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BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1000)

DISCLOSEABLE TRANSACTION CAPITAL INCREASE AGREEMENT AND COMPENSATION AGREEMENT

The Board announces that on 5 November 2011:

- 1) the Company entered into the Capital Increase Agreement with Beiyang Media and Original Shareholders, pursuant to which the Company has agreed to invest into Beiyang Media in the amount RMB48,000,000 by way of injection of its 60% equity interest in Heqing Media.

Upon completion of the Capital Increase, i) the registered capital of Beiyang Media shall be RMB166,666,700 and the capital reserve thereof shall be RMB2,121,066,900; ii) Beiyang Media shall be owned as to 1.5%, 96.42%, 0.30%, 1.00% and 0.78% by the Company, Hebei Media Group, Hebei Jikang, Hebei Youth Daily or its successor (if any) and Hebei Shida Assets Management, respectively; and iii) Heqing Media shall be a wholly-owned subsidiary of Beiyang Media.

- 2) Since the appraised net asset value of Heqing Media is based on the discounted cash flow method, the Company also entered into the Compensation Agreement with Beiyang Media to determine the compensation arrangement in relation to the shortfall between the forecasted net profit of Heqing Media and the actual net profit of Heqing Media, and on the same basis, Hebei Youth Daily or its successor (if any), being 40%-owned shareholder of Heqing Media also shall enter into a compensation agreement with Beiyang Media separately.

Given that the aggregated applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transactions under the Capital Increase Agreement and the Compensation Agreement is more than 5% but less than 25%, the transactions under the Capital Increase Agreement and the Compensation Agreement constitute the discloseable transaction of the Company under Chapter 14 of the Listing Rules.

BACKGROUND

As at the date of this announcement, Beiyang Media is directly and indirectly wholly-owned by Hebei Media Group, among which 99% equity interest is held by Hebei Media Group and 1% equity interest is held by Hebei Jikang, a wholly owned subsidiary of Hebei Media Group.

Hebei Media Group, as the beneficial owner of Beiyang Media, initiated the Capital Increase of the total investment amount of RMB2,237,733,600. According to the investment arrangement of the Capital Increase, all the Investors have entered into or shall enter into the capital increase agreements separately with Beiyang Media and Original Shareholders:

- 1) on 12 October 2011, Hebei Media Group has entered into the Basis Capital Increase Agreement with Beiyang Media and Hebei Jikang, pursuant to which the Hebei Media Group has agreed to invest into Beiyang Media in the amount of RMB2,132,733,900 by way of injection of its equity interest in 12 subsidiaries of Hebei Media Group;
- 2) on 5 November 2011, the Company entered into the Capital Increase Agreement with Beiyang Media and Original Shareholders, pursuant to which the Company has agreed to invest into Beiyang Media in the amount RMB48,000,000 by way of injection of its 60% equity interest in Heqing Media;
- 3) Hebei Youth Daily or its successor (if any) shall enter into a capital increase agreement with Beiyang Media and Original Shareholders, pursuant to which the Hebei Youth Daily or its successor (if any) shall invest into Beiyang Media in the amount of RMB32,000,000 by way of injection of its 40% equity interest in Heqing Media; and
- 4) Hebei Shida Assets Management shall enter into a capital increase agreement with Beiyang Media and Original Shareholders, pursuant to which the Hebei Shida Assets Management shall invest into Beiyang Media in the amount RMB24,999,700 by way of injection of total equity interest of a wholly owned subsidiary of Hebei Shida Assets Management.

Upon completion of the Capital Increase, i) the registered capital of Beiyang Media shall be RMB166,666,700 and the capital reserve thereof shall be RMB2,121,066,900; ii) Beiyang Media shall be owned as to 1.5%, 96.42%, 0.30%, 1.00% and 0.78% by the Company, Hebei Media Group, Hebei Jikang, Hebei Youth Daily or its successor (if any) and Hebei Shida Assets Management respectively; and iii) Heqing Media shall be the wholly-owned subsidiary of Beiyang Media.

