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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in **Beijing Media Corporation Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 TRANSACTIONS  
AND  
NOTICE OF EGM**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



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A letter from the Board is set out on pages 4 to 13 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 31 of this circular.

A notice convening the EGM to be held at 2:00 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 PRC is set out on pages 37 to 39 of this circular. Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof, and deposit it with Computershare Hong Kong Investor Services Limited, the H shares registrar and transfer office of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so desire.

31 March 2022

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Beijing Youth Daily”	the newspaper named Beijing Youth Daily (《北京青年報》)
“Board”	the board of Directors 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”	Beijing Youth Daily Agency (北京青年報社), comprising public institution division and enterprise division
“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 Hong Kong 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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“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 YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive 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 Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders 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
“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
“Latest Practicable Date”	29 March 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“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

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## DEFINITIONS

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“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“YNET Advertising Agency Agreement”	the advertising agency agreement entered into by the Company and BYDNICT on 23 February 2022



**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)**

*Executive Directors:*

Xu Jian  
Shang Da

*Registered Office:*

No. 23 Baijiazhuang Dongli  
Chaoyang District, Beijing, the PRC

*Non-Executive Directors:*

Su Zhaohui  
Cui Ping  
Jing Enji  
Yang Qing  
Wang Zechen

*Independent Non-Executive Directors:*

Cui Enqing  
Shi Hongying  
Chan Yee Ping, Michael  
Du Guoqing

31 March 2022

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
AND  
NOTICE OF EGM**

**1. INTRODUCTION**

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

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## LETTER FROM THE BOARD

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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 proposed 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 cap for the year ending 31 December 2022 for transactions thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of 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; and (ii) a notice convening the EGM.

## 2. 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.

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## LETTER FROM THE BOARD

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### *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.



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## LETTER FROM THE BOARD

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### *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. During the term of the agency, if the advertising agency fee in total payable 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.

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## LETTER FROM THE BOARD

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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 for the exclusive advertising agency of real estate, automobile and finance sectors 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; and 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 gradually shift 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 for the year

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## LETTER FROM THE BOARD

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ended 31 December 2022. For the three years ended 31 December 2021, the Group recorded an average advertising income amounted to approximately RMB13.4 million in respect of real estate, automobile and finance sectors of YNET.COM and “Beijing Youth Daily” Mobile Client; the relevant advertising income of the Group is expected to increase by approximately RMB5 million for the year ending 31 December 2022.

- (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 of 10% 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**

Pursuant to the YNET Advertising Agency Agreement and the BYD Client Advertising Exclusive Agency Agreement, apart from that the Company paid in total RMB8 million (inclusive of tax) to BYDA and BYDNICT as base price in respect of the relevant exclusive advertising agency, 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 and would no longer pay advertising agency fee to BYDNICT and BYDA at 70% of the advertising income according to the Previous Framework Agreement. Considering that the advertising agency fee paid by the Company to BYDNICT and BYDA for the each of the three previous financial years exceeded RMB8 million, and taking into consideration of the plan of development of the Company as set out above in respect of the future relevant advertising agency business, the Company is of the view that entering into YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement would benefit the further increase in the revenue of the Company generated from advertising agency business.

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## LETTER FROM THE BOARD

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In addition, entering into YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement will also (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.

### 3. INTERNAL CONTROL MEASURES

- (i) In determining the above pricing policy, the Company has referred to and evaluated the current market prices of similar services of at least three media in Beijing in the relevant industry through direct inquiries, communication with customers and related industry personnel, etc. and has taken into consideration of the historical advertising agency fee paid by the Company to BYDA and BYDNICT 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;
- (ii) 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;
- (iii) 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;
- (iv) 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;

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## LETTER FROM THE BOARD

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- (v) 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
- (vi) 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.

#### **4. LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, 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 Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **5. GENERAL INFORMATION ON THE PARTIES TO THE TRANSACTIONS**

##### **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.

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## LETTER FROM THE BOARD

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### **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, among others, 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.

## **6. EGM**

A notice convening the EGM to be held at the Conference Room 704, the 7th Floor, Beijing Youth Daily Agency, No.23 Baijiazhuang Dongli, Chaoyang District, Beijing, the PRC, at 2:00 p.m. on Friday, 22 April 2022, is set out on pages 37 to 39 of this circular.

Votes on the resolutions to be proposed at the EGM shall be taken by way of poll. As at the Latest Practicable Date, Capital Group has acquired the voting right attached to 124,839,974 shares of the Company held by BYDA (enterprise) (representing approximately 63.27% of the total issued share capital of the Company) through the entrust management arrangement between Beijing Youth Daily and its beneficial owner on 20 May 2021. BYDA (public institution) as the counterparty of the BYD Client Advertising Exclusive Agency Agreement and ultimate controller of the counterparty of the YNET Advertising Agency Agreement, has been incorporated under Beijing Daily Agency, pending the completion of the PRC industrial and commercial registration changes. Capital Group has no material interest in the transactions under the YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement and is therefore not required to abstain from voting in respect of the relevant resolution at the EGM. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, none of the Shareholder and their respective associates has material interest in the transactions contemplated under the YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement and is required to abstain from voting on the relevant resolution at the EGM.

Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof, and deposit it with Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### 7. RECOMMENDATION

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. Therefore, the Directors recommend the Independent Shareholders to vote in favour of the resolution 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 relevant cap.

Your attention is also drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendations of the Independent Board Committee to 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; and (ii) the letter from the Independent Financial Adviser set out in this circular which contains the recommendations of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the same, and the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice.

No Director is deemed to have a material interest in the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement and is required to abstain from voting on relevant board resolution.

By order of the Board  
**Beijing Media Corporation Limited**  
**Su Zhaohui**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the letter of advice from the Independent Board Committee to the Independent Shareholders 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 and the Relevant Cap, which has been prepared for the purpose of inclusion in this circular.*



## 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)**

31 March 2022

*To the Independent Shareholders*

Dear Sir or Madam,

### CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 31 March 2022 (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and advise you as to whether, in our opinion, 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 (details of which are set out in the letter from the Board) is fair and reasonable so far as the Independent Shareholders are concerned.

Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the fairness and reasonableness of 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. Details of the advice from Gram Capital, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 16 to 31 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 13 of the Circular and the additional information set out in the appendix to the Circular.



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered (i) the terms and conditions of the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement, (ii) the discussion with the management of the Company about the background to and nature of the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement, (iii) the reasons for the Relevant Cap and the basis of determination, (iv) the business and financial effects of the YNET Exclusive Advertising Agency under the YNET Advertising Agency Agreement and the transactions under the BYD Client Advertising Exclusive Agency Agreement to the Company, and (v) the advice given by the Independent Financial Advisor and the principal factors and reasons taken into consideration by them in arriving at such advice, we are of the view that 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) were entered in the ordinary and usual course of business of the Group; (iv) is fair and reasonable and in the interests of Company and the Shareholders as a whole; and that the Relevant Cap is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM so as to approve 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.

Yours faithfully,

For and on behalf of the Independent Board Committee of

**Beijing Media Corporation Limited**

**Cui Enqing**

**Shi Hongying**

**Chan Yee Ping, Michael**

**Du Guoqing**

*Independent Non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

31 March 2022

*To: The independent board committee and the independent shareholders  
of Beijing Media Corporation Limited*

Dear Sir/Madam,

### CONTINUING CONNECTED TRANSACTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the transactions in respect of YNET Exclusive Advertising Agency contemplated under the YNET Advertising Agency Agreement; and (ii) the transactions contemplated under the BYD Client Advertising Exclusive Agency Agreement ((i) and (ii) collectively, the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 31 March 2022 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 23 February 2022 (the “**Agreement Date**”), the Company entered into (i) the YNET Advertising Agency Agreement with BYDNICT (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 (i.e. the YNET Exclusive Advertising Agency) and a non-exclusive advertising agency for sectors other than the above three sectors at YNET.COM (i.e. the YNET Non-Exclusive Advertising Agency)<sup>(Note)</sup> 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.

*Note:* For the avoidance of doubt, the YNET Non-Exclusive Advertising Agency under YNET Advertising Agency Agreement constitutes a transaction under the Previous Framework Agreement entered into by the Company and BYDA on 12 November 2021 (please refer to the circular dated 15 December 2021 for details) and will be carried out under the scope of the Previous Framework Agreement and the annual cap for the year ending 31 December 2022 for transactions thereunder.

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With reference to the Board Letter, the Transactions constitute continuing connected transaction of the Company, and are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Cui Enqing, Ms. Shi Hongying, Mr. Chan Yee Ping, Michael and Ms. Du Guoqing (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### INDEPENDENCE

Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to continuing connected transactions (details of which are set out in the Company's circular dated 15 December 2021). Save for the aforesaid engagement, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagement, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only independent financial adviser engagement and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy

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and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the YNET Advertising Agency Agreement and the BYD Client Advertising Exclusive Agency Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, BYDNICT, BYDA and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

#### **Information on the Group**

With reference to the Board Letter, 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.

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### **Information on BYDA and BYDNICT**

With reference to the Board Letter, 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.

With reference to the Board Letter, BYDNICT is a subsidiary of BYDA. It mainly engages in, among others, 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.

### **Reasons for and benefits of the Transactions**

With reference to the Board Letter, 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.

