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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
PROPOSED APPOINTMENT OF DIRECTOR
AND
NOTICE OF EGM**

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



A letter from the Board is set out on pages 3 to 12 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 13 to 14 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 15 to 24 of this circular.

A notice convening the EGM to be held at 2:30 p.m. on Friday, 24 February 2023 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 31 to 33 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.

8 February 2023

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DEFINITIONS

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

“Beiqing Community Media”	Beiqing Community Media Technology (Beijing) Co., Ltd., a subsidiary of the Company
“Board”	the board of directors of the Company
“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)
“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
“Comprehensive Service Agreement”	the comprehensive service agreement dated 28 December 2022 entered into by the Company and BYDA
“Connected Person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the 2023 first extraordinary general meeting of the Company to be convened on Friday, 24 February 2023, for approving (i) the Relevant Caps for the transactions under the Comprehensive Service Agreement; and (ii) the proposed appointment of Director
“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
“Independent Board Committee”	an independent board committee of the Board comprising all of the independent non-executive Directors, who have no material interest in the transactions contemplated under the Comprehensive Service Agreement, namely Ms. Shi Hongying, Mr. Chan Yee Ping, Michael, Ms. Du Guoqing and Mr. Kong Weiping, which was established to advise the Independent Shareholders in relation to the Relevant Caps for the transactions under the Comprehensive Service Agreement

DEFINITIONS

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited (嘉林資本有限公司), a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance and the independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Relevant Caps of the transactions under the Comprehensive Service Agreement
“Independent Shareholders”	shareholders of the Company who are not required to abstain from voting on the resolutions in relation to the Relevant Caps for the transactions under the Comprehensive Service Agreement to be proposed at the EGM under the Listing Rules
“Latest Practicable Date”	2 February 2023, 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
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
“Relevant Caps”	the proposed caps of the total service fees to be paid by BYDA Group to the Group in connection with the transactions contemplated under the Comprehensive Service Agreement for the two years ending 31 December 2024 and the period from 1 January 2025 to 17 June 2025
“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



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:

Jing Enji
Wu Min

Registered Office:

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

Non-Executive Directors:

Su Zhaohui
Cui Ping
Xu Jian
Wang Zechen
Zhang Lei

Independent Non-Executive Directors:

Shi Hongying
Chan Yee Ping, Michael
Du Guoqing
Kong Weiping

8 February 2023

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
PROPOSED APPOINTMENT OF DIRECTOR
AND
NOTICE OF EGM**

I. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 28 December 2022 in relation to entering into the Comprehensive Service Agreement with BYDA; and (ii) the announcement of the Company dated 19 January 2023 in relation to proposed appointment of Director.

LETTER FROM THE BOARD

On 28 December 2022, the Company entered into the Comprehensive Service Agreement with BYDA, pursuant to which, the Group would provide comprehensive services for the new media business of BYDA Group for a period commencing on 1 January 2023 and ending on 17 June 2025. The Board proposes that the caps of the total service fees to be paid by BYDA Group to the Group in connection with transactions contemplated under the Comprehensive Service Agreement for the two years ending 31 December 2024 and the period ending 17 June 2025 are RMB50,000,000, RMB50,000,000 and RMB25,000,000, respectively. The Relevant Caps for the aforesaid transactions under the Comprehensive Service Agreement will take effect from the date on approval by the Independent Shareholders at the EGM. On 19 January 2023, Ms. Sun Baojie was nominated as a non-executive Director of the eighth session of the Board, subject to the approval by the Shareholders at the EGM.

The purpose of this circular is to provide you with, among others, (i) the Relevant Caps for the transactions under the Comprehensive Service Agreement; (ii) details of the proposed appointment of Director; and (iii) a notice convening the EGM.