CAPITAL INCREASE AGREEMENT

Date : 5 November 2011

Parties : a) Company;
b) Beiyang Media;
c) Hebei Media Group; and
d) Hebei Jikang;

Transaction : Pursuant to the Capital Increase Agreement, the Company has agreed to contribute capital in the amount of RMB48,000,000, among which RMB2,502,500 will be recognized as the registered capital, while the remaining RMB45,497,500 will be recognized as the capital reserve.

There is no further capital commitment that is required to be contributed by the Company under the Capital Increase Agreement other than the investment by the parties towards the Capital Increase set out above.

Consideration and Determination : The total consideration in an amount of RMB48,000,000 shall be settled by the Company by way of injection of its 60% equity interest in Heqing Media:

- (i) The value of 60% equity interest of Heqing Media was determined by reference to 60% of the appraised net asset value of Heqing Media in the amount of RMB48,000,000 as at the Valuation Date in the Valuation Report; and
- (ii) The Valuation Report of Heqing Media was prepared by the Independent Valuer based on discounted cash flows method. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, such Independent Valuer is a third party independent from the Group and its connected persons.

The total consideration under the Capital Increase Agreement was determined by arm's length commercial negotiations between the parties, with reference to, among other things:

- (i) The value of assets to be invested into Beiyang Media by Hebei Media Group under the Basis Capital Increase Agreement, which is determined by reference to the appraised net asset value of equity interest held by Hebei Media Group in its 12 subsidiaries in the aggregated amount of RMB2,132,733,933 as at 31 March 2011 in the relevant valuation reports prepared by the independent valuer based on cost method. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, such independent valuer is a third party independent from the Group and its connected persons; and

(ii) the business prospects of Beiyang Media.

Registration and Filing : Within 20 days from the date of the satisfaction of the conditions precedent as set out below, the Company shall assist Heqing Media to complete the changes in registration of Heqing Media with the local industrial and commerce authorities; and

Within 30 working days from the date of the satisfaction of the conditions precedent as set out below, Beiyang Media shall complete the changes in registration with the local industrial and commerce authorities.

Completion : The completion of the Capital Increase Agreement will be on the date of filing of changes in registration with the relevant local industry and commerce authorities.

Upon completion of the Capital Increase, i) the registered capital of Beiyang Media shall be RMB166,666,700 and the capital reserve thereof shall be RMB2,121,066,900; ii) Beiyang Media shall be owned as to 1.5%, 96.42%, 0.30%, 1.00% and 0.78% by the Company, Hebei Media Group, Hebei Jikang, Hebei Youth Daily or its successor (if any) and Hebei Shida Assets Management, respectively; and iii) Heqing Media will cease to be a subsidiary of the Company and will become a wholly-owned subsidiary of Beiyang Media.

Profit Distribution : Upon completion of the Capital Increase Agreement, the new shareholders shall be entitled to the undistributed profit before completion of the Capital Increase Agreement on a pro rata basis.

Other Key Terms of the Capital Increase Agreement

Upon completion of the Capital Increase Agreement, the board of directors of Beiyang Media shall be comprised of nine members, whereby the Company will be entitled to nominate one director. The chairman of the board of Beiyang Media shall be designated by Hebei Media Group.

Conditions Precedent

The completion of the Capital Increase Agreement will be conditional upon the fulfilment of, among other matters, the following conditions precedent:

- 1) the completion of the changes in registration with the local industry and commerce authorities for capital injection to be made by Hebei Media Group pursuant to the Basis Capital Increase Agreement;
- 2) the due execution of the Capital Increase Agreement by the legal representative or authorized representative of each of the parties thereto;
- 3) obtaining of all necessary consents, permits or approvals from the relevant regulatory authorities (if any) in relation to the transactions contemplated under the Capital Increase Agreement;
- 4) the approval of the Capital Increase Agreement by the internal decision making body of parties other than the Company; and
- 5) the approval of the Capital Increase Agreement by the Board and compliance with all the disclosure requirements under the Listing Rules.

