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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 TRANSACTIONS FRAMEWORK GUARANTEE AGREEMENT

- The Company and COL entered into the Framework Guarantee Agreement on 22 July 2009, pursuant to which the Company will provide guarantees for term loans granted to COL by various banks to a maximum outstanding balance of RMB224,700,000 (equivalent to approximately HKD254,935,330), (comprising a maximum principal amount of RMB209,100,000 and estimated accrued interest of RMB15,600,000).
- COL is a non-wholly owned subsidiary of the Company, while BYDA, the controlling shareholder of the Company, holds a 49% equity interest in COL. Therefore COL is a connected person of the Company (as defined under Rule 14A.11(5) of the Listing Rules) and the transactions under the Framework Guarantee Agreement constitute continuing connected transactions under 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 transactions under the Framework Guarantee Agreement, exceed 2.5%, the transactions thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

Reference is made to the Company's announcement dated 22 April 2008. To regulate the relationship between the Company and COL in respect of the provision of guarantees by the Company for the benefit of COL, the Company and COL entered into a framework guarantee agreement on 22 April 2008 (the **"2008 Agreement"**) for a term of 24 months, pursuant to which the Company agreed to provide guarantees for term loans granted to COL for a maximum principal amount not exceeding RMB209,100,000 and estimated accrued interest of RMB15,600,000.

During the term of the 2008 Agreement, the Company entered into certain separate guarantee agreements to provide guarantees for term loans with an outstanding balance of RMB222,135,600 (comprising total principal of RMB209,100,000 and accrued interest of RMB13,035,600) granted to COL, and all of such term loans will expire in succession between 1 July 2009 and 30 June 2010.

The Company may not enter into any other separate guarantee agreement for the provision of guarantees to any other term loans under the 2008 Agreement after 30 June 2009. Upon the expiration of term loans under the 2008 Agreement, the Company will continue to provide guarantees for further term loans granted to COL by various banks thereafter. Accordingly, the Company and COL entered into the Framework Guarantee Agreement on 22 July 2009.

2. FRAMEWORK GUARANTEE AGREEMENT

Date

22 July 2009

Parties

- (i) the Company,
- (ii) COL, a connected subsidiary of the Company

Transaction

Pursuant to the Framework Guarantee Agreement, the Company has agreed to provide guarantees, upon request from COL, for term loans granted to COL by various banks for a maximum outstanding balance of RMB224,700,000 (equivalent to approximately HKD254,935,330), (comprising a maximum principal amount of RMB209,100,000 and estimated accrued interest in the amount of RMB15,600,000). The Framework Guarantee Agreement will commence from the date that it is approved by the Independent Shareholders at the EGM, and will end on 30 September 2010. The Company will not receive any commission for provision of guarantees for the term loans granted to COL under the Framework Guarantee Agreement.

Under the Framework Guarantee Agreement, the Company will provide guarantees in proportion to the Company's equity interest in COL, being 51%. BYDA, which holds the remaining 49% equity interest in COL, will provide guarantees for the term loans utilized by COL in proportion to its equity interest in COL pursuant to a separate agreement to be entered into between BYDA and COL. As COL expects to raise funds in an amount of approximately RMB410,000,000 during the term of the Framework Guarantee Agreement, the Company expects that the maximum principal amount for term loans to be granted to COL, guaranteed by the Company, will not exceed RMB209,100,000 during the same period.

The Company expects that the total amount of accrued interest under the Framework Guarantee Agreement will not exceed RMB15,600,000 (equivalent to approximately HKD17,699,115), which was determined by reference to the current interest rate at 5.31% per annum for the term loans and any adjustment issued by the People's Bank of China from time to time.

Proposed Annual Caps

The Company proposes that the annual caps for the transactions under the Framework Guarantee Agreement be as follows:

	Year ending 31 December 2009 (RMB)	Nine months ending 30 September 2010 (RMB)
Principal	209,100,000	209,100,000
Accrued interest	<u>15,600,000</u>	<u>15,600,000</u>
Maximum outstanding balance	<u><u>224,700,000</u></u>	<u><u>224,700,000</u></u>

The annual caps were determined by the Board after taking into account (i) term loans incurred in the previous years for COL's operational needs; and (ii) the anticipated financial position of COL for the year ending 31 December 2009 and nine months ending 30 September 2010.