II. COMPREHENSIVE SERVICE AGREEMENT

(I) Major Terms of Comprehensive Service Agreement

Date

28 December 2022

Parties

- (i) the Company
- (ii) BYDA

Continuing transactions

The Group will provide ancillary services and technical support (“**Comprehensive Services**”) for the new media business of BYDA Group, including: (i) IT technical services, that is, the Group will provide IT software technology development and maintenance services for the new media business to BYDA Group, including but not limited to applets production, H5 development and the development and production of third-party plugins of each new media business; (ii) design services, that is, the Group provides design schemes and beautification suggestions on the framework, typesetting, art work, function list and other aspects of new media business according to the requirements of BYDA Group; (iii) copywriting planning service, that is, according to the requirements of BYDA Group, the Group provides programme planning, manuscript writing and manuscript editing services for new media business, as well as copywriting planning and content writing services for related cultural and creative products, etc.; and (iv) other related services, that is, supporting services or derivative services related to the above services.

LETTER FROM THE BOARD

Term and termination

The term of the Comprehensive Service Agreement is from 1 January 2023 to 17 June 2025 and takes effect upon the satisfaction of the following conditions:

- (1) BYDA has a complete and effective qualification for Internet news and information collecting, editing and publishing services, and there is no foreseeable potential termination risk; and
- (2) The legal representative or authorized representative of each of BYDA and the Company signed the Comprehensive Service Agreement with official seals affixed.

If there is any change in national publicity policy and Internet management policy such that the cooperation mode between the parties to the Comprehensive Service Agreement on new media business is not recognized by the law and policy during the validity period of the Comprehensive Service Agreement, one party shall have the right to inform the other party either before the base date required by the law and policy or one month in advance, to terminate the Comprehensive Service Agreement unilaterally in advance without any liability for breach of contract.

As at the Latest Practicable Date, the above conditions to the Comprehensive Service Agreement have been fulfilled.

Pricing Policy

The service fee payable by the BYDA Group to the Group shall not be less than the service fee charged for the same or similar services provided by the Group to any third party under the same condition in accordance with the fair market principle. The service fee under the Comprehensive Service Agreement shall be settled by specific new media business, i.e. as the Group provides Comprehensive Services to BYDA Group for each new media business, and a corresponding fee should be charged by taking into account factors such as the price of the work unit as well as the time incurred and labour cost (including qualification, level and salary level, etc.) required by such comprehensive service for the new media business. The standard of service fee to be charged under the Comprehensive Service Agreement should comply with fair market practices and shall not be lower than the prices charged by similar comparable companies in the market under the same conditions:

- (1) the pricing range for IT service is RMB150/person/hour to RMB300/person/hour;
- (2) the pricing range for design service is RMB100/person/hour to RMB260/person/hour;

LETTER FROM THE BOARD

- (3) the pricing range for copywrite planning service is RMB100/person/hour to RMB260/person/hour;
- (4) other relevant service prices are decided in accordance with the pricing principle of relevant market or industry.

Payment arrangement

After the specific amount of the service fee for the Comprehensive Services of each new media business to be charged by the Group is determined by the parties based on the above pricing basis, the parties shall sign the corresponding “New Media Business Service Order” in agreed format and settle the amount in such method and time as stipulated in the “New Media Business Service Order”. The signed “New Media Business Service Order” is binding on the parties.

(II) Proposed Relevant Caps and Basis for Determination

Proposed Relevant Caps for the transactions under the Comprehensive Service Agreement are as below:

	For the year ending 31 December 2023 (RMB)	For the year ending 31 December 2024 (RMB)	For the period from 1 January 2025 to 17 June 2025 (RMB)
Fees payable by the BYDA Group to the Group for the Comprehensive Services	50,000,000	50,000,000	25,000,000

In arriving at the above proposed Relevant Caps, the Directors have taken into account the following factors:

- (i) In the future, the Group will fully utilize the new media business resources of BYDA Group, give the Group’s technological advantages into a full play and increase the revenue of Comprehensive Services. In October 2022, the Company further enhanced its control over Beiqing Community Media, a subsidiary of the Company through share acquisition and actively expanded its business. In December 2022, the contract amount of the Comprehensive Services for the new media business provided by Beiqing Community Media to BYDA Group was approximately RMB2,700,000. Relevant services have been recognized by the new media business customers, who have intended to continue to receive services provided by Beiqing Community Media as designated by BYDA Group, with similar business scale in the future years. According to the business plan of the relevant customers, the business volume by the end of February 2023 is expected to be approximately RMB8,000,000;