COMPENSATION AGREEMENT

Date : 5 November 2011

Parties : i) Company
ii) Beiyang Media

According to the Valuation Report, the forecasted net profit of Heqing Media prepared in accordance with the PRC GAAP for the Compensation Period for the nine months ending 31 December 2011, and five years ending 31 December 2016 are RMB3,373,300, RMB4,908,400, RMB8,490,600, RMB12,328,900, RMB12,472,200 and RMB13,660,700, respectively.

Since the appraised net profit of Heqing Media is based on the discounted cash flow method, the Company also entered into the Compensation Agreement to determine the compensation arrangement in relation to the shortfall between the forecasted net profit and the actual net profit. Pursuant to the Compensation Agreement, the Company has agreed to compensate Beiyang Media in cash for 60% of any shortfall between the forecasted net profit based on the Valuation Report and the actual net profit during the Compensation Period.

The Hebei Youth Daily or its successor (if any) shall enter into the compensation agreement separately with Beiyang Media on the same basis, pursuant to which the Hebei Youth Daily or its successor (if any) shall compensate Beiyang Media in cash for 40% of any shortfall between the forecasted net profit based on the Valuation Report and the actual net profit during the same compensation period.

SHAREHOLDING STRUCTURE OF BEIYANG MEDIA

The shareholding structure of Beiyang Media before and after completion of the Capital Increase is set out below:

Shareholders	Capital Contribution before completion of the Capital Increase (Registered Capital)	Equity Interest before completion of the Capital Increase	Capital Contribution after completion of the Capital Increase (Registered Capital)	Equity Interest after completion of the Capital Increase
The Company	–	–	RMB2,502,500	1.50%
Hebei Media Group	RMB49,500,000	99%	RMB160,692,500	96.42%
Hebei Jikang	RMB500,000	1%	RMB500,000	0.30%
Hebei Youth Daily or its successor (if any)	–	–	RMB1,668,300	1.00%
Hebei Shida Assets Management	–	–	RMB1,303,400	0.78%
Total	RMB50,000,000	100%	RMB166,666,700	100%

As at the date of this announcement, Beiyang Media is owned as to 99% and 1% by Hebei Media Group and Hebei Jikang, respectively. Upon completion of the Capital Increase, Beiyang Media will be owned as to 1.5%, 96.42%, 0.30%, 1.00% and 0.78% by the Company, Hebei Media Group, Hebei Jikang, Hebei Youth Daily or its successor (if any) and Hebei Shida Assets Management, respectively. Heqing Media will cease to be the subsidiary of the Company and will become a wholly-owned subsidiary of Beiyang Media. The Company expects that the Capital Increase will have a possible effect on the earnings of the Group.

FINANCIAL INFORMATION OF BEIYANG MEDIA AND HEQING MEDIA

Beiyang Media

As at the date of this announcement, the registered capital of Beiyang Media is RMB50 million.

Under the PRC Accounting Standards, the audited net assets of Beiyang Media was RMB50 million as at 31 December 2010.

Under the PRC Accounting Standards, both of the audited profit (loss) before and after taxation and extraordinary items of Beiyang Media for the year ended 31 December 2010 since its incorporation on 31 December 2010, were nil.

Heqing Media

As at the date of this announcement, the registered capital of Heqing Media is RMB30 million.

Under the PRC Accounting Standards, the audited net liabilities of Heqing Media was RMB30,905,168.3 as at 31 December 2010.

Under the PRC Accounting Standards, the audited profit (loss) before and after taxation and extraordinary items of Heqing Media for the two years ended 31 December 2009 and 2010, were as follows:

	For the year ended 31 December	
	2009	2010
	(RMB)	(RMB)
Profit (Loss) before taxation and extraordinary items	(9,125,899.32)	4,313,407.80
Profit (Loss) after taxation and extraordinary items	(9,125,899.32)	4,313,407.80

FINANCIAL EFFECT OF THE CAPITAL INCREASE AGREEMENT

The Directors expect that the Company will realize a profit from the date of completion of the changes in registration of Heqing Media with the local industrial and commerce authorities. With reference to the total consideration under the Capital Increase Agreement and the Company's share of net liabilities of the 60% equity interest in Heqing Media as at 30 June 2011, the Company will realize an estimated gain of approximately RMB68,866,000.

