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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)

## ANNOUNCEMENT

### CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus (the “**Prospectus**”) of Beijing Media Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 13 December 2004 relating to initial public offering (“**IPO**”) of the Company on the main board of The Stock Exchange of Hong Kong Limited. The net proceeds received by the Company from the IPO were about HK\$889,086,000<sup>1</sup>, of which about HK\$425,496,000 remained unutilized up to date. A breakdown of the utilized and unutilized of net proceeds up to date as set out below:

Purpose	Amount allocation from the IPO as disclosed in the Prospectus	Utilized Amount	Unutilized Amount
1. Developing a weekend newspaper	Approximately HK\$100 million	Nil	Approximately HK\$100 million
2. Developing a number of weekly topic-focused magazines that focus on the management of personal financial affairs, lifestyle and cultural information	Approximately HK\$80 million	Approximately HK\$23.59 million	Approximately HK\$56.41 million
3. Investing in the television industry in Beijing	Approximately HK\$250 million	Nil	Approximately HK\$250 million
4. Acquisition of other media businesses	Approximately HK\$360 million	Approximately HK\$360 million	Nil
5. General working capital of the Group	Approximately HK\$80 million	Approximately HK\$80 million	Nil

*Note 1:* There is certain discrepancy between the actual net proceeds received by the Company from the IPO and the expected net proceeds to be received by the Company from the IPO as disclosed in the Prospectus.

The Board anticipates that i) the preparation period for developing weekend newspapers and topic-focused magazines is much longer than expected; and ii) the Chinese government has not yet released the limitation on the participation of foreign enterprises (including overseas listed companies) in the television broadcasting industry, which obviously result in the slow down of the development of the Company in such industry.

Taken into account the above factors, and in order for the Company to capture more business opportunities arising from emerging media businesses and other related media businesses and to utilize the net proceeds of the Group in a more efficient way, the Board resolved to change the proposed use of the unutilized net proceeds from the IPO as follows:

- i) approximately HK\$375.496 million, for the purpose of investing in and acquisition of other media businesses (including but not limited to traditional media and emerging media businesses) and related businesses (including but not limited to the additional investment in the existing businesses of the Group);
- ii) approximately HK\$50 million, for the purpose of use as general working capital of the Group.

The Board is of the view that the proposed change in use of proceeds from the IPO will facilitate the Group to extend its business, broaden its revenue base, enhance the its competitiveness and is in the best interests of the Company and its shareholders as a whole.

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

Beijing, PRC,  
24 June 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, 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](http://www.bjmedia.com.cn).*