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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 AND RENEWAL OF ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Announcement in respect of the continuing connected transactions under the Agreement and its annual caps for the three years ended 31 December 2008.

Heqing Media, a subsidiary of the Company, entered into the Agreement on 25 April 2006 with Hebei Youth Daily Agency, which is a substantial shareholder of Heqing Media, for a term of 30 years. Under the terms of the Agreement, Heqing Media has the sole and exclusive right to place advertisements in, and to print and distribute, Hebei Youth Daily and is entitled to any income derived from these activities. Heqing Media is responsible for the reimbursement of costs incurred by Hebei Youth Daily Agency for preparing the editorial content of the Hebei Youth Daily, including but not limited to, editorial staff and office rental. The annual caps for the continuing connected transactions under the Agreement previously set for the three years ended 31 December 2008 have expired and the Company proposes that the annual caps for the three years ending 31 December 2011 be renewed.

As all the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the annual caps for the three years ending 31 December 2011 in relation to the continuing connected transactions under the Agreement exceed 0.1% but are less than 2.5%, the transactions thereunder are only subject to the reporting and announcement requirements as set out under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules, respectively, but are exempted from the independent shareholders' approval requirement under the Hong Kong Listing Rules.

INTRODUCTION

Reference is made to the Announcement in respect of the continuing connected transactions under the Agreement and its annual caps for the three years ended 31 December 2008.

The annual caps for the continuing connected transactions under the Agreement previously set for the three years ended 31 December 2008 have expired and the Company proposed that the annual caps for the three years ending 31 December 2011 be renewed.

THE AGREEMENT

Date: 25 April 2006

Parties: Heqing Media

Hebei Youth Daily Agency, a substantial shareholder of Heqing Media and a connected person of the Company

Duration: 30 years commencing 25 April 2006

Heqing Media, a subsidiary of the Company, entered into the Agreement on 25 April 2006 with Hebei Youth Daily Agency which is a substantial shareholder of Heqing Media for a term of 30 years. Under the terms of the Agreement, Heqing Media, has the sole and exclusive right to place advertisements in, and to print and distribute, Hebei Youth Daily and is entitled to retain all income derived from these activities. Heqing Media is responsible for the reimbursement of costs incurred by Hebei Youth Daily Agency for preparing the editorial content of the Hebei Youth Daily, including but not limited to, editorial staff and office rental. Under the Agreement, the reimbursement of costs is based on actual expenses and payable by Heqing Media to Hebei Youth Daily Agency on a monthly basis.

ANNUAL CAPS

The annual caps for the continuing connected transactions under the Agreement previously set for the three years ended 31 December 2008 have expired and the Company proposes that the annual caps for the three years ending 31 December 2011 be renewed. The actual value of transactions for the three years ended 31 December 2006, 2007 and 2008, respectively (by reference to the financial information from

the management accounts of the Company for the year ended 31 December 2008) respectively, are as follows:-

	Year ended 31 December 2006 (RMB)	Year ended 31 December 2007 (RMB)	Year ended 31 December 2008 (RMB)
Reimbursement of costs (annual cap)	8,500,000	12,000,000	13,000,000
Reimbursement of costs (actual value)	5,024,300	6,806,100	7,343,700

Based on historical figures for the three preceding years, the estimated growth of the business of the Group, the economic outlook of the PRC (in particular, estimated inflation), the annual caps proposed by the Company for the three years ending 31 December 2009, 2010 and 2011 respectively, are as follows:-

	Year ending 31 December 2009 (RMB)	Year ending 31 December 2010 (RMB)	Year ending 31 December 2011 (RMB)
Reimbursement of costs (estimated annual cap)	9,200,000	9,200,000	9,200,000
	(equivalent to approximately HKD10.44 million)	(equivalent to approximately HKD10.44 million)	(equivalent to approximately HKD10.44 million)

REASONS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTION UNDER THE AGREEMENT

Hebei Youth Daily is one of the most widely circulated newspapers distributed and sold in Hebei Province. Given the successful arrangement with Hebei Youth Daily Agency over the last three years since establishment of Heqing Media, the Board is of the view that the entering into the continuing connected transaction under the Agreement on a continuing basis will be beneficial to the Company's expansion into the advertising business of other newspapers in other regions of the PRC and provide greater certainty to the Company's operations.

HONG KONG LISTING RULES IMPLICATIONS

Hebei Youth Daily Agency is a substantial shareholder of Heqing Media, a subsidiary of the Company. Therefore, Hebei Youth Daily Agency is a connected person of the Company under the Hong Kong Listing Rules and the continuing connected transactions under the Agreement constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the annual caps for the three years ending 31 December 2011 in relation to the continuing connected transactions under the Agreement exceed 0.1% but are less than 2.5%, the transactions

thereunder are only subject to the reporting and announcement requirements as set out under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules, respectively, but are exempted from the independent shareholders' approval requirement under the Hong Kong Listing Rules.

The Company confirms that there is no other transaction entered into between any member of the Group and Hebei Youth Daily Agency and its associates within a 12-month period of the date of this announcement or otherwise related, which would be, together with the continuing connected transactions under the Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 14A.25 of the Hong Kong Listing Rules.

The Board (including the independent non-executive directors) is of the view that the terms (including the consideration) of the continuing connected transactions under the Agreement are fair and reasonable, based on normal commercial terms, in the interests of the Company and the Shareholders as a whole.

INFORMATION RELATING TO THE COMPANY, HEQING MEDIA AND HEBEI YOUTH DAILY AGENCY

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

Heqing Media is a subsidiary of the Company principally engaged in the sale of advertising space, production, printing and distribution of newspapers.

Hebei Youth Daily Agency is principally engaged in the publication of Hebei Youth Daily and arranges the placement of advertisements in the Hebei Youth Daily. Hebei Youth Daily Agency is a state-owned entity established under the laws of the PRC.

DEFINITIONS

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

“Agreement”	the printing, distribution and advertising business transfer agreement dated 25 April 2006 which was entered into between Heqing Media and Hebei Youth Daily Agency;
“Announcement”	the Company's announcement in relation to the establishment of a joint venture, a connected transaction and continuing connected transactions dated 14 February 2006;
“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 on 22 December 2004, the H shares of which are listed on The Stock Exchange of Hong Kong Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Heqing Media”	Hebei Heqing Media Corporation Limited. (河北河青傳媒有限責任公司), a limited liability company incorporated under the laws of the PRC on 25 April 2006 and a subsidiary of the Company;
“Hebei Youth Daily”	Hebei Youth Daily (河北青年報);
“Hebei Youth Daily Agency”	Hebei Youth Daily Agency (河北青年報社);
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, which for the purposes of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	the lawful currency of the People’s Republic of China;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

By Order of the Board
Zhang Yanping
Chairman

Beijing, PRC, 20 January 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, 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.