As the Company will hold 1.5% equity interest in Beiyang Media by swap of 60% equity interest in Heqing Media held by the Company, no sale proceeds in cash will directly arise from the transactions under the Capital Increase Agreement.

DISCLOSURE IN RELATION TO RULES 14.61 AND 14.62 OF THE LISTING RULES

Profit Forecast of Heqing Media

The appraised value of Heqing Media is based on the discounted cash flow method, and constitute profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast of Heqing Media**"), and accordingly, the requirements under 14.60A and 14.62 of the Listing Rules are applicable.

The reporting accountants of the Company, ShineWing Certified Public Accountants Co., Ltd. ("**ShineWing CPA**"), has confirmed that they have reviewed the accounting policies and calculations for the Profit Forecast of Heqing Media on which the appraisal prepared by the Independent Valuer is based. The Board has reviewed the principal assumptions upon which the Profit Forecast of Heqing Media is based and is of the view that the Profit Forecast of Heqing Media has been made after due care and enquiry.

The principal assumptions upon which the Profit Forecast of the Heqing Media is based are as follows:

In case of any events inconsistent with the following assumptions, the appraised value of Heqing Media will generally become invalid:

1. the particular objective of the appraisal of Heqing Media as set out in the Valuation Report is a pre-condition for the appraisal.

2. The actual reserve as at the Valuation Date is a pre-condition for appraising each of the appraised assets of Heqing Media, and the applicable market price of the relevant assets are based on the effective price in the PRC as at the Valuation Date.
3. There are no unforeseeable material changes to the external economic position after the Valuation Date.
4. The operating business of the appraised enterprise is legitimate, there are no unforeseen factors which may cause in the non-continuous operation thereof, and the use of the appraised assets thereof will remain unchanged.
5. The compared financial report or trading data, etc. of Heqing Media used by the Independent Valuer are true and reliable.
6. Save as otherwise stated, security or guarantee which might have been taken for the relevant equity interest or assets of Heqing Media are not considered for the effect to the appraisal results, and the possible changes in national macro-economic policy and the possible force majeure events are not considered for the effect to the price of the appraised assets of Heqing Media.
7. The scope of the appraisal is subject to the appraising report provided by the Heqing Media.
8. In 2006, Heqing Media and Hebei Youth Daily entered into an operating rights transfer agreement, pursuant to which Hebei Youth Daily has transferred the operating rights of Hebei Youth Newspaper (河北青年報) to Heqing Media, and the term of this agreement is 30 years. The appraisal is based on the assumption that the Heqing Media will still obtain the above operating rights after the expiry of the above agreement.
9. The appraisal is based on the assumption that the shareholders will retain net cash flow during the year.

Expert and Consent

The Board wishes to disclose that the following are the qualifications of the experts who have given opinions or advices:

Name	Qualification
China Alliance Appraisal	an independent professional valuer
ShineWing CPA	certified public accountants

As at the date of this announcement, each of China Alliance Appraisal and ShineWing CPA does not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

To the best of the Director's knowledge, information and belief, each of China Alliance Appraisal and ShineWing CPA is a third party independent of and not connected with the Company or the connected persons (as defined in the Listing Rules) of the Group.

The opinions of China Alliance Appraisal and ShineWing CPA are also contained in this announcement. Each of China Alliance Appraisal and ShineWing CPA has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letter and report and references to its name in the form and context in which it appears.

REASONS FOR THE CAPITAL INCREASE

The Company is of the view that the Capital Increase will (i) further develop the business of Group in Hebei; and (ii) generate higher returns to the Group in future, should Beiyang Media become more profitable in future.