LETTER FROM THE BOARD

- (ii) The Group's new media comprehensive service business is carried out mainly by Beijing Community Media. In recent years, Beijing Community Media has shifted its main business focus to convergence media services for government affairs, and thus accumulated rich experience in new media comprehensive services and developed a professional technical team with new media comprehensive services capability. The team comprises 166 business staff, which can provide 302,800 effective working hours per year and undertake comprehensive service business scale of approximately RMB70,000,000. In the future, the Group will continue to enrich the comprehensive service team adapting to the market demand, and continuously improve its core competitiveness in technology, design, copywrite planning and video production in the field of new media business to enhance the comprehensive services capability. The Group will also continue to build a product center, a competence center and a marketing center to strengthen resource acquisition and product system establishment, customer service and project execution, customer development and market exploration, continuously optimize staff allocation, and further leverage its technical talents advantages and extensive experience in new media comprehensive services so as to achieve more comprehensive service revenue; and
- (iii) A buffer of not more than 5% is provided to the Relevant Caps for the possible increase in the comprehensive service provided by the Group to BYDA Group under the Comprehensive Service Agreement.

(III) Reasons for Entering Into The Comprehensive Service Agreement

In recent years, the Group has continued to promote the transformation and upgrading of its key business from traditional media to new media and mobile Internet business. The Group has accumulated extensive experience in the Comprehensive Services for new media and formed a professional technical team with capabilities of Comprehensive Services for new media. The Company entered into the Comprehensive Service Agreement with BYDA, and will integrate the new media business resources of BYDA Group and the Group, and making full use of the Group's professional advantages in technology, design, copywriting planning and video production in the field of new media comprehensive services, it will reduce overall operating costs and effectively enhance revenue, so as to enhance Beijing brand influence in new media business services.

The Directors are of the view that the Comprehensive Service Agreement was entered into in the usual and ordinary course of the business of the Company, the terms of which were entered into by the Company after an arm's length negotiation and on normal commercial terms, and such terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole. At the same time, the relevant annual caps of the transactions contemplated under the Comprehensive Service Agreement are also fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

(IV) Internal Control Measures

- (1) In determining the pricing policy for the Comprehensive Service Agreement, the Company has referred to and evaluated the current market prices for similar services in the relevant industry and has taken into account the service fees charged by the Company in the past for providing the same or similar services to independent third parties. The Company ultimately ensured that the above pricing policy is fair and reasonable and on normal commercial terms, no less favourable than those available to independent third parties;
- (2) The president of the Company is responsible for the final approval of the execution of the agreement for continuing connected transactions. Before signing the implementation agreements to the Comprehensive Service Agreement, the Company's finance department shall verify the charging arrangement for projects, including confirming that the criteria for the service fee for relevant Comprehensive Service is within the pricing range under the Comprehensive Service Agreement, and in the event of any other relevant service without any pricing range for reference, the relevant business department will collect prevailing market prices for similar services in the relevant industry for reference, and ensure the price is no less favorable than the average service fees charged by the Company in the past for providing the same or similar services to independent third parties and thereafter the price will be verified by the Company's finance department, so that the price is fair and reasonable and on normal commercial terms, and no less favourable than those available to independent third parties. After verification of the Company's finance department, the implementation agreement will be reported to the president of the Company for final approval and execution. Subsequently, the Company's finance department is responsible for verifying the total service fee receivable resulted from the Group's provision of Comprehensive Services to BYDA Group to ensure compliance with the pricing standard set out in the implementation agreements to the Comprehensive Service Agreement. Such amount shall be received from BYDA Group after approval by the head of the relevant member units of the Group;
- (3) 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 each continuing connected transaction agreement, to ensure the scope and the annual/period cap of respective continuing connected transaction agreement are not surpassed;

LETTER FROM THE BOARD

- (4) The Company continues to improve the relevant internal control system of the Group and proposes to improve the relevant internal control mechanism and requirements 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;
- (5) 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
- (6) The auditors of the Company will also conduct an annual review on the pricing and annual/period caps of continuing connected transactions to ensure that they are within the scope of the annual/period caps under these agreements.

Considering (i) the above methods and procedures, which comprise inseparable components of an internal control system, such as designated departments and responsible officers, 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, which can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the above agreements, the Directors 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.