On 12 November 2021, the Company and BYDA entered into the Previous Framework Agreement, pursuant to which, BYDA authorizes the Group to act as an advertising agent (including both exclusive agency and non-exclusive agency) of BYDA Group to sell advertising space in other publications or media (except Beijing Youth Daily) owned or represented by BYDA Group and its new media resources and provide relevant services. However, the Company re-negotiated with both BYDA and BYDNICT in respect of the pricing policy of the exclusive advertising agents (i) for real estate, automobile and finance sectors at “Beijing Youth Daily” Mobile Client (formerly known as Beijing Headlines APP); and (ii) for real estate, automobile and finance sectors at YNET.COM.

Pursuant to the Previous Framework Agreement, for exclusive agency, the Group will pay BYDA Group the advertising space cost based on 70% of the advertising revenue from the sale of the advertising space. Pursuant to the YNET Advertising Agency Agreement and the BYD Client Advertising Exclusive Agency Agreement, the Company shall pay (a) advertising agency fee of RMB8 million (before tax) in total as base price; and (b) relevant advertising agency fee other than the base price of RMB8 million to BYDNICT or BYDA at 60% of the advertising income calculated based on the published price and base selling price as agreed by the relevant parties.

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Having considered that (i) the historical advertising agency fee paid by the Company to BYDNICT and BYDA for exclusive advertising agent were approximately RMB10.8 million, RMB9.3 million and RMB8.3 million for the three years ended 31 December 2021; (ii) as the Transactions are of expense nature, the downward adjustment of certain proportion of the advertising revenue (as expenses to be paid to BYDA Group) from 70% to 60% indicates the possible decrease in the expense from such arrangement to be paid by the Group to BYDA Group, which may allow the Group to entitle more profit from such arrangement; and (iii) despite that if the actual annual advertising agency fee in total paid by the Company to BYDNICT and BYDA is lower than RMB8 million (i.e. the base price and before tax), the Company shall pay the shortfall to BYDA, the Directors expected the advertising agency fee to be paid by the Company to BYDNICT and BYDA for exclusive advertising agent for the year ending 31 December 2022 to be more than RMB8 million (please refer to section headed “Proposed annual cap” for detailed analyses), we concur with the Directors that the pricing policy for the Transactions to be beneficial for the Company.

In light of the above factors, we consider the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

### Principal terms of the Transactions

The following table summarizes the principal terms of the Transactions, details of which are set out under the section headed “ADVERTISING AGENCY AGREEMENTS” of the Board Letter.

	<b>The YNET Advertising Agency Agreement and</b>	<b>The BYD Client Advertising Exclusive Agency Agreement</b>
Date:	23 February 2022	
Parties:	(i) the Company; and (ii) BYDNICT	(i) The Company; and (ii) BYDA
Term and termination:	effective upon the execution of the legal representative or authorized representative of the Company and BYDNICT and BYDA (as the case may be) affixed with official stamp or the seal for contract-use from the date on approval by the Shareholders at the general meeting (the “ <b>Effective Date</b> ”). The term will expire on 31 December 2022.	

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Nature of 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.

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.

### *Pricing policies:*

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.

If the actual annual advertising agency fee in total paid by the Company to BYDNICT and BYDA is lower than RMB8 million (i.e. the base price and before tax), 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 or 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.

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The Company would be deemed to have actually paid in full the advertising agency fee of RMB8 million if any one or more or 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 for the exclusive advertising agency in real estate, automobile and finance sectors under the Previous Framework Agreement.

As compared to the pricing policy for exclusive agency services under the Previous Framework Agreement, the pricing policies under the YNET Advertising Agency Agreement and the BYD Client Advertising Exclusive Agency Agreement (i) set a base price of RMB8 million (before tax) to be paid by the Group (the “**Base Price**”); and (ii) downward adjusted advertising agency fee from 70% (for exclusive agency) to 60% (the “**Proportion Ratio**”) for proportion of advertising agency fee exceeding RMB8 million (before tax).

To assess the fairness and reasonableness of the pricing policy under the YNET Advertising Agency Agreement and the BYD Client Advertising Exclusive Agency Agreement, we conducted the following analyses:

- **Proportion Ratio:** We searched for gross profit margins of companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange and are participants in advertising agency industry (i.e. advertisement operator (proxy party) accepting advertisers’ or advertisement publishers’ (being clients) engagement to conduct advertisement market investigation, advertisement information consulting, corporate image planning, advertisement strategy planning, advertisement media arrangements and other operating activities) for the two years ended 31 December 2020 (being the latest available public two full-year financial information immediately prior to the Agreement Date). In addition, we also searched for gross profit margins of companies listed on the Stock Exchange and are principally engaged in advertising business in the mainland China for the two years ended 31 December 2020 or 31 March 2021 (being the latest available public two full-year financial information immediately prior to the Agreement Date). Based on information obtained from Wind Financial Terminal, the average gross profit margins of (i) companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange and are participants in advertising agency industry; and (ii) companies listed on the Stock Exchange and are principally engaged in advertising business was approximately 14.78% for the year ended 31 December 2020 (“**FY2020**”) (or for the year ended 31 March 2021); and approximately 17.87% for the year ended 31 December 2019 (“**FY2019**”) (or for the year ended 31 March 2020), which indicated the percentage of cost of operating revenue to



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total operating revenue of approximately 85.22% for FY2020 (or for the year ended 31 March 2021); and approximately 82.13% for FY2019 (or for the year ended 31 March 2020).

