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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 TRANSACTIONS

The Board announces that, on 1 January 2005, the Company entered into the 2005 Real Estate Advertising Agreement and, on 15 October 2005, the 2005 Distribution Services Agreement with (i) Beiqing Advertising and (ii) XHM, respectively.

On 1 January 2006, the Company and Beiqing Advertising entered into the 2006 Real Estate Advertising Agreement.

Beiqing Advertising and XHM are subsidiaries of BYD, the controlling shareholder of the Company, and therefore connected persons of the Company. Under the Listing Rules, the transactions contemplated under the 2005 Real Estate Advertising Agreement, 2006 Real Estate Advertising Agreement and the Distribution Services Agreement constitute continuing connected transaction for the Company. As the annual value of the transactions under each of the 2005 Real Estate Advertising Agreement and Distribution Services Agreement is, and the annual value of the transactions under the 2006 Real Estate Advertising Agreement is expected to be, less than 2.5 of the percentage ratios (other than the profits ratio), the transactions fall under rule 14A.34 of the Listing Rules and the Company is only required to comply with the reporting and announcement requirements thereunder. Under rule 14A.34 of the Listing Rules, independent shareholders' approval is not required.

Since the 2005 Real Estate Advertising Agreement and Distribution Services Agreement were entered into in 2005, the Company had not disclosed the transactions at the time when the Company is obliged to make the announcement in accordance with the requirements of the Listing Rules.

The Board announces that on, 1 January 2005, the Company entered into the 2005 Real Estate Advertising Agreement and on, 15 October 2005, the Distribution Services Agreement with (i) Beiqing Advertising and (ii) XHM, respectively.

On 1 January 2006, the Company and Beiqing Advertising entered into the 2006 Real Estate Advertising Agreement.

Further details regarding the 2005 Real Estate Advertising Agreement, 2006 Real Estate Advertising Agreement and Distribution Services Agreement are set out below.

2005 REAL ESTATE ADVERTISING AGREEMENT

Date:

1 January 2005

Parties:

Beijing Media Corporation Limited, as appointer; and
Beijing Beiqing Advertising Limited, as advertising agent.

Transactions under the 2005 Real Estate Advertising Agreement:

Under the terms of the 2005 Real Estate Advertising Agreement, Beiqing Advertising is engaged by the Company to act as one of the advertising agents pursuant to which Beiqing Advertising is required to arrange for placement of advertisements in the Beijing Youth Daily with the Company. The Real Estate Advertising Agreement stipulates that the annual value of advertisements arranged by Beiqing Advertising in the Beijing Youth Daily shall not be less than RMB10 million.

The advertising fee charged by the Company was calculated based on an unit price set out in the standard advertising price list, which price list was also issued to the relevant customers of the Company, subject to applicable discount. Different prices will be applicable depending on the size of the advertisements and the pages on which the advertisements will be published. Payment of the advertising fees will be settled on the date of making the relevant booking of the advertising space. The 2005 Real Estate Advertising Agreement expired on 31 December 2005.

In consideration for the agency services provided, Beiqing Advertising was allocated complementary advertising space on the Beijing Youth Daily. The volume of the complementary advertising space allocated was determined based on the amount of advertising fee arranged by Beiqing Advertising throughout the year. The volume of the complementary advertising space provided to Beiqing Advertising is comparable with that allocated to independent third party advertising agents engaged by the Company.

During the year ended on 31 December 2005, the total amount of advertisements arranged by Beiqing Advertising on the Beijing Youth Daily was approximately RMB23.61 million (equivalent to approximately HK\$22.81 million). An equivalent of approximately 26 full pages of complementary advertising space was allocated to Beiqing Advertising in 2005.

The 2005 Real Estate Advertising Agreement was entered into on normal commercial terms following arm's length negotiations among the parties thereto. The directors (including independent non-executive directors) of the Company consider that the 2005 Real Estate Advertising Agreement and the terms thereof, any discount given, are on normal commercial terms, are fair and reasonable and that the relevant transactions are in the interests of the shareholders of the Company as a whole.

2006 REAL ESTATE ADVERTISING AGREEMENT

Date:

1 January 2006

Parties:

Beijing Media Corporation Limited, as appointer; and
Beijing Beiqing Advertising Limited, as advertising agent.

