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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 CLOSURE OF REGISTER OF MEMBERS

I. INTRODUCTION

The Board hereby announces that, on 23 February 2022, (i) the Company entered into the YNET Advertising Agency Agreement with BYDNICT, the subsidiary of BYDA, pursuant to which, BYDNICT has authorized the Company to act as the exclusive advertising agent for real estate, automobile and finance sectors at YNET.COM (“**YNET Exclusive Advertising Agency**”), and a non-exclusive advertising agency for sectors other than the above three sectors at YNET.COM (“**YNET Non-Exclusive Advertising Agency**”) both for a term expiring on 31 December 2022; and (ii) the Company entered into the BYD Client Advertising Exclusive Agency Agreement with BYDA, pursuant to which, BYDA has authorized the Company to act as the exclusive advertising agent for real estate, automobile and finance sectors at “Beijing Youth Daily” Mobile Client (formerly known as Beijing Headlines APP) for a term expiring on 31 December 2022.

The Board proposes a cap of RMB12 million for the aggregate advertising agency fees payable by the Company to BYDA and BYDNICT for the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement for the period ending 31 December 2022. The YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement and the Relevant Cap will take effect from the date of approval by Independent Shareholders at the EGM. The YNET Non-Exclusive Advertising Agency under the YNET Advertising Agency

Agreement constitutes a transaction under the Previous Framework Agreement and will be carried out under the scope of the Previous Framework Agreement and the annual caps for the year ending 31 December 2022 for transactions thereunder.

II. ADVERTISING AGENCY AGREEMENTS

(1) Major terms of the YNET Advertising Agency Agreement

Date

23 February 2022

Parties

- (i) the Company
- (ii) BYDNICT

Continuing transactions

During the term of the YNET Advertising Agency Agreement, BYDNICT shall authorize the Company to act as the exclusive advertising agent for real estate, automobile and finance sectors at YNET.COM lawfully owned by BYDNICT. BYDNICT shall not authorize any third party to be the advertising agent for the above sectors at YNET.COM. BYDNICT also authorized the Company to act as a non-exclusive advertising agent for sectors other than the above three sectors at YNET.COM.

The Company shall have the priority to renew the agreement upon expiry of the YNET Advertising Agency Agreement under equal conditions.

Term and termination

The YNET Advertising Agency Agreement shall become effective upon the execution of the legal representative or authorized representative of the Company and BYDNICT affixed with official stamp or the seal for contract-use from the date on approval by the Shareholders at the general meeting. The term will expire on 31 December 2022.

Payment arrangement

During the term of the agency, the advertising agency fee shall be billed monthly. The Company shall provide written list of the advertising agency fee to BYDNICT during the first five business days of the next period subject to billing after the conclusion of each period based on the advertising agency and publication and the payment collection of current period, and the Company shall pay the advertising agency fee for the current period to BYDNICT within five business days upon confirmation with no disagreement by the both parties.

(2) Major terms of BYD Client Advertising Exclusive Agency Agreement

Date

23 February 2022

Parties

(i) The Company

(ii) BYDA

Continuing transactions

During the term of the BYD Client Advertising Exclusive Agency Agreement, BYDA authorized the Company to act as the exclusive advertising agent for real estate, automobile and finance sectors at “Beijing Youth Daily” Mobile Client lawfully owned by BYDA. Prior to the written consent of BYDA, the Company shall not act as the advertising agent for other sectors or fields at “Beijing Youth Daily” Mobile Client and shall not assign or sublicense the entire or part of its advertising agency right to any third party.

The Company shall have the priority to renew the agreement upon expiry of the BYD Client Advertising Exclusive Agency Agreement under equal conditions.

Term and termination

The BYD Client Advertising Exclusive Agency Agreement shall become effective upon the execution of the legal representative or authorized representative of the Company and BYDA affixed with official stamp or the seal for contract-use from the date of approval by the Shareholders at the general meeting. The term will expire on 31 December 2022.