LISTING RULES IMPLICATIONS

Given that the aggregated applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transactions under the Capital Increase Agreement and the Compensation Agreement are more than 5% but less than 25%, the transactions under the Capital Increase Agreement and the Compensation Agreement constitute the discloseable transaction of the Company under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Beiyang Media, Hebei Media Group and Hebei Jikang and their respective ultimate beneficial owner(s), are third parties independent of the Group and its connected persons (as defined in the Listing Rules).

The Company confirms that there is no other transaction entered into between the Company and each of Beiyang Media, Hebei Media Group and Hebei Jikang and their ultimate beneficial owners, which should be, together with the Capital Increase Agreement and the Compensation Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 of the Listing Rules.

The Directors are of the view that the terms of the Capital Increase Agreement and the Compensation Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

The Company

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

Heqing Media

Heqing Media, with the registered capital of RMB30 million and held as to 60% by the Company and 40% by Hebei Youth Daily, is principally engaged in newspaper wholesale, etc.

Beiyang Media

Beiyang Media is a joint stock company with limited liability incorporated under the laws of the PRC, with a registered capital of RMB50 million and owns as to 99% and 1% by Hebei Media Group and Hebei Jikang, respectively. Beiyang Media is principally engaged in production, printing and trading of books, newspapers and magazines, etc.

Hebei Media Group

Hebei Media Group is a large scale integrated culture enterprise established under the laws of the PRC and principally engaged in production of newspapers and magazines, video and digital network, printing and trading of print-related materials, and culture investment. It is the controlling shareholder of Beiyang Media.

Hebei Jikang

Hebei Jikang is a limited liability company incorporated under the laws of the PRC and principally engaged in investments. It is a wholly-owned subsidiary of Hebei Media Group and a 1%-owned shareholder of Beiyang Media as at the date of this announcement.

DEFINITIONS

Basis Capital Increase Agreement	the capital increase agreement entered into between Beiyang Media, Hebei Media Group and Hebei Jikang dated 12 October 2011 in relation to the proposed investment to be made by Hebei Media Group into Beiyang Media under the Capital Increase
Beiyang Media	Beiyang Publishing & Media Corporation Limited (北洋出版傳媒股份有限公司), a joint stock limited company incorporated under the laws of the PRC
Board	the board of Directors

Capital Increase	the proposed capital increase of Beiyang Media in the amount of RMB2,237,733,600 to be contributed by the Company, Hebei Media Group, Hebei Youth Daily or its successor (if any) and Hebei Shida Assets Management, respectively
Capital Increase Agreement	the capital increase agreement entered into between the Company, Beiyang Media, Original Shareholders dated 5 November 2011 in relation to the proposed investment to be made by the Company into Beiyang Media under the Capital Increase
Company	Beijing Media Corporation Limited (北青傳媒股份有限公司), a joint stock limited company incorporated under the laws of the PRC and the H shares of which are listed and traded on the Stock Exchange
Company Law	the Company Law of the PRC
Compensation Agreement	the profit forecast compensation agreement entered into between the Company and Beiyang Media dated 5 November 2011
Compensation Period	the compensation period from 1 April 2011 to 31 December 2016 under the Compensation Agreement
Directors	the directors of the Company
Hebei Media Group	Hebei Publishing & Media Group Co. Ltd. (河北出版傳媒集團有限責任公司), a limited liability company incorporated under the laws of the PRC
Hebei Jikang	Hebei Jikang Investment Co. Ltd. (河北冀康投資有限責任公司), a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Hebei Media Group
Hebei Shida Assets Management	Hebei Normal University Assets Operation and Management Co. Ltd. (河北師大資產經營管理有限公司), a limited liability company incorporated under the laws of the PRC
Hebei Youth Daily	Hebei Youth Daily Agency (河北青年報社), a wholly state-owned enterprise incorporated under the laws of the PRC
Heqing Media	Hebei Heqing Media Co. Ltd. (河北河青傳媒有限責任公司), a limited liability company incorporated under the laws of the PRC and a subsidiary of the Company as at the date of this announcement