For our due diligence purpose, we obtained three copies of documents (including agreements/orders (i) between the Group and the Group's clients (being independent third parties) in respect of the Group's clients placing orders to the Group; and (ii) between the Group and BYDA Group in respect of the Group placing orders to BYDA Group, for same underlying advertisement contents) (the "**Individual Documents**") in respect of the Group's acting as exclusive advertising agency in January 2022. We noted that the advertising space cost paid by the Group to BYDA Group is in compliance with the pricing policy (i.e. 70% of the advertising income). In addition, the Directors also advised us that the gross profit margins of the transactions contemplated under the Individual Documents were 30%.

As both (i) the comparable percentage ratios of cost of operating revenue to total operating revenue for FY2020 (or for the year ended 31 March 2021, i.e. approximately 85.22%) and FY2019 (or for the year ended 31 March 2020, i.e. approximately 82.13%) are higher than the Proportion Ratio (i.e. 60% or 70%); and (ii) the gross profit margins of the transactions contemplated under the Individual Documents are higher than the average gross profit margin of advertising agency industry for FY2019 (or for the year ended 31 March 2020) and FY2020 (or for the year ended 31 March 2021), we consider the Proportion Ratio to be fair and reasonable.

- **Base Price:** As advised by the Directors, the advertising agency fees paid by the Group for exclusive agency for each of the three years ended 31 December 2021 were approximately RMB10.8 million, RMB9.3 million and RMB8.3 million respectively, all being higher than the Base Price.

The Base Price is close to the lowest advertising agency fees paid by the Group for exclusive agency for the three years ended 31 December 2021 (i.e. RMB8.3 million).

Based on the forecast made by the Directors, the estimated advertising agency fee for the year ending 31 December 2022 (being fair and reasonable as analysed in the section headed "Proposed annual cap" below) were higher than the Base Price.

Based on our independent research, we noted that there were listed companies on the Stock Exchange which paid base price for connected transactions with their connected persons. As our research purpose is to identify whether there were other listed companies on the Stock Exchange set base price for connected transactions, therefore (i) "pricing policy under any connected transaction as announced by listed companies on the Stock Exchange" was the only selection criteria; (ii) the industry in which the connected transactions involved were irrelevant.

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Set out below are our findings:

<b>Company name</b>	<b>Date of announcement</b>	<b>Pricing policy</b>
Sino-Ocean Service Holding Limited (6677)	30 December 2021	<p>Pursuant to an exclusive parking space sales agency services framework agreement, the listed company and its subsidiaries shall charge the difference between the actual sales price paid by third party purchaser(s) and the relevant base price as fees for providing exclusive sales agency services with respect to the target parking spaces.</p> <p><i>Note:</i> Base price means the minimum price for the sale of the target parking spaces agreed or to be agreed by the group and the relevant connected persons.</p>
Landsea Green Life Service Company Limited (1965)	15 September 2021	<p>Pursuant to the exclusive sales agency agreement, Chengdu Huilin Yiju Real Estate Brokerage Co., Ltd. (“<b>Chengdu Huilin</b>”, an indirect wholly-owned subsidiary of the listed company) shall charge Chengdu Langhua Real Estate Co., Ltd. (the listed company’s connected person) the commission for the properties sold, which represent, after deducting the taxes in accordance with the relevant national taxation policies in the PRC, the difference between the actual sales price of the properties or car parking spaces sold by Chengdu Huilin and the aggregate pre-determined minimum prices of such properties or car parking spaces sold.</p>

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<b>Company name</b>	<b>Date of announcement</b>	<b>Pricing policy</b>
Beijing Capital International Airport Co., Ltd (694)	28 December 2020	<p>The resources usage fee payable by Capital Airport VIP Services Management Co., Ltd (“CAVIP”) to the listed company under the traveller services resources usage agreement is either:</p> <p>(a) the guaranteed annual resources usage fee, which is determined after negotiation by both parties based on the fee paid to the listed company by CAVIP in the preceding year; or</p> <p>(b) the drawdown of the annual revenue of CAVIP, i.e. certain percentage of the annual revenue of CAVIP available for drawdown,</p> <p>whichever is higher.</p>