(V) 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, BYDA is therefore a Connected Person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Comprehensive Service 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 proposed annual caps for the transactions contemplated under the Comprehensive Service Agreement exceed 5%, the transactions contemplated thereunder are subject to the annual review, reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

No Director is deemed to have material interest in the transactions contemplated under the Comprehensive Service Agreement and shall abstain from voting on relevant Board resolution.

(VI) General Information on the Parties to the Transactions

The Company

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

BYDA

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

III. PROPOSED APPOINTMENT OF DIRECTOR

On 19 January 2023, Ms. Sun Baojie (“**Ms. Sun**”) was nominated as a non-executive director of the eighth session of the Board of the Company, subject to the approval by the Shareholders at the EGM. The term of office of Ms. Sun as a non-executive Director will be from the date of approval by the Shareholders at the EGM until the expiration of the term of office of the eighth session of the Board.

Upon the appointment of Ms. Sun as a non-executive Director being approved by the Shareholders, the Company will enter into a service contract with her. Pursuant to the articles of association of the Company, Ms. Sun will be subject to re-election upon the expiry of her term of office. Ms. Sun will not receive any emolument from the Company.

Biographical details of Ms. Sun are set out in Appendix I to this circular.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders or any information in relation to the above proposed appointment of Director that need to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

LETTER FROM THE BOARD

IV. 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 2:30 p.m. on Friday, 24 February 2023, is set out on pages 31 to 33 of this circular.

Votes on the resolution 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 BYDA and its beneficial owner on 20 May 2021. BYDA (public institution) as the counterparty of the Comprehensive Service Agreement, has been incorporated under Beijing Daily Agency, subject to the PRC industrial and commercial registration. Capital Group has no material interest in the transactions contemplated under the Comprehensive Service Agreement and is therefore not required to abstain from voting on 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 interests in the transactions contemplated under the Comprehensive Service Agreement and is required to abstain from voting on the relevant resolution, or is required to abstain from voting on the resolution in relation to the proposed appointment of Director 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.

V. RECOMMENDATION

The Directors are of the view that the terms for the transactions contemplated under the Comprehensive Service 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 Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors also considers that the resolution in relation to the proposed appointment of Director is in the best interest of the Company and its Shareholders as a whole. Therefore, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolutions at the EGM.

LETTER FROM THE BOARD

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 Relevant Caps for the transactions under the Comprehensive Service Agreement; 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.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Relevant Caps for the transactions under the Comprehensive Service Agreement, 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)

8 February 2023

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 8 February 2023 (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 Relevant Caps for the transactions under the Comprehensive Service Agreement (details of which are set out in the letter from the Board) are 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 Relevant Caps for the transactions under the Comprehensive Service Agreement. 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 15 to 24 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 3 to 12 of the Circular and the additional information set out in the Appendix II to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered (i) the terms and conditions of the transactions contemplated under the Comprehensive Service Agreement, (ii) the discussion with the management of the Company about the background to and nature of the transactions contemplated under the Comprehensive Service Agreement, (iii) the reasons for the Relevant Caps and the basis upon which it has been determined, (iv) the business and financial effects of the transactions contemplated under the Comprehensive Service Agreement on 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 their advice, we are of the view that the transactions contemplated under the Comprehensive Service 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 Company and its Shareholders as a whole; and that the Relevant Caps are 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 Relevant Caps for the transactions under the Comprehensive Service Agreement.

Yours faithfully,

For and on behalf of the Independent Board Committee of

Beijing Media Corporation Limited

Shi Hongying

Chan Yee Ping, Michael

Du Guoqing

Kong Weiping

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

8 February 2023

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

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Comprehensive Service Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 8 February 2023 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 28 December 2022, the Company entered into the Comprehensive Service Agreement with BYDA, pursuant to which, the Company and its subsidiaries will provide ancillary services and technical support for the new media business to BYDA and its subsidiaries for a period commencing on 1 January 2023 and ending on 17 June 2025.

