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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 TRANSACTION**

On 24 November 2009, the Company entered into the Outdoor Advertising Service Agreement with Today Sunshine, pursuant to which Today Sunshine will provide certain supporting services for all commercial advertisements on Billboards for the period commencing on 24 November 2009 to 14 October 2012.

Today Sunshine is a subsidiary of the Parent, the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. The transactions contemplated under the Outdoor Advertising Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Listing Rules) in respect of the annual caps for the provision of services to the Company by Today Sunshine contemplated under the Outdoor Advertising Service Agreement exceed 0.1% but less than 2.5%, the transactions contemplated under the Outdoor Advertising Service Agreement are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

### **BACKGROUND**

On 24 September 2009, the Company entered into seven authorization agreements (the “**Authorization Agreements**”) respectively with Beijing Municipal Administration Commission, pursuant to which the Company was granted exclusive rights to produce and publish commercial advertisements (including public service advertisements) on seven billboards on stand-alone pillars located in Beijing (“**Billboards**”) for the period from 15 October 2009 to 14 October 2012. Accordingly, the Company will enter into advertising agreements (the “**Advertising Agreements**”) with independent advertisers which entitle such advertisers to place advertisements on respective Billboards. In order to better facilitate the

arrangements between the advertisers and the Company in respect of the Billboards, the Company and Today Sunshine entered into the Outdoor Advertising Service Agreement, pursuant to which Today Sunshine will provide certain supporting services for the advertisements on the Billboards for the period commencing on 24 November 2009 to 14 October 2012.

## **OUTDOOR ADVERTISING SERVICE AGREEMENT**

### **Date**

24 November 2009

### **Parties**

- i) the Company
- ii) Today Sunshine

### **Continuing transactions**

Pursuant to the Outdoor Advertising Service Agreement, Today Sunshine will for a fee provide certain supporting services including but not limited to client management, inquiries, supervision and maintenance (the “**Services**”) for all commercial advertisements on the Billboards to the Company.

### **Term and termination**

The Outdoor Advertising Service Agreement is for a term commencing on 24 November 2009 and ending on 14 October 2012.

### **Consideration**

The fee for the services to be provided by Today Sunshine was determined after arm’s-length negotiations between the Company and Today Sunshine and will be equal to 70% of the difference between the contract value of respective the Advertising Agreements and the contract price of the corresponding Authorization Agreements.

The Company will settle the service fee to Today Sunshine in cash within 2 working days after the consideration under the respective Advertising Agreements is settled by the respective advertiser.

## Annual caps

The proposed annual caps in respect of provision of Services to the Company by Today Sunshine contemplated under the Outdoor Advertising Service Agreement for the three years ending on 14 October 2012 are set out below:

	Year ending 31 December 2009 (RMB) Annual Cap	Year ending 31 December 2010 (RMB) Annual Cap	Year ending 31 December 2011 (RMB) Annual Cap	10 months ending on 14 October 2012 (RMB) Annual Cap
Transactions				
Provision of services to the Company by Today Sunshine	4,660,000	6,000,000	6,000,000	2,030,000

The proposed cap for 2009 is, on a strict pro-rated time basis higher than the caps for 2010 and 2011 because (i) most of the advertising fees under the Advertising Agreements are settled by the independent advertisers at the end of each year with the remainder, representing only a small portion of the fees, are settled at the beginning of the following year; and (ii) most of the Services provided by Today Sunshine are performed towards the end of each year, the service fees under the Outdoor Advertising Service Agreement are settled by the Company on the same basis as the advertising fees under the Advertisement Agreements. For the same reason, the proposed cap for 2012, which will end on 14 October 2012, is correspondingly lower.

Since it is the first time that the Company has cooperated with Today Sunshine in respect of the Services, there is no historical transaction amounts for reference. In arriving at the above proposed annual caps in respect of provision of Services to the Company by Today Sunshine, the Directors have taken into account (i) the estimated costs for the provision of the Services by Today Sunshine; (ii) a reasonable profit margin and (iii) the current market conditions.

## REASONS FOR ENTERING INTO THE OUTDOOR ADVERTISING SERVICE AGREEMENT

The Company has maintained a steady cooperation relationship with Today Sunshine since 2004. The Company is of the view that the Outdoor Advertising Service Agreement will (i) enable the Group to secure a stable source of services from the Parent Group in its ordinary course of business; (ii) facilitate the business operations and growth of the Company; and (iii) reduce unnecessary risks which might incur during the course of operation of the Company.

## **LISTING RULES IMPLICATION**

Today Sunshine is a non-wholly-owned subsidiary of the Parent, the controlling shareholder of the Company and is therefore a connected person of the Company under Rule 14A.11 of the Listing Rules. Accordingly, the transactions contemplated under the Outdoor Advertising Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Listing Rules) in respect of the annual caps for the provision of services to the Company by Today Sunshine contemplated under the Outdoor Advertising Service Agreement exceed 0.1% but are less than 2.5%, the transactions contemplated under the Outdoor Advertising Service Agreement are subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules, but are exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Outdoor Advertising Service Agreement (i) have been negotiated on an arm's-length basis; (ii) will be conducted on normal commercial terms or on terms no less favourable to the Company than those available from independent third parties under prevailing local market conditions; (iii) are entered into in the ordinary and usual course of business of the Group; (iv) are fair and reasonable and are in the interests of the Shareholders as a whole; and (v) that the proposal annual caps in respect of provision of the Services to the Company by Today Sunshine under the Outdoor Advertising Service Agreement for the three years ending on 14 October 2012 are fair and reasonable and in the interests of the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, there is no other transaction entered into between the Company and Today Sunshine and its ultimate beneficial owner(s) within a 12-month period from the date of this announcement or otherwise related, which would be, together with the transactions contemplated under the Outdoor Advertising Service Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Listing Rules.

## **INFORMATION RELATING TO THE COMPANY AND TODAY SUNSHINE**

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

Today Sunshine is a 55%-owned subsidiary of the Parent. Today Sunshine is mainly engaged in the outdoor billboard advertising business.

## DEFINITIONS

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

“Advertising Agreements”	has the meaning ascribed thereto under the section headed “Background” in this announcement
“Authorization Agreements”	has the meaning ascribed thereto under the section headed “Background” in this announcement
“Billboards”	has the meaning ascribed thereto under the section headed “Background” in this announcement
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outdoor Advertising Service Agreement”	the outdoor advertising Service Agreement entered into between the Company and Today Sunshine dated 24 November 2009
“Parent”	Beijing Youth Daily Agency (北京青年報社), a state-owned enterprise incorporated under the laws of the PRC, the controlling shareholder of the Company
“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
“RMB”	renminbi, the lawful currency of the PRC
“Services”	has the meaning ascribed thereto under the section headed “Outdoor Advertising Service Agreement – Continuing transactions” in this announcement

“Shareholders”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Today Sunshine”	Beijing Today Sunshine Advertising Co., Ltd. (北京今日陽光廣告有限責任公司), a limited liability company incorporated under the laws of the PRC, and a 55% owned subsidiary of the Parent

By Order of the Board  
**Zhang Yanping**  
*Chairman*

Beijing, the PRC, 24 November 2009

*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 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 in the Company’s website at [www.bjmedia.com.cn](http://www.bjmedia.com.cn).*