Payment Arrangement

During the term of the agency, the advertising agency fee shall be billed every three months. The Company shall provide written list of the advertising agency fee to BYDA during the first five business days of the next period subject to billing after the conclusion of each period based on the advertising agency and publication and the payments collection of the current period, and the Company shall pay the advertising agency fee for the current period to BYDA within five business days upon confirmation with no disagreement by the both parties. After 31 December 2021, if the advertising agency fee in total paid by the Company to BYDA and BYDNICT is less than RMB8 million (base price), the Company shall pay the shortfall to BYDA when paying the last instalment of the advertising agency fee.

(3) Pricing Policy

The advertising agency fee (namely the advertising space cost) payable by the Company to BYDNICT and BYDA under the YNET Advertising Agency Agreement and the BYD Client Advertising Exclusive Agency Agreement should be fair and reasonable, on the normal commercial terms and shall not be higher than the price paid by the independent third party to BYDNICT and BYDA in respect of the advertising agency of the advertising space provided by BYDNICT and BYDA.

The Company shall pay advertising agency fee of RMB8 million (before tax) in total, which is the base price, to BYDNICT and BYDA in 2022. If the actual annual advertising agency fee in total paid by the Company to BYDNICT and BYDA is lower than RMB8 million, the Company shall pay the shortfall to BYDA. If the Company has paid in full the advertising agency fee of RMB8 million to BYDNICT and BYDA, in respect of the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement, the Company shall pay relevant advertising agency fee other than the base price to BYDNICT and BYDA at 60% of the advertising income calculated based on the public price published by BYDNICT and BYDA and base selling price as agreed by both parties.

The Company would be deemed to have actually paid in full the advertising agency fee of RMB8 million if any one or more of the aggregate amount of the following reaches RMB8 million:

- (i) the advertising agency fee paid by the Company to BYDNICT in respect of the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement;
- (ii) the advertising agency fee paid by the Company to BYDA in respect of the transactions under the BYD Client Advertising Exclusive Agency Agreement;
- (iii) the advertising agency fee paid by the Company to BYDA and BYDNICT under the Previous Framework Agreement.

(4) Proposed cap and basis of determination

The proposed cap of the aggregate advertising agency fees payable by the Company to BYDA and BYDNICT for the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement for the period ending 31 December 2022 shall be RMB12 million. In arriving such proposed cap, the Directors have taken into account the following factors:

- (i) The advertising agency fees paid by the Company to BYDA and BYDNICT as the exclusive advertising agent of the real estate, automobile and finance sectors of YNET.COM and “Beijing Youth Daily” Mobile Client for the three years ended 31 December 2021, being RMB10,761,000, RMB9,327,000 and RMB8,331,000;
- (ii) The Group will continue to rely on the resource advantages of BYDA and Capital Group and base itself upon the development of convergence media to: 1) further comprehensively integrate relevant resources from new media such as “Beijing Youth Daily” Mobile Client, and YNET.COM, build a multimedia marketing platform; 2) actively adjust product structure, explore new advertisement resources, based on the two new media platform “Beijing Youth Daily” Mobile Client and YNET.COM, join in video products such as short video and livestreaming, consistently improve the core competitiveness in many aspects such as short video production, cultural and creative IP operations and new media operation and maintenance, actively create a product system with market competitiveness, and explore new customer resources and new needs of regular customers; 3) provide a wider advertising platform and richer services for customers through developing diversified offline activities and activities planning. The above initiatives are beneficial for the Group to achieve the gradual shift of the Group’s business focusing from traditional media to new media and mobile internet business, effectively enhance the overall market competitiveness of the Group, and drive the improvement of the Group’s advertising performance as a whole;
- (iii) The Company will continue to adapt to market needs. Following the business model of modern media entities, it will improve business management level by: 1) building a product center, a competence center and a marketing center to be responsible for resource acquisition and product system establishment, internal and external customer service and project execution, new customer development and market exploration, respectively; 2) implementing management model of business department in key industries such as real estate, finance and automobile and integrating

cross-industrial resources based on the expansion of dominant business; 3) adjusting some functions of the advertising center and setting up a business service department to optimize staff allocation; and

(iv) A buffer is provided to the Relevant Cap for the possible increase in the aggregate advertising agency fees payable by the Company to BYDA and BYDNICT for the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement.