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<b>Company name</b>	<b>Date of announcement</b>	<b>Pricing policy</b>
Beijing Capital International Airport Co., Ltd (694)	28 December 2020	<p>The monthly resources usage fee payable by Beijing Capital Airport Commercial and Trading Company Limited (“<b>Beijing Airport Commercial and Trading</b>”, a connected person of the listed company) to the listed company pursuant to the domestic retail resources usage agreement is computed by the following method:</p> <p>Guaranteed resources usage fee + commission for increase in resources usage fee</p> <p>Where:</p> <p>Commission for increase in resources usage fee = (total rental income of Beijing Airport Commercial and Trading for the current year — total rental income of Beijing Airport Commercial and Trading for the preceding year) × 40%</p> <p>Total rental income of Beijing Airport Commercial and Trading = Actual amount of rental received for the contracting of commerce and trading + rental for the self-operation of commerce and trading</p> <p>Guaranteed resources usage fee: in principle, the actual amount of resources usage fee of the preceding year is used as the base of guaranteed resources usage fee. Further, guaranteed resources usage fee is related to the base of guaranteed unit resources usage fee per square meter, actual number of days for store operation, and size of the operation area.</p>

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Based on the above factors, we consider the Base Price to be fair and reasonable.

We understood that the Company has adopted certain internal approval and monitoring procedures relating to the Transactions (the “**IC Measures**”). Details of the IC Measures are set out under the section headed “Internal control measures” of the Board Letter. Having considered that there is verifying procedure for the Group to ensure the payment amount to BYDA and/or BYDNICT is accurate according to the pricing policy of the Transactions and such amount will be final approval by the president of the Company, we are of the view that the effective implementation of the IC Measures will ensure the fair pricing of the Transactions.

We also discussed with staffs of the Company’s Board office, finance department and advertising department and understood from them that they were aware of the IC Measures and would comply with IC Measures when accepting the Transactions. Having also considered our findings on the documents as mentioned above, we do not doubt the effectiveness of the implementation of the IC Measures.

We also understood that 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.

### **Proposed annual cap**

Set out below are (i) the historical amounts of the advertising fee payable by the Group (acted as exclusive advertising agency) to the BYDA Group for the three years ended 31 December 2021; and (ii) the proposed annual cap of the Transactions for the period from the Effective Date to 31 December 2022.

	<b>For the year ended 31 December 2019 (RMB’000)</b>	<b>For the year ended 31 December 2020 (RMB’000)</b>	<b>For the year ended 31 December 2021 (RMB’000)</b>
Historical amounts	10,761	9,327	8,331
	<b>For the period from the Effective Date to 31 December 2022 (RMB’000)</b>		
Proposed annual cap	12,000		

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The proposed annual cap was estimated based on various factors, details of which are set out under the section headed “Proposed cap and basis of determination” of the Board Letter.

Upon our request, the Directors provided us a calculation of the proposed annual cap for the period from the Effective Date to 31 December 2022 (the “**Period**”). According to the calculation, the proposed annual cap for the Period was calculated based on (i) estimated amounts of advertising fee payable by the Group to the BYDA Group for the Period); and (ii) a buffer of 10% on the aforesaid estimated amounts.

To assess the fairness and reasonableness of the estimated amounts of advertising fee for the Period, we conducted the following analyses:

- The estimated amounts of the agency fee payable by the Group (act as exclusive advertising agency) to the BYDA Group for the Period was calculated by (i) the estimated demand of advertising services by the Group’s clients in real estate, automobile and finance sectors (comprised estimated demand of such services based on historical amounts and estimated incremental demand of such services due to the Group’s expanding of new advertisement resources) for full financial year of 2022 net of the aforesaid estimated demands for the period from 1 January 2022 to the Effective Date; and (ii) the revenue sharing ratio.
- The estimated demand of the services (for FY2022) based on the average revenue of the Group with respect to the advertising of the real estate, automobile and finance sectors of BYDNICT and of “Beijing Youth Daily” Mobile Client for the three years ended 31 December 2021. The Directors advised us the historical revenue for such services for the three years ended 31 December 2021 and we noted that the average revenue for such services amounted to approximately RMB13.4 million.
- The estimated incremental demand of the services due to the Group’s expanding of new advertisement resources (video products such as short video and livestreaming) was approximately RMB5 million for FY2022.

As stated in the Board Letter, the Group will 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.

As the estimated revenue to be generated from the video products (i.e. short video and livestreaming) in FY2022 were close (with difference of less than 10%) to the average revenue of the Group’s current products for the three years ended 31

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December 2021 (calculated by total revenue generated from current products over number of current products), we consider the estimated revenue to be generated from the video products (i.e. short video and livestreaming) to be justifiable.

