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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)

CONNECTED TRANSACTION

The Board announces that, on 29 November 2007, the Company, Today YangGuang and HYSS entered into the Debt Settlement Agreement pursuant to which Today YangGuang agreed to pay around RMB3.7 million to the Company as settlement of HYSS’s Debt to the Company in consideration for a market entrance right to replace HYSS as an advertising agent of the Company in relation to the sale of certain advertising space.

The Debt Settlement Agreement constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the requirement of independent shareholders’ approval under Chapter 14A of the Listing Rules.

The Directors are of the view that the Debt Settlement Agreement were 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 Company’s shareholders as a whole.

Background

Under an advertising business agreement entered into between the Company and BYDA, the Company was granted an exclusive right, amongst other things, to sell all of the advertising space in Beijing Youth Daily, a newspaper operated by BYDA. On 6 April 2004 and 6 April 2005, the Company and HYSS entered into two advertising agreements (“**HYSS Advertising Agreements**”) under which HYSS agreed to act as an agent of the Company for selling recruitment classified advertisement space in Beijing Youth Daily and its supplement, Information Industry Post. Up to 29 November 2007, HYSS owed the Company a total of RMB3,726,043.12 (“**Debt**”) under the HYSS Advertising Agreements, which was the result of certain unpaid consideration to the Company for HYSS’s purchase of recruitment classified advertisement space in Beijing Youth Daily and its supplement, Information Industrial Post.

Debt Settlement Agreement

On 29 November 2007, Today YangGuang, HYSS and the Company entered into the Debt Settlement Agreement under which Today YangGuang agreed to pay RMB3,726,043.12 (equivalent to approximately HK\$3,920,954) to the Company as settlement of the Debt, such amount to be paid in 24 instalments from December 2007 to November 2009. In consideration of such payment, Today YangGuang obtained a market entry right to replace HYSS as an advertising agent of the Company in relation to the sale of recruitment classified advertisement space in the Beijing Youth Daily and its supplement, Information

Industrial Post. Under the Debt Settlement Agreement, the Company consented to the above debt settlement and market entry right. The above consideration was arrived after negotiations between the parties thereto in accordance with the general market practice. Before entering into the Debt Settlement Agreement, the Company has sought offers from other independent third parties which were not more favorable than that offered by Today YangGuang in respect of the subject matter of the Debt Settlement Agreement.

Upon the execution of the Debt Settlement Agreement, the HYSS Advertising Agreements were terminated and the Company will enter into a separate advertising agreement with Today YangGuang (“**New Advertising Agreement**”) setting out terms and conditions pursuant to which Today YangGuang would act as an advertising agent of the Company in relation to the sale of recruitment classified advertisement space in the Beijing Youth Daily and its supplement, Information Industrial Post. The New Advertising Agreement will be entered into pursuant to the framework terms set out in the advertising agreement dated 8 December 2004 entered into between the Company and Today YangGuang (“**Today YangGuang Advertising Agreement**”) and its supplemental agreement dated 29 November 2006, as referred to in the announcement of the Company dated 4 December 2006. The transaction values of the New Advertising Agreement are expected to be covered by the annual caps for the Today YangGuang Advertising Agreement set out in the announcement of the Company dated 4 December 2006.

The Listing Rules implications

Today YangGuang is a non-wholly owned subsidiary of BYDA, the controlling shareholder of the Company. Therefore Today YangGuang is a connected person of the Company under rule 14A.11 of the Listing Rules. Accordingly, the transaction under Debt Settlement Agreement constitutes a connected transaction of the Company.

The transaction values under the Debt Settlement Agreement would 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 and benefit of entering into the Debt Settlement Agreement

The Company has sold advertising space to Today YangGuang since the establishment of the Company. Considering the historical transactions with Today YangGuang and the stable relationship that has been built up between the Company and Today YangGuang, the Board is of the view that the entering into of the Debt Settlement Agreement will accelerate the Debt to be settled and avoid possible occurrence of the future bad debt. Therefore, the arrangement thereunder will provide greater certainty of the Company’s operations.

The Debt Settlement 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 Debt Settlement Agreement has been entered into on normal commercial terms which are fair and reasonable and in the interests of the Company’s shareholders as a whole.

General information

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.

Today YangGuang is a limited liability company incorporated in the PRC mainly engaged in outdoor billboard advertising business and the sale of newspaper advertising space.

HYSS is a limited liability company incorporated in the PRC mainly engaged in the sale of newspaper advertising space. HYSS and its ultimate beneficial owner are third parties who are independent of the Company.

Definitions

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

“Board”	the board of directors of the Company;
“BYDA”	北京青年報社 (Beijing Youth Daily Agency);
“Company”	Beijing Media Corporation Limited;
“Debt Settlement Agreement”	the debt settlement agreement dated 29 November 2007 which was entered into between the Company, Today YangGuang and HYSS;
“Directors”	the directors of the Company;
“HK\$”	the lawful currency of Hong Kong Special Administrative Region of the PRC;
“HYSS”	北京恒遠盛世廣告有限公司 (Beijing Heng Yuan Sheng Shi Advertising Co., Ltd);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“RMB”	the lawful currency of the PRC;
“Today YangGuang”	北京今日陽光廣告有限責任公司 (Beijing Today YangGuang Advertising Co., Ltd).

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

Beijing, PRC, 29 November 2007

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