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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)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

On 31 January 2011, the Company entered into the Advertising Services Agreement with Beiqing Advertising, pursuant to which Beiqing Advertising will provide to the Company with advertising planning and placing services for real estate clients who placed advertisements on the Beijing Youth Daily and the term of Advertising Services Agreement is commencing on 1 January 2011 to 31 December 2012.

Beiqing Advertising 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 Advertising Services 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 Beiqing Advertising contemplated under the Advertising Services Agreement exceed 0.1% but less than 5%, the transactions contemplated under the Advertising Services Agreement are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules, and are exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

BACKGROUND

On 31 January 2011, the Company entered into the Advertising Services Agreement with Beiqing Advertising, pursuant to which Beiqing Advertising will provide to the Company with advertising planning and placing services for real estate clients who placed advertisements on the Beijing Youth Daily and the Company will therefore pay the service fee to Beiqing Advertising.

ADVERTISING SERVICES AGREEMENT

Date

31 January 2011

Parties

- (i) the Company;
- (ii) Beiqing Advertising, a subsidiary of the Parent

Continuing transactions

Pursuant to the Advertising Services Agreement, Beiqing Advertising, as one of the advertising agents of the Company, has agreed to provide to the Company with the advertising planning and placing services for real estate clients who placed advertisements on the Beijing Youth Daily.

Consideration

The fee for the services to be provided by Beiqing Advertising was determined after arm's-length negotiations between the Company and Beiqing Advertising by reference to the Company's prevailing advertising service fee. The Company will settle the service fee to Beiqing Advertising in cash once the relevant advertising fee is fully settled by the corresponding real estate clients.

Term and termination

The Advertising Service Agreement is for a term commencing on 1 January 2011 and ending on 31 December 2012.

Implementation Agreements

The Company and Beiqing Advertising have entered into and will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under Advertising Services Agreement during its term. Each implementation agreement will set out the detailed services, the specifications, quantities, prices and other relevant terms.

As the implementation agreements provide for the supply of services as contemplated under the Advertising Services Agreement, they do not constitute new categories of connected transactions. Any such implementation agreements will be within the ambit of the Advertising Services Agreement and the relevant annual caps, and if exceeded, the Company will comply with the relevant Listing Rules accordingly.

Annual caps

Each of the proposed annual caps in respect of provision of the Services to the Company by Beiqing Advertising contemplated under the Advertising Services Agreement for the two years ending 31 December 2012 is RMB3,000,000.

In arriving at the proposed annual caps in respect of provision of services to the Company by Beiqing Advertising, the Company has taken into account (i) the estimated costs for the provision of the services by Beiqing Advertising; (ii) a reasonable profit margin and (iii) the current market conditions.

REASONS FOR ENTERING INTO THE ADVERTISING SERVICES AGREEMENT

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

LISTING RULES IMPLICATIONS

Beiqing Advertising 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 Advertising Services 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 Beiqing Advertising contemplated under the Advertising Services Agreement exceed 0.1% but less than 5%, the transactions contemplated under the Advertising Services Agreement are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules, and are exempt from the independent shareholders' approval requirement under Rule 14A.48 of the Listing Rules.

Reference is made to the announcement dated 24 November 2009, in relation to the Outdoor Advertising Services Agreement entered into between the Company and Today Sunshine (a subsidiary of the Parent), pursuant to which Today Sunshine will provide to the Company with certain supporting services including but not limited to client management, inquiries, supervision and maintenance for all commercial advertisements on the certain billboards for a term commencing from 24 November 2009 and ending on 14 October 2012.

Given that both the Outdoor Advertising Services Agreement and the Advertising Services Agreement were entered into between the Company and subsidiaries of the Parent within a 12-month period, the transactions contemplated under the Outdoor Advertising Services Agreement would have to be aggregated with the transactions contemplated under the Advertising Services Agreement pursuant to Rule 14A.25 of the Listing Rules. Such aggregation would not result in any change to the applicable percentage ratios as disclosed above

The Directors (including the independent non-executive Directors) are of the view that the terms of the Advertising Services 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 than those available to or 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 in the interests of the Company and its Shareholders as a whole; and (v) that the proposal annual cap in respect of provision of the services to the Company by Beiqing Advertising under the Advertising Services Agreement for the two years ending on 31 December 2012 are fair and reasonable and in the interests of 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 Advertising Services 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 Advertising Services Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, save as disclosed above, there is no other continuing transaction entered into between the Company and Beiqing Advertising 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 Advertising Services Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Listing rules.

GENERAL INFORMATION

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.

Beiqing Advertising is a PRC incorporated company which is mainly engaged in the provision of advertising agency services. Beiqing Advertising is a 55%-owned subsidiary of the Parent.

DEFINITIONS

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

“Advertising Services Agreement”	the advertising services agreement dated 31 January 2011 entered into between the Company and Beijing Advertising in relation to the provision of advertising planning and placing services for real estate clients by Beijing Advertising
“Beijing Youth Daily”	Beijing Youth Daily (北京青年報)
“Beiqing Advertising”	Beijing Beiqing Advertising Limited (北京北青廣告有限公司), a limited liability company incorporated under the laws of the PRC on 24 July 1998 and a subsidiary of the Parent
“Board”	the board of Directors
“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 Services Agreement”	the outdoor advertising service agreement entered into between the Company and Today Sunshine dated 24 November 2009 in relation to the provision of certain supporting services for all commercial advertisements on four billboards
“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

“Parent Group”	the Parent and its subsidiaries (excluding the Group)
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	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

On behalf of the Board
Beijing Media Corporation Limited
Zhang Yanping
Chairman

Beijing, 31 January 2011

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