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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)

CONTINUING CONNECTED TRANSACTION

BLTA, a subsidiary of the Company, has entered into a cooperation agreement on 28 December 2006 with LEP Agency, a wholly owned subsidiary of BYD. Pursuant to the Agreement, BLTA will obtain an exclusive right as an advertising agent for all commercial advertisements in the commerce and tourism sectors for certain agreed advertising spaces of Legal Evening Post for one year commencing 1 January 2007. Given that BYD is the controlling shareholder of LEP Agency, the Agreement will constitute a continuing connected transaction of the Company.

The Directors are of the view that, the Agreement and the terms thereof are on normal commercial terms and are fair and reasonable and that the transactions thereunder are in the interests of the shareholders of the Company as a whole.

Continuing connected transaction

Transaction: The entering into of the Agreement
Date: 28 December 2006
Duration: One year commencing from 1 January 2007
Contracting Parties: BLTA, a non-wholly owned subsidiary of the Company
LEP Agency, a wholly owned subsidiary of BYD

Transactions contemplated under the Agreement

Under the terms of the Agreement, BLTA will obtain an exclusive right as sole advertising agent to place all commerce and tourism sector paid advertisements in the Legal Evening Post for a period of one year commencing 1 January 2007. Pursuant to the Agreement, BLTA is entitled to place advertisements in certain agreed advertising spaces during the period of the Agreement with paying a total consideration of RMB10 million in return for the exclusive right and rental of the aforesaid agreed advertising spaces.

The Agreement will become effective on 1 January 2007 for a term of one year, which is in line with market practice in the advertising industry. BLTA will pay RMB3 million of the consideration within 10 business days after the execution date of the Agreement and the remainder will be paid to LEP Agency within the first 5 business days of each quarter of 2007 in three equal instalments. A penalty of 0.3% of any late payment will be charged for each business day that such payment is overdue.

Consideration and annual cap

The total consideration of RMB10 million of the Agreement was determined after arm's-length negotiations between LEP Agency and BLTA. In agreeing the consideration, the factors taken into account include the historical advertising revenue of Legal Evening Post of commercial advertisements in the commerce and tourism sectors, the Company's internal analysis of the expected revenue which may be generated by BLTA under the Agreement and the potential growth of circulation of Legal Evening Post, as well as the current market conditions.

It is the first time that LEP Agency has granted an exclusive advertising LEP Agency right in respect of all paid advertisements in the commerce and tourism sectors to a single advertising agent. In the past, the aggregate payments for the sale of advertising LEP Agency rights in respect of all commercial advertisements for the advertisement spaces under the Agreement received by LEP Agency from other third parties were at least 15% higher than consideration under the Agreement. As LEP Agency does not need to deal with different advertising agents in respect of all commerce and tourism sector paid advertisements, its charge rate has been reduced accordingly. The Directors are of the view that the decision of the consideration is in line with market practice and was determined on normal commercial terms.

Pursuant to the terms of the Agreement, payments by BLTA under the Agreement will not exceed the aggregate consideration of RMB10 million.

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

As a multi-sector evening newspaper, the business of Legal Evening Post has been growing rapidly in recent years. At present, it has an average daily circulation of 300,000 copies and regularly ranks third among Beijing-based retail newspapers. As the sole advertising agent for paid advertisements of Legal Evening Post during the term of the Agreement, the Directors believe that BLTA will be able to rapidly capture more market share and explore more advertising resources from Legal Evening Post. In addition, it will also facilitate greater operational efficiency through economies of scale for the advertising divisions within the Group.

Relationship between the Company, BLTA, BYD and LEP Agency

BLTA is a 51%-owned subsidiary of the Company while LEP Agency is a wholly owned subsidiary of BYD, which is the controlling shareholder of the Company. Under the Rule 14A.14 of Listing Rules, the transaction contemplated under the Agreement will constitute a continuing connected transaction of the Company. As the consideration for the Agreement is expected to be less than 2.5% under the relevant percentage ratios (other than the profit ratio) under the Listing Rules, the

transaction constitutes a continuing connected transaction under the Rule 14A.34 of the Listing Rules and the Company is only required to comply with the reporting and announcement requirements but is exempted from the requirement of independent shareholders' approval.

Information relating to BLTA

BLTA is an advertising company principally engaged in the operation of the direct mail magazine Leisure Trend.

Information relating to Legal Evening Post

Legal Evening Post is a daily evening newspaper, which commenced publication on 18 May 2004. Legal Evening Post covers current affairs and news, with an emphasis on the legal perspective and the importance of legal compliance, and matters of public interest.

General

The Agreement was entered into on normal commercial terms following arm's-length negotiations between the parties thereto.

The Directors are of the view that the Agreement and the terms thereof are normal commercial terms and are fair and reasonable, and the transactions under the Agreement are in the interests of the shareholders of the Company as a whole.

Definitions

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

"Agreement"	the cooperation agreement dated 28 December 2006 entered into between the BTLA and LEP Agency;
"BLTA"	Beijing Leisure Trend Advertising Company Limited (北京休閒時尚廣告有限公司), a non-wholly owned subsidiary of the Company;
"BYD"	Beijing Youth Daily Press Agency (北京青年報社);
"Company"	Beijing Media Corporation Limited;
"Directors"	the directors of the Company;
"Group"	the Company and its subsidiaries;
"LEP Agency"	Legal Evening Post Agency (法制晚報社);
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"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
Beijing Media Corporation Limited
Zhang Yanping
Chairman

Beijing, PRC, 28 December 2006

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."