- Pursuant to the YNET Advertising Agency Agreement and the BYD Client Advertising Exclusive Agency Agreement, the agreements will be effective upon the execution of the legal representative or authorized representative of the Company and BYDNICT and BYDA (as the case may be) affixed with official stamp or the seal for contract-use from the date on approval by the Shareholders at the general meeting (i.e. Effective Date). According to the Company's announcement dated 23 February 2022, the Group intended to hold the extraordinary general meeting for Independent Shareholders to approve the Transactions on 22 April 2022.

Upon our request, the Directors provided us (i) historical amounts of advertising services by the Group's clients in real estate, automobile and finance sectors for the period from 1 January 2022 to the Agreement Date; (ii) the estimated amounts of advertising services by the Group's clients in real estate, automobile and finance sectors for the period from 1 March 2022 to the Effective Date.

As the estimated amounts of advertising services by the Group's clients in real estate, automobile and finance sectors for the period from 1 January 2022 to the Effective Date is the sum of the following:

- (i) the estimated amounts of aforesaid services for the period from 1 January 2022 to 28 February 2022:** calculated on a pro-rata basis with reference to the historical amounts of such services for the period from 1 January 2022 to the Agreement Date; and
- (ii) the estimated amounts of aforesaid services for the period from 1 March 2022 to the Effective Date:** calculated on a pro-rata basis with reference to the estimated amounts of such services for the period from 1 March 2022 to 30 April 2022.

As the ratio of "the estimated amounts of such services for the period from 1 March 2022 to 30 April 2022" to "the estimated amounts of such services for FY2022" (i.e. 10%) is at the similar level of the ratios based on relevant historical amounts for FY2020 and FY2021 (i.e. 10% and 14% respectively), we consider the estimated amounts of such services for the period from 1 March 2022 to 30 April 2022 to be reasonable. Accordingly, we consider the estimated amounts of aforesaid services for the period from 1 March 2022 to the Effective Date to be reasonable.

Having considered our analyses on the estimated demand of advertising services by the Group's clients in real estate, automobile and finance sectors for the Period above (which was calculated by the estimated demand of such services for FY2022 net of the estimated demand of such services for the period from 1 January 2022 to the Effective Date) and that the revenue sharing ratio adopted for calculating the proposed annual cap for the Period is

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the same as the pricing policy of the Transactions, we are of the view that estimated amounts of advertising fee payable by the Group to the BYDA Group for the Period to be reasonable.

As further advised by the Directors, when determining the proposed annual cap for the Period, a buffer of 10% was applied on the estimated amounts of advertising fee payable by the Group to the BYDA Group for the Period so as to accommodate any unexpected increase in the demands on the advertising services by the Group's end customers in Period. Having considered that (i) the unexpected circumstances may take place in the Period; and (ii) the buffer would provide flexibility in the event that the actual advertising fees was more than the estimated amounts (which were estimated based on various assumptions), we consider that the buffer to be acceptable.

Based on the above factors, including (i) the estimated amounts of advertising fee payable by the Group to the BYDA Group for the Period to be reasonable; and (ii) the buffer to be acceptable, we are of the view that the proposed annual cap for the Period to be fair and reasonable.

Shareholders should note that as the proposed annual cap of the Transactions are relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2022, and they do not represent forecasts of revenue/cost to be recorded/incurred from the Transactions. Consequently, we express no opinion as to how closely the actual revenue/cost to be recorded/incurred from the Transactions will correspond with the proposed annual cap.

In light of the above, we consider that the terms of the Transactions (including the proposed annual cap) are on normal commercial terms and are fair and reasonable.

### **Listing Rules implication**

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by the proposed annual cap for the Period; (ii) the terms of the Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps.

In the event that the maximum amounts of each of the Transactions are anticipated to exceed the proposed annual cap, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.



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Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions (including proposed annual cap) are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, none of the Directors, Supervisors or the chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO), which are required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and to the Hong Kong Stock Exchange under the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or were deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

## 3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the following persons (other than the Directors, Supervisors and the chief executive of the Company) had interests or short positions in the shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as follows:

Name of Shareholder	Class of Shares	Nature of Shares	Nature of Interest	Number of Shares	% of Class Issued Share Capital	% of Total Share Capital
BYDA	Beneficial owner	Domestic shares	N/A	124,839,974	87.66	63.27
Capital Group <sup>Note 1</sup>	Other	Domestic shares	N/A	124,839,974	87.66	63.27
Beijing Chengshang Cultural Communication Co., Ltd. <sup>Note 2</sup>	Beneficial owner	Domestic shares	N/A	7,367,000	5.17	3.73
Guofu Shangtong Information and Technology Development Co., Ltd. <sup>Note 2</sup>	Interest of controlled corporation	Domestic shares	N/A	7,367,000	5.17	3.73
Leshi Internet Information & Technology Corp., Beijing <sup>Note 3</sup>	Beneficial owner	H share	Long position	19,533,000	35.58	9.90