Transactions contemplated under the 2006 Real Estate Advertising Agreement:

Under the terms of the 2006 Real Estate Advertising Agreement, Beiqing Advertising is engaged by the Company to act as one of the advertising agents pursuant to which Beiqing Advertising is required to arrange for placement of advertisements in the Beijing Youth Daily with the Company. The purpose of the 2006 Real Estate Advertising Agreement is to set out the standard terms which would apply to future placement of advertisements by Beiqing Advertising on the Beijing Youth Daily in 2006. Under the standard terms set out in the 2006 Real Estate Advertising Agreement, Beiqing Advertising is required to pay to the Company advertising fees on the date of the finalization of the relevant advertisements.

The 2006 Real Estate Advertising Agreement stipulates that the fees charged by the Company thereunder shall be:

1. based on the price stipulated by the government;
2. if there is no government stipulated price, based on market price; and
3. if there is no governmental stipulated price or market price, price which are favourable to the Company.

In consideration for the agency services provided, Beiqing Advertising will be allocated complementary advertising space on the Beijing Youth Daily. The volume of the complementary advertising space allocated will be determined based on the amount of advertising fee arranged by Beiqing Advertising throughout the year. The volume of the complementary advertising space to be provided to Beiqing Advertising will be comparable with that allocated to independent third party advertising agents engaged by the Company.

The directors (including independent non-executive directors) of the Company consider that the 2006 Real Estate Advertising Agreement and the terms thereof are on normal commercial terms, are fair and reasonable and that the relevant transactions are in the interests of the shareholders of the Company as a whole.

Up to the date of the announcement, the actual value of the transactions conducted under the 2006 Real Estate Advertising Agreement is less than HK\$1 million. However, the Company estimates that the total value of the transactions under the 2006 Real Estate Advertising Agreement in 2006 will not exceed RMB2.1 million. The estimate was determined based on the fees generated under the 2005 Real Estate Advertising Agreement and the expected real estate advertising campaigns which are expected to be conducted in 2006 under the 2006 Real Estate Advertising Agreement. Based on the estimated advertising fee to be arranged by Beiqing Advertising in 2006, an equivalent of 27 full pages of complementary advertising space is expected to be allocated to Beiqing Advertising in 2006.

DISTRIBUTION SERVICES AGREEMENTS

Date:

15 October 2005

Parties:

Beijing Media Corporation Limited, as appointer; and
XiaoHongMao Corporation, as service provider.

Transactions under the Distribution Services Agreement:

Under the terms of the 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 Distribution Services Agreement, a distribution fee of RMB0.08 per each page of advertisement is payable by the Company to XHM where the total accumulated volume of pages of advertisements delivered per annum is 80 million or less. In the event where the total accumulated volume of pages of advertisements delivered per annum exceeds 80 million, the delivery fee will be reduced to RMB0.06 per each page of advertisement over such threshold. The Company is of the view that the pricing mechanism is comparable to the fees charged by the public postal services of the PRC.

The Distribution Services Agreement expired on 31 December 2005. The Company is in negotiations with XHM regarding the provision of distribution service for 2006. Announcement will be made by the Company in accordance with the Listing Rules, if required.

Before entering into the Distribution Services Agreement, XHM had been delivering direct mail advertisements for the Company since the beginning of 2005. During the year ended on 31 December 2005, the total amount of deliver fees paid by the Company to XHM for the delivery services was approximately RMB8.125 million (equivalent to approximately HK\$7.850 million).

The Distribution Services Agreement was entered into on normal commercial terms following arm's length negotiations among the parties thereto. The directors (including independent non-executive directors) of the Company consider that the Distribution Services Agreement and the terms thereof are on normal commercial terms, are fair and reasonable and that the relevant transactions are in the interests of the shareholders of the Company as a whole.