With reference to the Board Letter, the Transactions constitute continuing connected transactions 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 Ms. Shi Hongying, Mr. Chan Yee Ping, Michael, Ms. Du Guoqing and Mr. Kong Weiping (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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 (i) continuing connected transactions (details of which were set out in the Company's circular dated 15 December 2021); (ii) continuing connected transactions (details of which were set out in the Company's circular dated 31 March 2022); and (iii) very substantial acquisition and continuing connected transactions (details of which were set out in the Company's circular dated 26 May 2022). Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid engagements, 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 engagements were only independent financial adviser engagements 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 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 Comprehensive Service 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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, 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. Its principal business includes sales of media advertisement, production of newspapers and magazines and trading of print-related materials.

Information on BYDA

With reference to the Board Letter, BYDA mainly owns convergence media platforms such as “Beijing Youth Daily” newspaper, “Beijing Youth Daily” Mobile Client, YNET and other new media products and operates relevant business. The ultimate controller of BYDA is Beijing Municipal Government.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reasons for and benefits of the Transactions

With reference to the Board Letter, in recent years, the Group has continued to promote the transformation and upgrading of its business center from traditional media to new media and mobile Internet business. The Group has accumulated extensive experience in the comprehensive services for new media and formed a professional technical team with capabilities of comprehensive services for new media. The Company entered into the Comprehensive Service Agreement with BYDA, which will integrate the new media business resources of BYDA Group and the Group, make full use of the Group's professional advantages in technology, design, copywriting planning and video production in the field of new media comprehensive services, reduce overall operating costs and effectively enhance revenue, so as to enhance Beiqing brand influence in new media business services.

As advised by the Directors, the Transactions are revenue nature. Therefore, the entering into the Comprehensive Service Agreement will expand the Group's source of income, which will be beneficial to the Company and Shareholders.

In light of the above factors, we are of the view that 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 "(I) Major Terms of Comprehensive Service Agreement" of the Board Letter.

Date:	28 December 2022
Parties:	(i) the Company; and (ii) BYDA
Term and termination:	The term of Comprehensive Service Agreement is valid from 1 January 2023 to 17 June 2025 and takes effect upon the satisfaction of the following conditions: (1) BYDA has a complete and effective qualification for Internet news and information collecting, editing and publishing services, and there is no foreseeable potential termination risk; and (2) the legal representative or authorized representative of each of BYDA and the Company signed the Comprehensive Service Agreement with official seals affixed.

If there is any change in national publicity policy and Internet management policy such that the cooperation mode between the parties to the Comprehensive Service Agreement on new media business is not recognized by the law and policy during the validity period of the Comprehensive Service Agreement, one party shall have the right to inform the other party either before the base date required by the law and policy or one month in advance, to terminate the Comprehensive Service Agreement unilaterally in advance without any liability for breach of contract.

Nature of transactions: The Group will provide ancillary services and technical support (“**Comprehensive Services**”) for the new media business of BYDA Group, including: (i) IT technical services, that is, the Group will provide IT software technology development and maintenance services for the new media business to BYDA Group, including but not limited to applets production, H5 development and the development and production of third-party plugins of each new media business; (ii) design services, that is, the Group provides design schemes and beautification suggestions on the framework, typesetting, art work, function list and other aspects of new media business according to the requirements of BYDA Group; (iii) copywriting planning service, that is, according to the requirements of BYDA Group, the Group provides programme planning, manuscript writing and manuscript editing services for new media business, as well as copywriting planning and content writing services for related cultural and creative products, etc.; and (iv) other related services, that is, supporting services or derivative services related to the above services.

Pricing policies:

The service fee payable by the BYDA Group to the Group shall not be less than the service fee charged for the same or similar services provided by the Group to any third party under the same condition in accordance with the fair market principle. The service fee under the Comprehensive Service Agreement shall be settled by specific new media business, i.e. as the Group provides Comprehensive Services to the BYDA Group for each new media business, a corresponding fee should be charged by taking into account factors such as the price of the work unit as well as the time incurred and labour cost (including qualification, level and salary level, etc.) required by such comprehensive service for the new media

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

business. The standard of service fee to be charged under the Comprehensive Service Agreement should comply with fair market practices and shall not be lower than the prices charged by similar comparable companies in the market under the same conditions:

- (1) the pricing range for IT service is RMB150/person/hour to RMB300/person/hour;
- (2) the pricing range for design service is RMB100/person/hour to RMB260/person/hour;
- (3) the pricing range for copywrite planning service is RMB100/person/hour to RMB260/person/hour;
- (4) other relevant service prices are decided in accordance with the pricing principle of relevant market or industry.

