guarantee Agreement will be conducted by poll at the EGM.

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

A circular providing, among other things, details of the Guarantee Agreement, a letter from the Independent Board Committee to the Independent Shareholders in relation to the Guarantee Agreement, a letter of advice from Masterlink Securities (Hong Kong) Corporation Limited to advise the Independent Board Committee and Independent Shareholders on the Guarantee Agreement and a notice convening the EGM to approve the Guarantee Agreement and the transactions contemplated thereunder, will be despatched to shareholders of the Company as soon as practicable after publication of the announcement.

5. Definitions

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

“Board”	the board of the Company
“BYDA”	Beijing Youth Daily Agency (北京青年報社), a state-owned enterprise incorporated in PRC
“COL”	Beijing China Open Promotion Company Limited (北京中國網球公開賽體育推廣有限公司), a limited liability company established under PRC laws
“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 Guarantee Agreement
“Guarantee Agreement”	the guarantee agreement entered into between the Company and COL on 22 April 2008
“HK\$”	the lawful currency of Hong Kong, the Special Administration Region of PRC
“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 Guarantee Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People Republic of China
“RMB”	the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Zhang Yanping
Chairman

Beijing, PRC, 22 April 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