Name of Shareholder	Class of Shares	Nature of Shares	Nature of Interest	Number of Shares	% of Class Issued Share Capital	% of Total Share Capital
Founder Investment (HK) Ltd. <sup>Notes 4 &amp; 5</sup>	Beneficial owner	H share	Long position	4,939,000	8.99	2.50
Beijing University Founder Investment Co., Ltd. <sup>Note 4</sup>	Interest of controlled corporation	H share	Long position	4,939,000	8.99	2.50
Beijing University New Technology Corporation <sup>Note 4</sup>	Interest of controlled corporation	H share	Long position	4,939,000	8.99	2.50
Beijing University <sup>Note 4</sup>	Interest of controlled corporation	H share	Long position	4,939,000	8.99	2.50
CITI CITI Ltd. <sup>Note 5</sup>	Interest of controlled corporation	H share	Long position	4,939,000	8.99	2.50
Xia Jie <sup>Note 5</sup>	Interest of controlled corporation	H share	Long position	4,939,000	8.99	2.50
Yue Shan International Limited <sup>Note 6</sup>	Interest of controlled corporation	H share	Long position	4,939,000	8.99	2.50
Cao Yawen <sup>Note 6</sup>	Interest of controlled corporation	H share	Long position	4,939,000	8.99	2.50

*Notes:*

Information disclosed above is based on the data published on the HKExnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) unless otherwise stated in the notes below.

1. The Committee of the Beijing Municipality of the Youth League of Communist Party of China entrusted Capital Group to manage the affiliates of BYDA (excluding the Company) with a term of five years commencing from 18 June 2020. The Company has been included in the scope of above entrust arrangement since 20 May 2021, pursuant to which, Capital Group will exercise the rights and duties of investors/shareholders stipulated in the Company's articles of association within the term of entrust management, including but not limited to, the control, voting rights, operation rights and income rights over the Company. Therefore, Capital Group has interest in the 124,839,974 domestic shares held by BYDA.

2. Beijing Chengshang Cultural Communication Co., Ltd. owns 7,367,000 Domestic Shares of the Company, approximately amounting to 3.73% of the total issued share capital (5.17% of the total issued Domestic Shares) of the Company. Guofu Shangtong Information and Technology Development Co., Ltd. directly owns 42.86% of Beijing Chengshang Cultural Communication Co., Ltd. and is therefore deemed to have an interest in the 7,367,000 Domestic Shares registered in the name of Beijing Chengshang Cultural Communication Co., Ltd. under the SFO. On 22 March 2021, the rights and interests of these shares were provided to persons other than qualified lenders as a guarantee, which led to change in the nature of the rights and interests held by Beijing Chengshang Cultural Communication Co., Ltd. and Guofu Shangtong Information and Technology Development Co., Ltd. in such shares.
3. Leshi Internet Information & Technology Corp., Beijing owns 19,533,000 H Shares of the Company, representing approximately 9.9% of the total issued share capital (35.58% of the total issued H Shares) of the Company.
4. Founder Investment (HK) Ltd. owns 4,939,000 H Shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H Shares) of the Company. Beijing University directly owns 100% equity interest in Beijing University New Technology Corporation, which directly owns 80% equity interest in Beijing Beida Founder Group, which in turn owns 51% equity interest in Founder Investment (HK) Ltd.. Therefore Beijing University, Beijing University New Technology Corporation, Beijing Beida Founder Group and Beijing University Founder Investment Co., Ltd. are deemed under the SFO to have an interest in the 4,939,000 H Shares registered in the name of Founder Investment (HK) Ltd..
5. Founder Investment (HK) Ltd. owns 4,939,000 H Shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H Shares) of the Company. Xia Jie indirectly owns 49% equity interest in Founder Investment (HK) Ltd. through CITI CITI Ltd., which is directly 100% owned by Xia Jie. Therefore Xia Jie is deemed under the SFO to have an interest in the 4,939,000 H Shares registered in the name of Founder Investment (HK) Ltd..
6. Yue Shan International Limited, as a trust beneficiary, owns 4,939,000 H Shares of the Company, representing approximately 2.5% of the total issued share capital (8.99% of the total issued H Shares) of the Company. Cao Yawen directly owns 100% equity interest in Yue Shan International Limited and is therefore deemed under the SFO to have an interest in the 4,939,000 H Shares registered in the name of Founder Investment (HK) Ltd..

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors, the Supervisors and the chief executive of the Company, there was no other person (other than the Directors, the Supervisors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Directors Mr. Su Zhaohui, and Ms. Cui Ping also hold positions in Capital Group; Director Mr. Wang Zechen also holds position in Beijing Chengshang Cultural Communication Co., Ltd.. Save as disclosed above, as at the Latest Practicable Date, none of other Directors holds position in a company which has an interest or short position in the shares and underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

#### 5. INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors, Supervisors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### 6. DIRECTORS' AND SUPERVISORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors, Supervisors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group was made up or was proposed to be acquired or disposed of by or leased to any member of the Group; and none of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group as a whole.

