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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)

DISCLOSEABLE TRANSACTION CAPITAL INCREASE AGREEMENT

On 21 June 2013, the Board announces that the Company entered into the Capital Increase Agreement with Beiyang Media, Hebei Media Group and Hebei Jikang, pursuant to which the Company has agreed to invest into Beiyang Media in the amount of RMB55,000,000 in cash.

Upon completion of the Capital Increase, (i) the registered capital of Beiyang Media shall be RMB1,692,000,000; and (ii) Beiyang Media shall be owned as to 2.58%, 95.42%, 0.41%, 0.89% and 0.69% by the Company, Hebei Media Group, Hebei Jikang, Hebei Centre and Hebei Shida Assets Management, respectively.

Given that the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transaction under the Capital Increase Agreement is more than 5% but less than 25%, the transaction under the Capital Increase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

On 21 June 2013, the Company entered into the Capital Increase Agreement with Beiyang Media, Hebei Media Group and Hebei Jikang, pursuant to which (i) the Company has agreed to invest into Beiyang Media in the amount of RMB55,000,000 in cash, and (ii) Hebei Media Group and Hebei Jikang have agreed to invest into Beiyang Media in the form of assets with the value of RMB425,468,300 and in cash of RMB6,305,200, respectively.

Upon completion of the Capital Increase, (i) the registered capital of Beiyang Media shall be RMB1,692,000,000; and (ii) Beiyang Media shall be owned as to 2.58%, 95.42%, 0.41%, 0.89% and 0.69% by the Company, Hebei Media Group, Hebei Jikang, Hebei Centre and Hebei Shida Assets Management, respectively.

CAPITAL INCREASE AGREEMENT

- Date** : 21 June 2013
- Parties** : a) Company;
b) Beiyang Media;
c) Hebei Media Group; and
d) Hebei Jikang;
- Transaction** : Pursuant to the Capital Increase Agreement, (i) the Company has agreed to invest into Beiyang Media in the amount of RMB55,000,000 in cash, among which RMB21,128,923 will be recognized as the registered capital, while the remaining RMB33,871,076.58 will be recognized as the capital reserve; (ii) Hebei Media Group has agreed to invest into Beiyang Media in the form of assets with the value of RMB425,468,300, among which RMB163,448,857 will be recognized as the registered capital, while the remaining RMB262,019,443.12 will be recognized as the capital reserve; and (iii) Hebei Jikang has agreed to invest into Beiyang Media in the amount of RMB6,305,200 in cash, among which RMB2,422,220 will be recognized as the registered capital, while the remaining RMB3,882,980.10 will be recognized as the capital reserve.

Hebei Centre and Hebei Shida Assets Management, the remaining two shareholders of Beiyang Media didn't participate in the Capital Increase.

There is no further capital commitment that is required to be contributed by the Company under the Capital Increase Agreement other than the investment by the Company towards the Capital Increase set out above.

- Consideration and Determination** : The total consideration for the Capital Increase in an amount of RMB55,000,000 contributed by the Company will be payable in full by the Company in cash within 5 days upon execution of the Capital Increase Agreement.

The consideration under the Capital Increase Agreement was determined by arm's length commercial negotiations between the parties, and the price per share is determined by reference to the appraised net asset value per share of Beiyang Media, which is approximately RMB2.60 per share.

- Completion** : The completion of the Capital Increase Agreement will be on the date of filing of changes in registration with the relevant local industry and commerce authorities.

Conditions Precedent

The completion of the Capital Increase Agreement will be conditional upon the fulfilment of, among other matters, the following conditions precedent:

- 1) the due execution of the Capital Increase Agreement by the legal representative or authorized representative of each of the parties thereto; and
- 2) the approval of the Capital Increase Agreement by the internal decision making body of parties.

SHAREHOLDING STRUCTURE OF BEIYANG MEDIA

The shareholding structure of Beiyang Media before and after completion of the Capital Increase is set out below:

Shareholders	Capital Contribution before completion of the Capital Increase (Registered Capital)	Equity Interest before completion of the Capital Increase	Capital Contribution after completion of the Capital Increase (Registered Capital)	Equity Interest after completion of the Capital Increase
The Company	RMB22,577,500	1.50%	RMB43,706,423	2.58%
Hebei Media Group	RMB1,451,113,500	96.42%	RMB1,614,562,357	95.42%
Hebei Jikang	RMB4,515,000	0.30%	RMB6,937,220	0.41%
Hebei Centre	RMB15,051,600	1.00%	RMB15,051,600	0.89%
Hebei Shida Assets Management	RMB11,742,400	0.78%	RMB11,742,400	0.69%
Total	<u>RMB1,505,000,000</u>	<u>100%</u>	<u>RMB1,692,000,000</u>	<u>100%</u>

FINANCIAL INFORMATION OF BEIYANG MEDIA

As at the date of this announcement, the registered capital of Beiyang Media is RMB1,505,000,000.

