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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)

CONTINUING CONNECTED TRANSACTION ADVERTISING AGENCY FRAMEWORK AGREEMENT

The Board announces that the Company and LEPA have entered into the Advertising Agency Framework Agreement on 27 February 2013, pursuant to which (i) LEPA shall authorize the Group to act as its advertising agent to sell advertising space in the Legal Evening Post; and (ii) the Company shall authorize the LEPA to act as its advertising agent to sell advertising space in the Beijing Youth Daily.

LEPA is a wholly owned subsidiary of the Parent, the controlling shareholder of the Company, and therefore LEPA is a connected person of the Company under Chapter 14A of the Listing Rules. The transaction under the Advertising Agency Framework Agreement constitute a continuing connected transaction 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) of the transactions contemplated under the Advertising Agency Framework Agreement exceeding 0.1% but less 5%, the transactions contemplated thereunder are therefore subject to reporting and announcement requirements but are exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

I. INTRODUCTION

Reference is made to the announcement of the Company dated 31 October 2012 regarding the Old Agreement. The Old Agreement was terminated and replaced by the Advertising Agency Framework Agreement with the effect from 27 February 2013.

II. ADVERTISING AGENCY FRAMEWORK AGREEMENT

Date

27 February 2013

Parties

- (1) The Company
- (2) LEPA

Continuing transactions

Pursuant to the Advertising Agency Framework Agreement, (i) LEPA shall authorize the Group to act as its advertising agent to sell advertising space in the Legal Evening Post; and (ii) the Company shall authorize the LEPA to act as the advertising agent of the Company to sell advertising space in the Beijing Youth Daily.

Term and termination

The Advertising Agency Framework Agreement is for a term commencing on 27 February 2013 and ending on 31 December 2015, and is renewable upon mutual agreement between parties thereto, subject to compliance with the relevant requirements under the Listing Rules.

Price determination

Under the Advertising Agency Framework Agreement, the price shall be determined in accordance with the following pricing principles:

- a) state-prescribed price;
- b) where there is no state-prescribed price, then according to relevant market price by reference to the market practice in the advertising industry; and
- c) where there is no state-prescribed price or relevant market price, then the contract price agreed by the Company and LEPA, which shall be no less favourable to the Company than those available from independent third parties as well as no more favourable to LEPA than those provided by the Company to independent third parties. The contract price shall be determined after arm's length negotiations between the Company and LEPA according to unit price set out in the standard advertising price lists of the Company and LEPA (subject to applicable discounts), actual placement quantity, size and other factors.

Historical transaction value

The historical transaction value for the transactions under the 2012 Agreement and the Old Agreement for the twelve months ended 31 December 2012 and one month ended 31 January 2013 is RMB1,410,000 and nil, respectively.

Proposed annual caps

The proposed annual caps under the Advertising Agency Framework Agreement for the three years ending 31 December 2015 are as follows:

Transactions	Year ending 31 December 2013 (RMB)	Year ending 31 December 2014 (RMB)	Year ending 31 December 2015 (RMB)
advertising placement fee by the LEPA to the Company	32,000,000	32,000,000	32,000,000
advertising placement fee payable by the Company to the LEPA	32,000,000	32,000,000	32,000,000

In arriving at the proposed annual caps in respect of provision of advertising placement to LEPA by the Company, the Directors have taken into account, among other matters, (i) the potential advertising business to be brought by LEPA to the Company; (ii) the expected increase in the demands of the clients of the LEPA to place the advertisements on the Beijing Youth Daily during the term of the Advertising Agency Framework Agreement (iii) LEPA will recommend quality advertisers of its strong field including sales promotion, consumption and others to the Company, which will improve the advertiser structure of the Company and enrich the advertising category of Beijing Youth Daily.