As advised by the Directors, the Group provided similar transactions to independent third party clients for 2022. Upon our request, the Company further provided us a list, showing that there were 60 contracts in respect of the Group's provision of similar transactions to independent third party clients. We selected six copies of contracts according to the list on a random selection basis. Having considered that (i) the number of contracts which we selected represented 10% of the total number of contracts in respect of the Group's provision of similar transactions to independent third party clients; (ii) the services provided by the Group to the independent third party clients includes (a) IT service; (b) design service; and (c) copywrite planning service, we are of the view that such samples are fair and representative relating to (a) IT service; (b) design service; and (c) copywrite planning service (the pricing policy of which were specified in a range of price) pursuant to the Comprehensive Service Agreement. According to the aforesaid selected contracts together with the manpower & working hours as advised by the Directors, we noted that the pricing range as mentioned above were not less favourable to the Group than those offered by the Group to independent third party clients for similar services.

Based on our findings, we are of the view that the pricing policy of the Transactions are 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 "(IV) Internal Control Measures" of the Board Letter. Having considered that there are charging arrangement verifying procedure, market price collection procedure and approval procedure, 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 Board office and finance department of the Company and Beiqing Community Media (note: the Group's new media comprehensive service business is mainly carried out by Beiqing Community Media) and understood from them that they were aware of the IC Measures and would comply with IC Measures when accepting the Transactions. Accordingly, we do not doubt the effectiveness of the implementation of the IC Measures.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 of agreement, actual transaction amount and payment arrangement under the agreement of each continuing connected transaction, to ensure that the scope of the agreement of each continuing connected transaction and respective cap are not exceeded.

The Relevant Caps

Set out below are the proposed caps of the Transactions for the year ending 31 December 2023 and 2024; and for the period from 1 January 2025 to 17 June 2025 (i.e. the Relevant Caps):

	For the year ending 31 December 2023 ("FY2023") (RMB'000)	For the year ending 31 December 2024 ("FY2024") (RMB'000)	For the period from 1 January 2025 to 17 June 2025 (the "2025 Period") (RMB'000)
Fees payable by the BYDA Group to the Group for the Comprehensive Services	50,000	50,000	25,000

The Relevant Caps are estimated based on various factors, details of which are set out under the section headed "(II) Proposed Relevant Caps and Basis for Determination" of the Board Letter.

Upon our request, the Directors provided us a calculation of the Relevant Cap for FY2023. According to the calculation, the Relevant Cap for FY2023 was calculated based on (i) estimated amounts of fees paid by the BYDA Group to the Group for the Comprehensive Services for FY2023; and (ii) a buffer of not more than 5% on the aforesaid estimated amounts.

To assess the fairness and reasonableness of the estimated amounts of fees paid by the BYDA Group to the Group for the Comprehensive Services for FY2023, we conducted the following analyses:

- as advised by the Directors, the Group is able to undertake Comprehensive Services with business scale of RMB70,000,000 per annum. The Relevant Cap for FY2023 was less than the maximum capacity of Comprehensive Services of RMB70,000,000 per annum.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the Board Letter, the effective working hours per year would be 302,800 hours. Based on our discussion with the Directors, we understood that the effective working hours was calculated by, among other things, (i) number of relevant staff; (ii) number of working days per week. Based on the maximum capacity of Comprehensive Services of RMB70,000,000 per annum and the effective working hours per year of 302,800 hours, the implied average cost would be approximately RMB230 per hour. As the implied average cost of RMB230 per hour fell within the pricing range of relevant services of the Transactions, we consider the maximum capacity of Comprehensive Services of RMB70,000,000 per annum to be justifiable.

- When determining the estimated amounts of fees paid by the BYDA Group to the Group for the comprehensive services for FY2023, the Directors assumed the Group to enter into contracts with amounts of approximately RMB4 million per month. Therefore, the Group would enter into contracts with amounts of approximately RMB48 million per annum.