Independent Valuer or China Alliance Appraisal	China Alliance Appraisal Co., Ltd. (中同華資產評估有限公司)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Original Shareholders	Hebei Media Group and Hebei Jikang, the original shareholders of Beiyang Media
PRC	the People's Republic of China, which for the purposes of this announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
PRC Accounting Standards	the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC in 2006
RMB	Renminbi, the lawful currency of the PRC
Shareholders(s)	the shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Valuation Date	31 March 2011
Valuation Report	the valuation report issued by China Alliance Appraisal regarding to the valuation of Heqing Media dated 5 May 2011

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

Beijing, PRC
5 November 2011

As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Zhang Yabin and Sun Wei, the non-executive directors of the Company, Li Shiheng, Wu Peihua, Liu Han, Xu Xun and Li Yigeng 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.

APPENDIX I – REPORT FROM SHINEWING CPA ON THE PROFIT FORECAST OF HEQING MEDIA

5 November, 2011

Board of Directors

Beijing Media Corporation Limited

Building A, No. 23 Baijiazhuang Dongli

Chaoyang District, Beijing, PRC

Dear Sirs,

INDEPENDENT ASSURANCE REPORT ON PROFIT FORECAST INCLUDED IN THE VALUATION REPORT

We refer to the announcement of Beijing Media Corporation Limited (the “**Company**”) on 5 November, 2011 (the “**Announcement**”) in relation to, their plan to inject 60% of the equity of Hebei Heqing Media Corporation Limited (the “**Target**”) into Beiyang Publishing & Media Corporation Limited. Unless otherwise stated, the terms defined in the Announcement shall have the same meanings when used herein.

We have examined the accounting policies adopted and calculations made in arriving at the forecast of the underlying profit forecast of the Target (the “**Underlying Forecast**”) to the valuation report on 5 May 2011 prepared by China Alliance Appraisal Co., Ltd. in respect of the assets of the Target as of 31 March 2011.

Responsibilities

The directors of the Company and the Target Company (the “**Directors**”) are solely responsible for the preparation of the Underlying Forecast including the assumptions, for the purpose of business valuation of the Target Company based on discounted cash flow method. The Underlying Forecast has been prepared using a set of assumptions (the “**Assumptions**”) that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Even if the events anticipated occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. The Directors are responsible for the reasonableness and validity of the assumptions.

It is our responsibility to form an opinion, based on our work on the Underlying Forecast and to report our opinion solely to you, as a body, solely for the purpose of reporting under “Rule 14.62 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and for no other purpose. We have not reviewed, considered or conducted any work on the reasonableness and the validity of the assumptions and express no opinion on the reasonableness and validity of the Assumptions on which the Underlying Forecast is based. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Summary of our work

We conducted our work in accordance with the China Standard on Other Assurance Service 3101 “Assurance Service Other Than Audits or Reviews of Historical Financial Information” issued by the Chinese Institute of Certified Public Accountant. We examined the consistency of accounting policies adopted and the arithmetical accuracy of the Underlying Forecast. Our work has been undertaken solely to assist the Directors in evaluating whether the Underlying Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the Assumptions made by the Directors. Our work does not constitute any valuation of the Target Company.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Underlying Forecast has been properly compiled in accordance with the Assumptions made by the Directors and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company.

Yours faithfully,

ShineWing Certified Public Accountants Co., Ltd.

Certified Public Accountants

Beijing

APPENDIX II – LETTER FROM THE BOARD RELATING TO THE PROFIT FORECAST OF HEQING MEDIA

The following is the text of a letter prepared for the purpose of incorporation in this announcement, executed by the Board of the Company.



BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1000)

5 November 2011

Dear Sir or Madam,

We refer to the announcement of the Company dated 5 November 2011 (the “**Announcement**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

In accordance with the requirements under Rule 14.62(3) of the Listing Rules, we confirm that the Profit Forecast of Heqing Media has been made after due and careful enquiry by us.

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