(5) Reasons for entering into YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement

The Company is of the view that entering into YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement will (i) provide a wider advertising platform and offer richer services to the clients of the Company; (ii) facilitate the Company to explore more clients; (iii) bring higher return through the Company's advertising agent and related services business; (iv) establish a one-stop procurement platform, and optimize the resources purchasing process available to the clients; (v) integrate the resources of the Group, enhance the Group's overall market competitiveness by the systematic development of all areas of the Group's internal resources and products packaging; and (vi) realize the gradual shift of business focusing from traditional media to new media and mobile internet media by following the demand of market development and the rapid growth of new media resources platforms.

III. INTERNAL CONTROL MEASURES

- (a) In determining the above pricing policy, the Company has referred to and evaluated the current market prices of similar services in the relevant industry through direct inquiries, communication with customers and related industry personnel, etc., to ultimately ensure that the above pricing policy is fair and reasonable and on normal commercial terms, no less favourable than those available to independent third parties;
- (b) The president of the Company is responsible for the final approval of the execution of the framework agreement for continuing connected transactions. The Company's finance department is responsible for verifying the total monthly advertising revenue generated from "Beijing Youth Daily" Mobile Client and YNET.COM and the amount of fees payable to BYDA and BYDNICT and reporting to the president of the Company for final approval before payment can be made to BYDA and BYDNICT;

- (c) The finance department and the Board office of the Company continuously inspect, monitor, collect and evaluate the detailed information of the Group's continuing connected transactions, including but not limited to the implementation agreement, actual transaction amount and payment arrangement under the framework agreement of each continuing connected transaction, to ensure that the scope of the framework agreement of each continuing connected transaction and respective annual cap are not exceeded;
- (d) The Company continues to improve the relevant internal control system of the Group and proposes to improve the relevant internal control mechanism and regulations based on the latest regulatory requirements and the problems encountered in the process of managing and monitoring the continuing connected transactions, to ensure the compliance of the Group's continuing connected transactions;
- (e) The independent non-executive Directors have reviewed and will continue to review the continuing connected transactions to ensure that such transactions are on normal commercial terms and in the usual and ordinary course of business of the Group, and the terms of the related agreements are fair, reasonable and in the interests of the Company and its Shareholders as a whole; and
- (f) The auditors of the Company will also conduct an annual review on the pricing and annual caps of such continuing connected transactions to ensure that they are within the scope of the annual caps under these framework agreements.

Taking into account of that: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the above agreements. The Directors (excluding the independent non-executive Directors who will express their views after receiving advice from the independent financial adviser) are of the view that such methods and procedures can ensure that the transactions contemplated under the above agreements will be conducted on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

IV. DIRECTORS' CONFIRMATION

The Directors (excluding the independent non-executive Directors) are of the view that the terms of the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement (i) have been negotiated on an arm's length basis; (ii) will be conducted on normal commercial terms, or on terms no less favorable than those available to or from 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, and the Relevant Cap is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

No Director is deemed to have any material interest in the above transactions and shall abstain from voting for relevant Board resolution.

V. LISTING RULES IMPLICATIONS

As at the date of the announcement, BYDA holds 124,839,974 shares of the Company, representing approximately 63.27% of the issued share capital of the Company, and BYDNICT is a subsidiary of BYDA, therefore BYDA and BYDNICT are connected persons of the Company, and the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) of the Relevant Cap exceed 5%, the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement are subject to the annual review, reporting, announcement and the Company's Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

VI. GENERAL INFORMATION

The first EGM in 2022 will be held by the Company to seek the Independent Shareholders' approval on the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement and the Relevant Cap.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the above transactions and the Relevant Cap. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further particulars of the above transactions and the Relevant Cap, together with, the recommendations of the Independent Board Committee, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, and a notice convening the EGM is to be dispatched to the Shareholders under the Listing Rules no later than 31 March 2022, which is beyond 15 business days after publication of this announcement as additional time is required for preparing the circular and other relevant documents for the EGM.

