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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 SUPPLEMENTAL AGREEMENT

As disclosed in the Prospectus, the Company and the Parent entered into the Advertising Business Agreement on 7 December 2004, pursuant to which the Company has been granted by the Parent i) the exclusive right to sell all of the advertising space in the BYD Papers and is entitled to all revenue derived from such sales; and ii) a call option to acquire, among other things, the publishing, operation and editorial rights in respect of the BYD Papers.

BYD Papers are four newspapers which consist of Beijing Youth Daily (including Information Industry Weekly), Beijing Children's Weekly, Middle School Times and Beijing Today. Other than Beijing Youth Daily (including Information Industry Weekly), the sales of the advertising space in the Three Papers have not generated any profit since the entering into of the Advertising Business Agreement. After taking into such factor, the Company decided to waive the exclusive right to sell all of the advertising space in the Three Papers and entered into a Supplemental Agreement with the Parent on 9 April 2010 amending certain terms of the Advertising Business Agreement.

The Parent is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. The transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The annual caps as stated in the announcement of the Company dated 15 October 2009 and the circular of the Company dated 30 October 2009 for the three years ending 31 December 2012 in respect of the transaction under the Advertising Business Agreement remains unchanged. As the applicable percentage ratios (as defined under Rule 14A.10 of the Listing Rules) in respect of the annual cap of the Advertising Business Agreement for each of the three years ending 31 December 2012 respectively, exceed 2.5%, the Company has complied with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.36(2) of the Listing Rules, if there is a material change to the terms of the agreement in respect of a given transaction, the Company must re-comply with the reporting, announcement and/or independent shareholders' approval requirements (as appropriate) as set out in Rules 14A.35(3) and 14A.35(4) of the Listing Rules. Therefore the Supplemental Agreement shall be subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

As disclosed in the Prospectus, the Company and the Parent entered into the Advertising Business Agreement on 7 December 2004, pursuant to which the Company has been granted by the Parent i) the exclusive right to sell all of the advertising space in the BYD Papers and is entitled to all revenue derived from such sales; and ii) a call option to acquire, among other things, the publishing, operation and editorial rights in respect of the BYD Papers. In consideration, the Company will a) be responsible for the printing, including printing cost and the choice of newsprint of the BYD Papers, (b) pay the Parent a fee representing 16.5% of the total advertising revenue generated from the BYD Papers and (c) allocate up to 360 pages per year of advertising space in respect of each of the BYD Papers to the Parent for publicity announcements and notices, for which no fee is payable. The fee payable by the Company will be settled in cash on a monthly basis.

BYD Papers are four newspapers which consist of Beijing Youth Daily (including Information Industry Weekly), Beijing Children's Weekly, Middle School Times and Beijing Today. Other than Beijing Youth Daily (including Information Industry Weekly), the sales of the advertising space in Beijing Children's Weekly, Middle School Times and Beijing Today (together, the "Three Papers") have not generated any profit since the entering into the Advertising Business Agreement. After taking into such factor, the Company decided to waive the exclusive right to sell all of the advertising space in the Three Papers and entered into a Supplemental Agreement with the Parent on 9 April 2010 amending certain terms of the Advertising Business Agreement. The Supplemental Agreement will become effective upon the Independent Shareholders' approval.

2. THE SUPPLEMENTAL AGREEMENT

Date:

9 April 2010

Parties:

- a) the Company
- b) the Parent

Material changes to the terms of the Advertising Business Agreement:

- i) The Company will waive the exclusive right granted by the Parent in relation to the sales of all the advertising space in the Three Papers. The definition of “BYD Papers” will be deleted from the definition section of the Advertising Business Agreement and the term of “BYD Papers” will be amended to “Beijing Youth Daily (including Information Industry Weekly)” throughout the Advertising Business Agreement.
- ii) The original definition of “BYD Other Papers” means all the newspapers, other than the BYD Papers published by the Parent. Since the deletion of the definition of BYD Papers, the new definition of BYD Other Papers will include the Three Papers;
- iii) The Parent shall be responsible for the printing, including printing cost and the choice of newsprint of the Three Papers upon the effective date of the Supplemental Agreement; and
- iv) The terms in the Advertising Business Agreement which differ from those in the Supplemental Agreement shall automatically become invalid.

Save for the above-mentioned changes, there are no other material changes to the terms of the Advertising Business Agreement.

Consideration

The consideration for the transaction under the Supplemental Agreement is nil.

The revenue generated from sales of the advertising space in the Three Papers for the three years ended 31 December 2009 was RMB1,044,632.92, RMB1,408,052.45 and RMB590,220.14, and the printing cost for the Three Papers the Company has spent for the three years ended 31 December 2009 was RMB2,863,636.41, RMB2,551,717.78 and RMB1,873,835.93.