Under the PRC Accounting Standards, the audited net assets of Beiyang Media was RMB2,624,232,529.20 as at 31 December 2012.

Under the PRC Accounting Standards, the audited profit (loss) before and after taxation of Beiyang Media for the two years ended 31 December 2011 and 2012, were as follows:

	For the year ended 31 December 2011 <i>(RMB)</i>	For the year ended 31 December 2012 <i>(RMB)</i>
Profit (Loss) before taxation	362,952.41	351,547,598.27
Profit (Loss) after taxation	362,952.41	350,614,712.10

REASONS FOR THE CAPITAL INCREASE

The Company is of the view that the Capital Increase will (i) further develop the business of Group in Hebei; and (ii) generate higher returns to the Group in future, should Beiyang Media become more profitable in future.

LISTING RULES IMPLICATIONS

Given that the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transaction under the Capital Increase Agreement is more than 5% but less than 25%, the transaction under the Capital Increase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Beiyang Media, Hebei Media Group, Hebei Jikang and their respective ultimate beneficial owner(s), are third parties independent of the Group and its connected persons (as defined in the Listing Rules).

The Company confirms that there is no other transaction entered into between the Company and each of Beiyang Media, Hebei Media Group, Hebei Jikang and their ultimate beneficial owners, which should be, together with the Capital Increase, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 of the Listing Rules.

The Directors are of the view that the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

The Company

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

Beiyang Media

Beiyang Media is a joint stock company with limited liability incorporated under the laws of the PRC and principally engaged in publishing and printing of books, periodicals, audiovisual products and electronic publications, investment on network publications, and design, production, issue and agency of the advertising business.

Hebei Media Group

Hebei Media Group is large scale integrated culture enterprise established under the laws of the PRC and principally engaged in publishing and printing of books, periodicals, audiovisual products and electronic publications, investment on network publications, and design, production, issue and agency of the advertising business. It is the controlling shareholder of Beiyang Media.

Hebei Jikang

Hebei Jikang is a limited liability company incorporated under the laws of the PRC and principally engaged in corporate investment and management, and consulting services for corporate management.

DEFINITIONS

Beiyang Media	Beiyang Publishing & Media Corporation Limited (北洋出版傳媒股份有限公司), a joint stock limited company incorporated under the laws of the PRC
Board	the board of Directors
Capital Increase	the proposed capital increase of Beiyang Media in the aggregate amount of approximately RMB486,773,500 (among which RMB187,000,000 will be recognized as the registered capital) to be contributed by the Company, Hebei Media Group and Hebei Jikang respectively
Capital Increase Agreement	the capital increase agreement entered into between the Company, Beiyang Media, Hebei Media Group and Hebei Jikang dated 21 June 2013 in relation to the proposed investment to be made by the Company, Hebei Media Group and Hebei Jikang into Beiyang Media under the Capital Increase
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 subsidiary
Hebei Centre	Hebei Students Social Practice Service Centre (河北省學生社會實踐服務中心), a public institution established under the laws of the PRC
Hebei Media Group	Hebei Publishing & Media Group Co. Ltd. (河北出版傳媒集團有限責任公司), a limited liability company incorporated under the laws of the PRC
Hebei Jikang	Hebei Jikang Investment Co. Ltd. (河北冀康投資有限責任公司), a limited liability company incorporated under the laws of the PRC and a wholly owned subsidiary of Hebei Media Group
Hebei Shida Assets Management	Hebei Normal University Assets Operation and Management Co. Ltd. (河北師範大學資產經營管理有限公司), a limited liability company incorporated under the laws 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 (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
RMB	Renminbi, the lawful currency of the PRC
Shareholders(s)	the shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited

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

Beijing, PRC
21 June 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, Song Jianwu, Cui Baoguo, Wu Tak Lung, Cui Enqing and Chen Ji.

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