

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **CONNECTED TRANSACTION PROPOSED ACQUISITION OF A 55% EQUITY INTEREST IN TODAY SUNSHINE**

The Company and the Parent entered into the Equity Transfer Agreement on 24 August 2011, whereby the Company has agreed to acquire a 55% equity interest in Today Sunshine from the Parent for a cash consideration in the amount of RMB18,880,000. Upon completion of the Equity Transfer Agreement, Today Sunshine will be owned as to 55% and 45% by the Company and the independent third parties respectively.

The Parent is the controlling shareholder of the Company and is therefore a connected person of the Company under the Hong Kong Listing Rules. The Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) for the Acquisition exceed 0.1% but less than 5%, accordingly, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## **INTRODUCTION**

In order for the Company to consolidate the segment of air media and outdoor media, as well as for the purposes of effectively exploring the Company's own ability to operate the outdoor advertising business and improving its image on the outdoor advertising market in Beijing, the Company and the Parent entered into the Equity Transfer Agreement on 24 August 2011, whereby the Company has agreed to acquire a 55% equity interest in Today Sunshine from the Parent for a cash consideration in the amount of RMB18,880,000. Upon completion of the Equity Transfer Agreement, Today Sunshine will be owned as to 55% and 45% by the Company and the independent third parties respectively.

## **EQUITY TRANSFER AGREEMENT**

### **Date**

24 August 2011

### **Parties**

- a) the Parent, the transferor
- b) the Company, the transferee

### **Transaction**

Pursuant to the Equity Transfer Agreement, the Company has agreed to acquire a 55% equity interest in Today Sunshine from the Parent for a cash consideration in the amount of RMB18,880,000. Upon completion of the Equity Transfer Agreement, Today Sunshine will be owned as to 55% and 45% by the Company and the independent third parties respectively.

### **Consideration**

According to the relevant PRC laws and regulations, the proposed Acquisition should be conducted by a public bidding and listing transfer process on the Beijing Property Rights Exchange (the “**Public Bidding Process**”).

The consideration for the Acquisition in the amount of RMB18,880,000 was set by the Parent in the Public Bidding Process.

The Company decided to participate in the Public Bidding Process, by taking into account, among other matters, the audited net asset value of Today Sunshine in the amount of approximately RMB17,788,857.36 as of 31 December 2010 and the business prospects of Today Sunshine. The Company was selected as the successful bidder after completion of the Public Bidding Process.

An amount of RMB5,390,000 was placed by the Company as a deposit in the course of the Public Bidding Process, which will be set off against the consideration for the Acquisition payable by the Company. The remaining sum of RMB13,490,000 will be settled by the Company in cash by internal resources within five working days after the due execution of the Equity Transfer Agreement.

## Conditions Precedent

The completion of the Equity Transfer Agreement will be conditional upon the fulfillment of, among other matters, the following conditions precedent:

- (i) the due execution of the Equity Transfer Agreement by the legal representative or authorized representative of each of the parties thereto;
- (ii) the obtaining of all necessary consents, permits or approvals from the relevant authorities in relation to the Acquisition;
- (iii) the approval of the Acquisition by the board of directors and by the shareholders in general meeting of Today Sunshine; and
- (iv) the approval of the Acquisition by the Board and compliance with all the disclosure requirements under the Hong Kong Listing Rules.

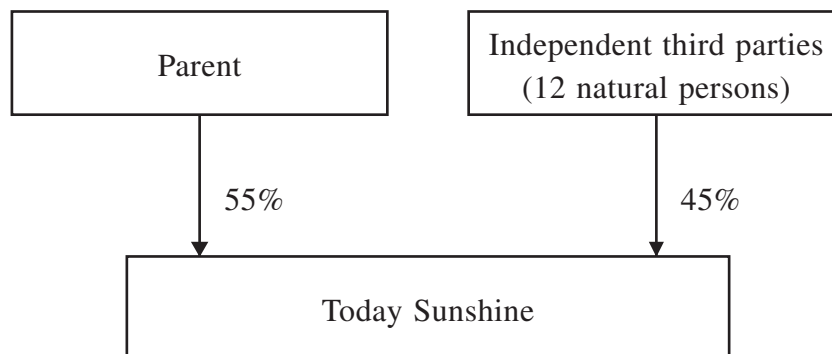
## Completion

Pursuant to the Equity Transfer Agreement, the date of completion of the Acquisition will be the date of filing of registration and changes to the relevant registration authority.