VII. GENERAL INFORMATION OF THE PARTIES

The 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.

BYDA

BYDA mainly owns convergence media platforms such as Beijing Youth Daily, “Beijing Youth Daily” Mobile Client, YNET.COM and other new media matrix and conducts relevant business. The ultimate controller of BYDA is the Beijing Municipal Government.

BYDNICT

BYDNICT is a subsidiary of BYDA. It mainly engages in internet information services; telecommunications business; internet (including mobile internet) dissemination of the content of newspapers and periodicals that have been officially published in mainland China.

VIII. CLOSURE OF REGISTER OF MEMBERS

The Company intends to hold the 2022 first EGM at 2 p.m. on Friday, 22 April 2022 at the Conference Room 704, the 7th Floor, Beijing Youth Daily Agency Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the People’s Republic of China, for the purpose of (among others) approving the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement and the Relevant Cap. The register of members will be closed from Wednesday, 23 March 2022 to Friday, 22 April 2022 (both days inclusive), during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the EGM, all transfer documents of the holders of H shares together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company’s H share registrar and transfer office in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 22 March 2022. The record date for determining the eligibility to attend the EGM will be on Wednesday, 23 March 2022.

IX. DEFINITIONS

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

“Board”	the board of Directors of the Company
“Beijing Youth Daily”	the newspaper named Beijing Youth Daily (《北京青年報》)
“BYDA”	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
“BYD Client Advertising Exclusive Agency Agreement”	the “Beijing Youth Daily” Mobile Client Advertising Agency Agreement entered into by the Company and BYDA on 23 February 2022
“BYDA Group”	BYDA and its subsidiaries (excluding the Group)
“BYDNICT”	Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd. (北京青年報網際傳播技術有限公司)
“Capital Group”	Beijing Capital Group., Ltd (北京首都創業集團有限公司)
“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 directors of the Company
“EGM”	the 2022 first extraordinary general meeting of the Company to be convened on Friday, 22 April 2022, for approving the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement and the Relevant Cap
“Group”	the Company and its subsidiaries

“Independent Board Committee”	an independent board committee of the Board comprising all of the independent non-executive Directors, who have no material interest in the transactions under the exclusive advertising agency agreement, namely Mr. Cui Enqing, Ms. Shi Hongying, Mr. Chan Yee Ping, Michael and Ms. Du Guoqing, which was established to advise the Independent Shareholders in relation to the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement and the Relevant Cap
“Independent Shareholders”	shareholders of the Company who are not required to abstain from voting at the EGM on the resolutions in relation to the YNET Exclusive Advertising Agency under YNET Advertising Agency Agreement, the transactions under the BYD Client Advertising Exclusive Agency Agreement and the Relevant Cap according to the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Previous Framework Agreement”	the Advertising Agency Framework Agreement entered into by the Company and BYDA on 12 November 2021. Please refer to the announcement dated 12 November 2021 and the circular dated 15 December 2021 of the Company for details
“Relevant Cap”	the proposed cap of the aggregate advertising agency fees payable by the Company to BYDA and BYDNICT for the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement for the period ending 31 December 2022
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholders” the shareholders of the Company

“YNET Advertising Agency Agreement” the advertising agency agreement entered into by the Company and BYDNICT on 23 February 2022

By Order of the Board
Beijing Media Corporation Limited
Su Zhaohui
Chairman of the Board

Beijing, the PRC
23 February 2022

As at the date of this announcement, the Board comprises: the executive directors of the Company, Xu Jian and Shang Da; the non-executive directors of the Company, Su Zhaohui, Cui Ping, Jing Enji, Yang Qing and Wang Zechen; and the independent non-executive directors of the Company, Cui Enqing, Shi Hongying, Chan Yee Ping, Michael and Du Guoqing.

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