RELATIONSHIP BETWEEN THE COMPANY, BEIQING ADVERTISING AND XHM AND THE LISTING RULES

Beiqing Advertising and XHM are subsidiaries of BYD, the controlling shareholder of the Company, and are therefore connected persons of the Company. Under rule 14A.14 of the Listing Rules the transactions contemplated under each of the 2005 Real Estate Advertising Agreement, the 2006 Real Estate Advertising Agreement and the Distribution Services Agreement constitute continuing connected transactions of the Company. As the annual value of the transactions under each of the 2005 Real Estate Advertising Agreement and Distribution Services Agreement is, and the annual value of the transactions under the 2006 Real Estate Advertising Agreement is expected to be, less than 2.5 of the percentage ratios (other than the profits ratio), the transactions fall under rule 14A.34 of the Listing Rules and the Company is only required to comply with the reporting and announcement requirements thereunder. Under rule 14A.34 of the Listing Rules, independent shareholders' approval is not required.

Since the 2005 Real Estate Advertising Agreement and Distribution Services Agreement were entered into in 2005, the Company had not disclosed the transactions at the time when the Company is obliged to make the announcement in accordance with the requirements of the Listing Rules.

REASONS FOR ENTERING INTO THE 2005 REAL ESTATE ADVERTISING AGREEMENT, 2006 REAL ESTATE ADVERTISING AGREEMENT AND DISTRIBUTION SERVICES AGREEMENT

The purpose of entering into the 2005 Real Estate Advertising Agreement and 2006 Real Estate Advertising Agreement is to expand on the sources of advertisement placements in the Beijing Youth Daily and secure an additional agent which is able to procure placements of new advertisements. The entering into the 2005 Real Estate Advertising Agreement has generated additional advertising revenue for the Company. It is expected that it would also be the case for the 2006 Real Estate Advertising Agreement.

Beijing Youth Daily is one of the leading newspapers distributed and sold in Beijing, PRC. It is viewed by the management of the Company that there is room for development of other advertising channels involving the Beijing Youth Daily in addition to the publication of traditional advertisements in the newsprint. Accordingly, the Company has been providing direct mail advertising services since 2003. Prior to the reorganisation of the group of companies of the Company leading to the listing of the Company on the Stock Exchange, distribution of direct mail advertisements was performed by a subsidiary of the Company. As a result of the reorganisation which involved the separation of businesses which were considered to have less synergy, including the distribution services, the Company has entered into the Distribution Services Agreements to allow the Company to provide direct mail advertisements services to its customers.

INFORMATION RELATING TO THE COMPANY

The Company is a PRC media company principally engaged in the sale of advertising space, production of newspapers and trading of print-related materials. The Company has the exclusive right to operate the advertising business of a number of leading newspapers in the PRC, including the Beijing Youth Daily.

INFORMATION RELATING TO BEIQING ADVERTISING AND XHM

Beiqing Advertising is a PRC incorporated company which business includes the provision of advertising agency services.

XHM is a PRC incorporated company which business includes the distribution of newspapers and other goods.

DEFINITIONS

“2005 Real Estate Advertising Agreement”	The real estate advertising agreement dated 1 January 2005 entered into between the Company and Beiqing Advertising
“2006 Real Estate Advertising Agreement”	The real estate advertising agreement dated 1 January 2006 entered into between the Company and Beiqing Advertising
“Beiqing Advertising”	Beijing Beiqing Advertising Limited, a subsidiary of BYD
“BYD”	Beijing Youth Daily Newspaper Agency, the controlling shareholder of the Company
“Company”	Beijing Media Corporation Limited, a joint stock company incorporated in the PRC whose H shares are listed on The Stock Exchange of Hong Kong Limited
“Distribution Services Agreement”	The distribution services agreement dated 15 October 2005 entered into between the Company and XHM
“connected person(s)”	shall have the same meaning as ascribed thereto in the Listing Rules
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“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”	Renminbi, the lawful currency of the PRC
“XHM”	XiaoHongMao Corporation, a subsidiary of BYD

For the purpose of this announcement and reference only, RMB is converted to HK\$ at the rate of 0.9662.

By Order of the Board
Zhang Yanping
Chairman

Beijing, PRC, 25 April 2006

On the date of this announcement, the Board comprises: the executive directors of Company, Zhang Yanping, Zhang Yabin, Sun Wei, He Pingping, Du Min, the non-executive directors of the Company, Liu Han, Xu Xun, Johannes Louw Malherbe, 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.”