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BEIJING MEDIA CORPORATION LIMITED

北青傳媒股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1000)

DISCLOSEABLE TRANSACTION ENTERING INTO THE CAPITAL REDUCTION AGREEMENT

The Board hereby announces that on 19 December 2022, BYD Logistics entered into the Capital Reduction Agreement with Shanghai Beiqing and Shanghai Shenglian, pursuant to which, the parties have agreed that BYD Logistics will withdraw from Shanghai Beiqing by way of capital reduction, and Shanghai Beiqing will pay the capital reduction consideration of RMB526,400 to BYD Logistics.

Before the completion of the Capital Reduction, the registered capital of Shanghai Beiqing was RMB500,000, which is held as to 70% and 30% by BYD Logistics and Shanghai Shenglian, respectively. After the completion of the Capital Reduction, the registered capital of Shanghai Beiqing will be reduced to RMB150,000. The entire equity interests of Shanghai Beiqing will be held by Shanghai Shenglian, and the Group will no longer, directly or indirectly, hold any equity interest of Shanghai Beiqing.

LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Reduction contemplated under the Capital Reduction Agreement exceed 5% but are less than 25%, the Capital Reduction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, which is subject to the announcement and directors' approval requirements but exempt from shareholders' approval requirement under the Listing Rules.

I. INTRODUCTION

The Board hereby announces that on 19 December 2022, BYD Logistics entered into the Capital Reduction Agreement with Shanghai Beiqing and Shanghai Shenglian, pursuant to which, the parties have agreed that BYD Logistics will withdraw from Shanghai Beiqing by way of capital reduction, and Shanghai Beiqing will pay the capital reduction consideration of RMB526,400 to BYD Logistics.

Before the completion of the Capital Reduction, the registered capital of Shanghai Beiqing was RMB500,000, which is held as to 70% and 30% by BYD Logistics and Shanghai Shenglian, respectively. After the completion of the Capital Reduction, the registered capital of Shanghai Beiqing will be reduced to RMB150,000. The entire equity interests of Shanghai Beiqing will be held by Shanghai Shenglian, and the Group will no longer, directly or indirectly, hold any equity interest of Shanghai Beiqing.

II. MAJOR TERMS OF CAPITAL REDUCTION AGREEMENT

Date: 19 December 2022

Parties:

- a) BYD Logistics;
- b) Shanghai Beiqing; and
- c) Shanghai Shenglian.

Effective Date: The Capital Reduction Agreement shall take effect on the date of signing and stamping by the legal representatives or authorized representatives of the parties.

Capital Reduction: Pursuant to the Capital Reduction Agreement, the registered capital of Shanghai Beiqing will be reduced from RMB500,000 to RMB150,000, and BYD Logistics will withdraw from Shanghai Beiqing through targeted capital reduction. Before the completion of the Capital Reduction, Shanghai Beiqing is held as to 70% and 30% by BYD Logistics and Shanghai Shenglian, respectively. After the completion of the Capital Reduction, Shanghai Shenglian will hold 100% equity of Shanghai Beiqing.

Capital Reduction
Consideration and
Payment:

Pursuant to the Capital Reduction Agreement, Shanghai Beiqing will pay the consideration of RMB526,400 to BYD Logistics. The aforesaid consideration was determined after arm's length negotiation among the parties with reference to the appraised value of the entire owner's equity interests of Shanghai Beiqing as at the valuation date (31 December 2021), being RMB752,000, as stated in the asset valuation report dated 31 March 2022 issued by an independent valuer, Zhejiang United Consulting Group Co., Ltd.* (中聯資產評估集團(浙江)有限公司) and the proportion of Shanghai Beiqing's equity interest held by BYD Logistics, being 70%. The valuation was conducted through the asset-based approach.

The aforesaid consideration will be paid by Shanghai Beiqing to BYD Logistics within 30 business days upon signing the Capital Reduction Agreement.

Capital Reduction
Procedures:

Pursuant to the Capital Reduction Agreement, Shanghai Beiqing shall complete the internal resolution and amend the articles of association of Shanghai Beiqing accordingly within 10 days from the signing date of the Capital Reduction Agreement. The Capital Reduction will be announced by way of press announcement within 30 days upon the date of adopting the resolution in general meeting, and the change of industrial and commercial registration related to the Capital Reduction shall be completed after 45 days but no later than 60 days from the date of the relevant announcement.

No later than the completion of the change of industrial and commercial registration in relation to the Capital Reduction by Shanghai Beiqing, the directors, supervisors and other senior management (if any) of Shanghai Beiqing appointed by BYD Logistics shall resign according to the procedures stipulated in the PRC Company Law and the articles of association of Shanghai Beiqing.

Other Terms: Since the date of the change of industrial and commercial registration of the Capital Reduction, none of the enterprises or branches newly established by Shanghai Beiqing and/or Shanghai Shenglian, or their respective associated parties shall use the word containing “Beiqing” or any similar words that may be easily confused with the corporate name therein, or continue to use any trademarks registered by BYD Logistics and/or its associated companies in its operation activities, nor will it use any trademarks, graphics or brands that may be confused with or similar to them.

III. INFORMATION ON SHANGHAI BEIQING

Shanghai Beiqing was jointly invested by BYD Logistics and Shanghai Shenglian in August 2002 and established in the PRC. Its principal business activities are printing agency and the sales of newsprint.