#### 7. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or the Supervisors had any existing or proposed service contracts with any member of the Group in which a more than one year's notice or payment of compensation (other than statutory compensation) shall be given by the latter when termination.

#### 8. EXPERT'S QUALIFICATION AND CONSENT

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following is the qualification of Gram Capital who has given its opinions or advices which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO

**9. EXPERT'S INTERESTS**

As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up, or was proposed to be acquired, or disposed by, or leased to any member of the Group, and did not have any shareholding in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**10. METHOD OF VOTING AT THE EGM**

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll. Accordingly, the chairman of the EGM will demand a poll in relation to the proposed resolutions at the EGM.

**11. MISCELLANEOUS**

- (a). The joint company secretaries of the Company are Mr. Shang Da and Mr. Yu Leung Fai.
- (b). The registered office of the Company is situated at No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the PRC.
- (c). The H share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited which is situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

**12. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the website of Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <https://www.bjmedia.com.cn> from the date of this circular up to and including the date of the EGM:

- (a). the BYD Client Advertising Exclusive Agency Agreement; and
- (b). the YNET Advertising Agency Agreement.



**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)**

**NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Beijing Media Corporation Limited (the “**Company**”) will be held at 2 p.m. on Friday, 22 April 2022 at the Conference Room 704, the 7th Floor, Beijing Youth Daily Agency, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the People’s Republic of China (“**PRC**”), for the purpose of considering and, if thought fit, passing the following resolution:

**As Ordinary Resolution:**

1. To consider and, if thought fit, to approve:

**“THAT**

- a. the advertising agency agreement (the “**YNET Advertising Agency Agreement**”) dated 23 February 2022 and entered into between the Company and Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd. and the exclusive advertising agency agreement (the “**BYD Client Advertising Exclusive Agency Agreement**”) dated 23 February 2022 and entered into between the Company and Beijing Youth Daily Agency, and the relevant cap for the period ending 31 December 2022 for the exclusive advertising agency transactions contemplated thereunder;

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## NOTICE OF EGM

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- b. any one director of the Company be and is hereby authorized to sign or execute such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things and take all such actions as he may consider necessary or desirable for the purpose of giving effect to the YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement and completing the transactions contemplated thereunder with such changes as he may consider necessary, desirable or expedient.”

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

Beijing, the PRC  
31 March 2022

*As at the date of this notice, 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 notice on the Company's website at [www.bjmedia.com.cn](http://www.bjmedia.com.cn).*

*Notes:*

### **1. Eligibility for Attending the EGM**

Holders of H shares whose names appear on the register of the Company maintained by Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Company in Hong Kong, on Wednesday, 23 March 2022 shall be entitled to attend the EGM.

Holders of H shares intending to attend and vote at the EGM to be held on Friday, 22 April 2022 shall lodge all the transfer documents for H shares with the relevant share certificates to the H share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 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.

### **2. Proxy**

- (1) Shareholders entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote at the meeting on his behalf. The proxy need not be a shareholder of the Company.
- (2) A proxy shall be appointed by a shareholder by a written instrument signed by the appointor or his attorney duly authorized in writing. In case of a corporation, the same must be either under its common seal or under hand of its director(s) or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorization of such attorney shall be notarized.



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## NOTICE OF EGM

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- (3) To be valid, the notarized power of attorney or other document(s) of authorization (if any) and the form of proxy shall be delivered to (i) the registered office address of Company for holders of domestic shares; and (ii) Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Company in Hong Kong, for holders of H shares, no less than 24 hours before the time fixed for convening the EGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the meeting if he so desires.
- (4) If a shareholder appoints more than one proxy, such proxies shall only exercise their voting rights by a poll.

### **3. Registration Procedures for Attending the EGM**

A shareholder or his proxy shall produce his identification document when attending the EGM. Where a shareholder is a legal person, the legal representative of that shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the resolutions of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

### **4. Closure of Register of Members**

The Register of Members will be closed from Wednesday, 23 March 2022 to Friday, 22 April 2022 (both days inclusive).

### **5. Method of Voting at the EGM**

Pursuant to Rule 13.39 (4) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by way of poll. Accordingly, the chairman of the EGM will demand a poll in relation to all the proposed resolutions at the EGM.

### **6. Miscellaneous**

- (1) The EGM is expected to be held for less than half a day. Shareholders attending the EGM shall be responsible for their own travelling and accommodation expenses.
- (2) The address of the Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Company in Hong Kong is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The registered office and the contact details of the Company are:

No. 23 Baijiazhuang Dongli,  
Chaoyang District, Beijing 100026, the PRC  
Telephone: (+86) 10 6590 2630  
Fax: (+86) 10 6590 2801