Utilization of the term loans

The Directors expect that the term loans amounting to approximately RMB209,100,000 (equivalent to approximately HKD237,236,215) to be guaranteed under the Framework Guarantee Agreement will be utilised for (i) the renewal of term loans which were mainly incurred in previous years for the operation of the China Open tennis tournaments and the renewal of term loans incurred in 2008 for other operational needs of COL, in an amount of approximately RMB147,900,000; and (ii) the renewal of term loans which were utilised for paying the consideration for COL's acquisition in 2008 of the 100% issued share capital of Champion Will International Limited and Swidon Enterprises Limited in an amount of approximately RMB61,200,000.

Pursuant to the Framework Guarantee Agreement, the Company will also enter into separate guarantee agreements for each specific guarantee contemplated under the Framework Guarantee Agreement, with various banks providing the respective term loans to COL. Each guarantee agreement will set out the specific duration, price and other relevant commercial terms and conditions for the respective loan. The term of each of the term loans granted to COL to be guaranteed by the Company under the Framework Guarantee Agreement will be no more than 12 months.

For the period from 1 July 2008 to the date of this announcement, the Company had not provided guarantees for term loan to COL exceeding the maximum outstanding balance of RMB224,700,000 (comprising a maximum principal of RMB209,100,000 and estimated accrued interest of RMB15,600,000) had not been exceeded.

Reasons for the guarantees to be provided by the Company to COL

The Directors consider that the Company's provision of guarantees will i) facilitate the business operations of COL which is one of the Company's subsidiaries; and ii) generate higher returns for the Group when COL attains profitability in the future.

The Directors (apart from the independent non-executive Directors who have deferred their views until after considering the opinion of the independent financial adviser) are of the view that the Framework Guarantee Agreement was entered into on normal commercial terms following arm's-length negotiations between the parties thereto and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules Implications

COL is held by the Company and BYDA as to 51% and 49%, respectively. BYDA and its associates hold in aggregate an approximate 63.72% equity interest in the Company and are also entitled to exercise more than 10% of the voting power at any general meeting of COL, a subsidiary of the Company. As such, COL is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules.

As the amount of the maximum outstanding balance (including interest) under the Framework Guarantee Agreement is expected to be more than 2.5%, on an annual basis, of the relevant percentage ratios (other than the profit ratio) under the Listing Rules, the transactions under the Framework Guarantee Agreement will constitute continuing connected transactions of the Company and will be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

3. INFORMATION ON THE COMPANY, COL AND BYDA

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

COL is a 51%-owned subsidiary of the Company while BYDA holds the remaining 49% equity interest in COL. COL is treated as a jointly controlled entity and accounted for by the Company under the equity accounting method from an accounting perspective. COL is principally engaged in marketing and organising the China Open tennis tournaments.

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

4. GENERAL

The EGM will be convened for the purpose of seeking the Independent Shareholders' approval for the Framework Guarantee Agreement and its annual caps. BYDA and its associates will be required to abstain from voting at the EGM. The voting in respect of the resolution on the Framework Guarantee Agreement will be conducted by poll at the EGM.

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the terms of the Framework Guarantee Agreement, and CSC Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

A circular containing, among other things, details of the Framework Guarantee Agreement, a letter from the Independent Board Committee to the Independent Shareholders in relation to the Framework Guarantee Agreement, a letter of advice from CSC Asia Limited to advise the Independent Board Committee and Independent Shareholders on the Framework Guarantee Agreement together with a notice convening the EGM to approve the Framework Guarantee Agreement and the transactions contemplated thereunder, will be despatched to the Shareholders as soon as practicable after publication of the announcement.

5. DEFINITIONS

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

“Board”	the board of Directors
“BYDA”	Beijing Youth Daily Agency (北京青年報社), a state-owned enterprise incorporated under the laws of the PRC
“COL”	Beijing China Open Promotion Company Limited (北京中國網球公開賽體育推廣有限公司), a limited liability company incorporated under the laws of the PRC
“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;
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for Independent Shareholders to consider and approve the Framework Guarantee Agreement

“Framework Guarantee Agreement”	a framework guarantee agreement entered into between the Company and COL on 22 July 2009
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong, the Special Administration Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Messrs. Tsang, Hing Lun, Wu Changqi and Liao Li
“Independent Shareholders”	shareholders of the Company who are not required by the Stock Exchange to abstain from voting in respect of the Framework Guarantee Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“RMB”	renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Zhang Yanping
Chairman

Beijing, PRC, 22 July 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 on the Company’s website at www.bjmedia.com.cn