The audited total assets and net assets of Shanghai Beiqing as at 31 December 2021 were RMB12,584,700 and RMB114,000, respectively. The net profits (both before and after taxation) for the two financial years ended 31 December 2020 and 31 December 2021 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>RMB'0,000</i>	<i>RMB'0,000</i>
Profit before tax	(229.61)	7.67
Profit after tax	(229.61)	6.96

IV. FINANCIAL IMPACT ON THE GROUP

Before the completion of the Capital Reduction, the registered capital of Shanghai Beiqing was RMB500,000, which is held as to 70% and 30% by BYD Logistics and Shanghai Shenglian, respectively. In order to reduce the management cost of the off-site holding company, BYD Logistics has authorized Shanghai Shenglian to operate and manage Shanghai Beiqing in its sole discretion, and BYD Logistics shall receive a fixed profit from Shanghai Beiqing every year. As a result of the above contracting arrangement, the financial results of Shanghai Beiqing have not been included in the consolidated financial statements of the Group.

After the completion of the Capital Reduction, the registered capital of Shanghai Beiqing will reduce from RMB500,000 to RMB150,000. The entire equity interest in Shanghai Beiqing will be held by Shanghai Shenglian, and the Group will cease to hold, directly or indirectly, any equity interest in Shanghai Beiqing. It is expected that the Group will record a gain of approximately RMB526,400 from the Capital Reduction, representing the difference between the capital reduction consideration to be received by the Group under the Capital Reduction Agreement and the carrying value of the Group's investment in Shanghai Beiqing. The actual gain or loss from the Capital Reduction is subject to audit and may differ from the amount stated. The Directors expect that the net proceeds from the Capital Reduction will be used as general working capital of the Group.

V. REASONS FOR AND BENEFIT OF ENTERING INTO THE CAPITAL REDUCTION AGREEMENT

In recent years, the Group has been steadily pushing forward the clearance and withdrawal of disadvantaged enterprises. Taking into account that the above contracting arrangement has expired on 31 December 2021, BYD Logistics intends to withdraw from Shanghai Beiqing by way of capital reduction, recover its initial investment and receive investment income by entering into the Capital Reduction Agreement with Shanghai Beiqing and Shanghai Shenglian, thus avoiding the risk of enterprise operation; at the same time, the Capital Reduction is also conducive to optimising the allocation of resources for BYD Logistics to focus on its main business.

The Directors (including the independent non-executive directors) are of the view that the Capital Reduction Agreement were entered into on normal commercial terms, and although the Capital Reduction is not in the ordinary and usual course of business of the Group, the terms and conditions of the Capital Reduction Agreement are fair and reasonable and in line with the overall development strategy of the Group as well as in the interests of the Company and its Shareholders as a whole.

VI. LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Capital Reduction contemplated under the Capital Reduction Agreement exceed 5% but are less than 25%, the Capital Reduction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, which is subject to the announcement and directors' approval requirements but exempt from shareholders' approval requirement under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, there is no other transaction which would be, together with the aforesaid transaction, aggregated under Rule 14.22 of the Listing Rules.

None of the Directors are deemed to have any material interest in the Capital Reduction, and thus have been required to abstain from voting on the relevant resolution at the board meeting.

VII. GENERAL INFORMATION ON THE COMPANY AND SHANGHAI SHENGLIAN

The Company

The Company is a leading media company in China. Its principal business includes sales of media advertisement, production of newspapers and magazines and trading of print-related materials.

Shanghai Shenglian

Shanghai Shenglian is a company established in the PRC with limited liabilities, whose scope of business includes printing machinery, paper, hardware accessories, wires and cables, water heating fittings, construction materials, metal materials, wholesale and retail and so on. As at the date of this announcement, Shanghai Shenglian is owned as to 60% and 40% by Mr. Lu Gexin and Ms. Shao Meihong, respectively. To the best of the Directors' knowledge, information and belief after having made reasonable enquiries, Shanghai Shenglian and its ultimate beneficial owners are third parties independent of the Company and the Connected Person of the Company.

VIII. DEFINITIONS

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

“Board”	the board of directors of the Company
“BYD Logistics”	Beijing Youth Daily Logistics Co., Ltd., a 92.84% non-wholly owned subsidiary of the Company
“Capital Reduction”	the transactions contemplated under the Capital Reduction Agreement
“Capital Reduction Agreement”	the Capital Reduction Agreement entered into on 19 December 2022 between BYD Logistics, Shanghai Beiqing and Shanghai Shenglian, pursuant to which, the parties have agreed that BYD Logistics will withdraw from Shanghai Beiqing by way of capital reduction, which in return pays the capital reduction consideration amounting to RMB526,400 to BYD Logistics

“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
“Connected Person”	has the meaning ascribed under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Beiqing”	Shanghai Beiqing Printing Machinery Limited, a company incorporated in the PRC with limited liabilities
“Shanghai Shenglian”	Shanghai Shenglian Printing Machinery Limited, a company incorporated in the PRC with limited liabilities
“Shareholders”	the shareholders of the Company

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

Beijing, the PRC
19 December 2022

As at the date of this announcement, the Board comprises: the executive directors of the Company, Jing Enji and Wu Min; the non-executive directors of the Company, Su Zhaohui, Cui Ping, Xu Jian, Wang Zechen and Zhang Lei; and the independent non-executive directors of the Company, Shi Hongying, Chan Yee Ping, Michael, Du Guoqing and Kong Weiping.

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

* *for identification purpose only*