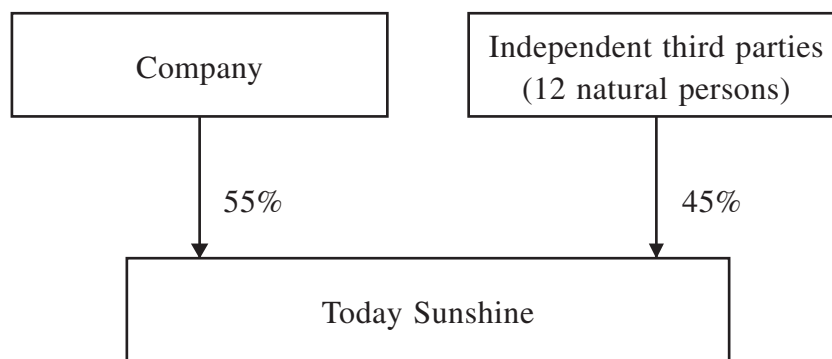
## SHAREHOLDING STRUCTURE OF TODAY SUNSHINE

The shareholding structure of Today Sunshine before and after the completion of the Equity Transfer Agreement is set out below:

### Before Completion



## After Completion



## FINANCIAL INFORMATION

The audited net asset value of Today Sunshine as of 31 December 2010 prepared in accordance with PRC GAAP was approximately RMB17,788,857.36.

For the two financial years ended 31 December 2009 and 31 December 2010, the audited net profit (loss) before and after taxation and extraordinary items of Today Sunshine prepared in accordance with PRC GAAP were as follows:

	<b>For the year ended 31 December 2009 RMB</b>	<b>For the year ended 31 December 2010 RMB</b>
Audited net profit (loss) before taxation and extraordinary items	113,836.7	(3,762,801.85)
Audited net profit (loss) after taxation and extraordinary items	82,215.58	(3,762,801.85)

## REASONS FOR THE ACQUISITION

Since Today Sunshine has the rich experience in operation of outdoor advertising business and wide client base with its comprehensive services of advertising agency, market developing, public consulting and client maintaining.

The Company is of the view that the Acquisition will (i) enhance the outdoor advertising business of the Group; (ii) facilitate the business operations and growth of the Company; and (iii) generate higher returns to the Group in the future, should Today Sunshine become more profitable.

## **HONG KONG LISTING RULES IMPLICATIONS**

The Parent is the controlling shareholder of the Company and is therefore a connected person of the Company under the Hong Kong Listing Rules. The Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) for the Acquisition exceed 0.1% but less than 5%, accordingly, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Mr. Zhang Yanping, Mr. Zhang Yabin, Mr. Li Shiheng, Ms. Wu Peihua and Mr. Liu Han, also members of the decision-making body of the Parent, have material interests in the transactions under the Equity Transfer Agreement and have abstained from voting on the relevant Board resolution. Other than those Directors mentioned above, none of the other Directors has a material interest in the transactions under the Equity Transfer Agreement.

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 the Parent or otherwise related, which would be, together with the transactions contemplated under the Equity Transfer Agreement, regarded as a series of transactions and treated as if they were one transaction under Rule 14A.25 of the Hong Kong Listing Rules.

## **GENERAL INFORMATION OF THE PARTIES TO THE TRANSACTION**

### **The Company**

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

### **The Parent**

The Parent is a state-owned enterprise and ultimately controlled by the Beijing Municipal Government. The Parent is principally engaged in the holding of ten newspapers, four magazines and two online media. The Parent is a controlling shareholder of the Company.

### **Today Sunshine**

As at the date of this announcement, 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, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	the proposed acquisition of a 55% equity interest in Today Sunshine from the Parent as contemplated under the Equity Transfer Agreement
“Board”	the board of directors of the Company
“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 Hong Kong Stock Exchange
“Directors”	the directors of the Company
“Equity Transfer Agreement”	an equity transfer agreement dated 24 August 2011 and entered into between the Parent and the Company in relation to the acquisition of a 55% equity interest in Today Sunshine by the Company from the Parent
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Parent”	Beijing Youth Daily Agency (北京青年報社), a wholly 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 purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	generally accepted accounting principles in the PRC

“Public Bidding Process”	has the meaning ascribed thereto under the section headed “Equity Transfer Agreement – Consideration” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“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 as at the date of this announcement

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

Beijing, PRC,  
24 August 2011

*As at the date of this announcement, the Board comprises: the executive Directors, Zhang Yanping, Zhang Yabin and Sun Wei, the non-executive Directors, Liu Han, Xu Xun, Li Yigeng, Li Shiheng and Wu Peihua and the independent non-executive Directors, 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](http://www.bjmedia.com.cn).*