Based on the above, no profit has ever been generated from the sales of the advertising space in the Three Papers for the past three years. Therefore, there will be no consideration paid by us to the Parent in relation to the transactions under the Supplemental Agreement.

Annual Caps

As disclosed in the announcement of the Company dated 15 October 2009 and the circular of the Company dated 30 October 2009, based on the historical figures of the actual value of the transaction under the Advertising Business Agreement for the two years ended 31 December 2008 and reasonable room for growth from 2010 onwards in the advertising industry bearing in mind an anticipated recovery of the national economy from the most severe effects of the financial crisis, the original annual caps for the transaction contemplated under the Advertising Business Agreement for the three years ending 31 December 2012 shall remain to be RMB132,000,000, RMB145,200,000 and RMB145,200,000, respectively. The Directors believe such annual caps for the three years ending 31 December 2012 in respect of the transaction under the Advertising Business Agreement and the Supplemental Agreement is still appropriate and does not need to be changed since the revenue generated from the Three Papers is relatively small and has no material affect on the original annual caps.

3. REASONS AND BENEFITS FOR THE ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Taking into account of the fact that the sales of advertising space in the Three Papers have not generated any profit to the Group since the entering into the Advertising Business Agreement. The Company is of the view that the entering into the Supplemental Agreement will i) make the Company to focus more on its principal business and to explore new business; ii) release certain human and management resource; and iii) indirectly generate higher returns to the Group by saving the printing cost on the Three Papers in future.

4. LISTING RULES IMPLICATIONS

The Parent is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. The transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company and is subject to the reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.36(2) of the Listing Rules, if there is a material change to the terms of the agreement in respect of a given transaction, the Company must re-comply with the reporting, announcement and/or independent shareholders' approval requirements (as appropriate) under Chapter 14A of the Listing Rules. As the transaction contemplated under the Advertising Business Agreement is subject to the reporting, announcement and independent shareholders' approval requirements, the changes to the terms of the Advertising Business Agreement are made by way of entering into the Supplemental Agreement. Therefore, such entering into the Supplemental Agreement must re-comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (excluding the independent non-executive Directors whose views will be formed after obtaining the advice of the independent financial adviser) are of the view that the terms of the Supplemental Agreement (a) have been negotiated on an arm's length basis; (b) will be conducted on normal commercial terms; (c) are entered into in the ordinary and usual course of business of the Group; and (d) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, there is no other continuing transaction entered into between any member of the Group and the Parent and its ultimate beneficial owner(s) or otherwise related, which would be, together with the transaction contemplated under the Supplemental Agreement, aggregated under Rule 14A.25 of the Listing Rules.

5. INFORMATION RELATING TO THE COMPANY AND THE PARENT

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.

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.

6. GENERAL

A circular containing, among other things, further details of the Supplemental Agreement, the letter from the Independent Board Committee and the recommendation from the independent financial adviser on the terms of the Supplemental Agreement, together with a notice convening the AGM, will be dispatched to the Shareholders within 21 days after the publication of this announcement.

As at the date of this announcement, the Parent and its associates, who directly and indirectly, hold 124,839,974 domestic shares, (represent approximately 63.27%) of the issued share capital of the Company, control or are entitled to control over the voting right in respect of their shares in the Company. Therefore, the Parent and its associates will abstain from voting on the resolution in relation to the Supplemental Agreement at the AGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than the Parent and its associates, no Shareholders have, a material interest in the transaction contemplated under the Supplemental Agreement and is required to abstain from voting at the AGM.

7. DEFINITIONS

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

“Advertising Business Agreement”	the advertising business agreement dated 7 December 2004 entered into between the Company and the Parent;
“AGM”	the annual general meeting of the Company to be convened, among other things, for the Independent Shareholders to consider and, if thought fit, to approve the Supplemental Agreement;
“associates”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“BYD Papers”	four newspapers which consist of 北京青年報 (Beijing Youth Daily) including 信息產業報 (Information Industry Weekly), 北京少年報 (Beijing Children’s Weekly), 中學生時事報 (Middle School Times) and 今日北京 (Beijing Today);
“BYD Other Papers”	other than BYD Papers, the other newspapers published by the Parent;
“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;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Messrs. Tsang Hing Lun, Wu Changqi and Liao Li;
“Independent Shareholders”	Shareholders other than the Parent and its associates and any other person and its associates which has a material interest in the transaction contemplated under the Supplemental Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“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 purposes of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Prospectus”	the prospectus of the Company dated 13 December 2004;
“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; and
“Supplemental Agreement”	the supplemental agreement entered into between the Company and the Parent on 9 April 2010 in relation to the amendments to the terms of the Advertising Business Agreement.

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

Beijing, PRC, 9 April 2010

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.