In arriving at the proposed annual caps in respect of provision of advertising placement to the Company by LEPA, the Directors have taken into account, among other matters, (i) the current publication volume of Legal Evening Post; (ii) the estimated development of the advertising business of LEPA; and (iii) the expected increase in the demands of the clients of the Company to place the advertisements on the Legal Evening Post (iv) provide larger advertising platform for the Company's clients to choose, and simultaneously facility to package and promote the Company's advertising business, to improve the advertising business competitiveness of the Company and to generate higher return for the Company by providing advertising agency business to LEPA.

Implementation Agreements

Members of the Group and LEPA 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 the Advertising Agency Framework Agreement during its term thereof. Each implementation agreement will set out the detailed services, the specifications, quantities, prices, payment method, date and other relevant terms.

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

III. REASONS FOR ENTERING INTO THE ADVERTISING AGENCY FRAMEWORK AGREEMENT

The Company is of the view that entering into the Advertising Agency Framework Agreement will (i) provide one more choice of advertising platform to the clients of the Company and (ii) generate higher return from the Company's advertising agent business as well as from the Company's advertising business.

IV. LISTING RULES IMPLICATIONS

LEPA is a wholly owned subsidiary of the Parent, the controlling shareholder of the Company, and therefore LEPA is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions under the Advertising Agency Framework Agreement constitute a continuing connected transaction 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) of the transactions contemplated under the Advertising Agency Framework Agreement exceeding 0.1% but less 5%, the transactions contemplated thereunder are therefore subject to reporting and announcement requirements but are exempt from the requirement of independent shareholders' approval under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Advertising Agency Framework Agreement (i) have been negotiated on an arm's length basis; (ii) have been conducted and will be conducted on normal commercial terms, or on terms no less favourable than those available from or to independent third parties under prevailing local market conditions; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Zhang Yanping, Mr. Yu Haibo, Mr. Li Shiheng, Mr. Liu Han, Ms. Wu Peihua, Mr. Li Xiaobing and Ms. He Xiaona, also members of the decision-making body of the Parent, are deemed to have material interests in the transactions contemplated under the Advertising Agency Framework 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 thereunder.

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

V. GENERAL INFORMATION OF THE PARTIES

Company

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

LEPA

LEPA is a wholly state-owned public institution incorporated under the laws of the PRC and is principally engaged in operating and publishing of legal related newspaper.

VI. DEFINITIONS

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

“Advertising Agency Framework Agreement”	the advertising agency framework agreement entered into between the Company and LEPA on 27 February 2013
“Beijing Youth Daily”	a newspaper named Beijing Youth Daily (北京青年報)
“Board”	the board of directors of the Company
“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 whose H shares are listed and traded on the Stock Exchange
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Legal Evening Post”	a newspaper named Legal Evening Post (法制晚報)
“LEPA”	Legal Evening Post Agency (法制晚報社), a subsidiary of Parent
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Old Agreement”	the advertising agency framework agreement entered into between the Company and LEPA on 31 October 2012, pursuant to which the Group shall act as an advertising agent of LEPA to sell advertising space in the Legal Evening Post for the year ending on 31 December 2013.
“Parent”	Beijing Youth Daily Agency (北京青年報社), a wholly state-owned enterprise incorporated under the laws of the PRC and the controlling shareholder of the Company
“Parent Group”	the Parent and its subsidiaries (excluding the Group)
“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“2012 Agreement”

the advertising agency framework agreement entered into between the Company and LEPA on 11 September 2012, pursuant to which the Group shall act as an advertising agent of LEPA to sell advertising space in the Legal Evening Post for a term commencing on 11 September 2012 and ending on 31 December 2012.

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

Beijing, PRC,
27 February 2013

As at the date of this announcement, the Board comprises: the executive directors of the Company, Zhang Yanping, Yu Haibo, Sun Wei and He Xiaona, the non-executive directors of the Company, Li Shiheng, Liu Han, Wu Peihua, Li Xiaobing, Xu Xun and Li Yigeng, and the independent non-executive directors of the Company, Tsang Hing Lun, Wu Changqi, Liao Li, Cui Baoguo and Song Jianwu.

Please also refer to the published version of this announcement on the Company’s website at www.bjmedia.com.cn.