To assess the monthly contracts values, we obtained a comprehensive service contract entered into between the Group and BYDA Group in December 2022 for the Comprehensive Services from 10 December 2022 to 31 December 2022, being approximately 7/10 months, together with all relevant orders placed by BYDA Group pursuant to the aforesaid comprehensive service contract. The Group recorded service fees of approximately RMB2.7 million. The service fees, on a full month basis, would therefore be approximately RMB3.8 million.

Furthermore, we also obtained a list showing certain projects which were under negotiation between the Group and BYDA Group currently. According to the list, the contract value would be approximately RMB8 million. As also advised by the Directors, they expected the formal agreement would be entered into by February 2023. Therefore, it indicated that the Group would record an average monthly service fee of approximately RMB4 million.

Based on the above, we concur with the Directors that the estimated monthly amounts of fees to be paid by the BYDA Group to the Group for the Comprehensive Services for FY2023 are justifiable. Accordingly, we are of the view that the estimated amounts of fees paid by the BYDA Group to the Group for the Comprehensive Services for FY2023 to be fair and reasonable.

As further advised by the Directors, when determining the Relevant Cap for FY2023, a buffer of not more than 5% was applied on the estimated amounts of fees to be paid by the BYDA Group to the Group for the Comprehensive Services for FY2023. Having considered that (i) the unexpected circumstances may take place in 2023; and (ii) the buffer would provide flexibility in the event that the actual service fees was more than the estimated amounts (which were estimated based on various assumptions), we consider that the buffer to be acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above factors, including (i) the estimated amounts of fees to be paid by the BYDA Group to the Group for the Comprehensive Services for FY2023 to be fair and reasonable; and (ii) the buffer to be acceptable, we are of the view that the Relevant Cap for FY2023 to be fair and reasonable.

In respect of the Relevant Caps for FY2024 and the 2025 Period, the Directors advised us that they assumed the estimated amounts of fees to be paid by the BYDA Group to the Group for the Comprehensive Services for each of the two years ending 31 December 2025 would be at similar level to that for FY2023. Therefore, the Relevant Cap for FY2024 was the same as that for FY2023.

As the term of Comprehensive Service Agreement is valid from 1 January 2023 to 17 June 2025, there would be approximate half year for the 2025 Period. Accordingly, the Relevant Cap for the 2025 Period was approximately half of the Relevant Caps for FY2023 and FY2024.

Based on the above, we are of the view that the Relevant Caps for FY2024 and the 2025 Period are fair and reasonable.

Shareholders should note that as the Relevant Caps 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 17 June 2025, and they do not represent forecasts of revenue/income to be recorded from the Transactions. Consequently, we express no opinion as to how closely the actual revenue/income to be recorded from the Transactions will correspond with the Relevant Caps.

In light of the above, we consider that the terms of the Transactions (including the Relevant Caps) 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 Relevant Caps for FY2023, FY2024 and the 2025 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, in all material respects, in accordance with the pricing policies of the listed issuer's group if the transactions involve the provision of goods or services by the listed issuer's group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the annual caps.

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In the event that the actual amounts of the Transactions are anticipated to exceed the Relevant Caps, 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.

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 the Relevant Caps) 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 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.

Biographical details of Ms. Sun are set out below:

Ms. Sun Baojie, aged 52, is the deputy general manager of Beijing Capital Group Co., Ltd., the chairman of Capital Jingzhong (Tianjin) Investment Co., Ltd., the chairman of Beijing Jingzhong Industry Development Company Limited* (北京市經中實業開發有限責任公司), the chairman of Beijing Tennis Competition Marketing Co., Ltd.* (北京中國網球公開賽體育推廣有限公司), and the chairman of Eurocity Holding SAS. Ms. Sun successively graduated from the Central Institute of Banking and Finance (now Central University of Finance and Economics) with a bachelor degree of economics in Investment Economics Management and obtained a Master's Degree of Business Administration from the International MBA Program jointly organized by the Peking University and Fordham University in the United States. Ms. Sun worked at Beijing Capital Land Ltd. (now Beijing Capital Land Co., Ltd.) from January 2006 to October 2013 and successively served as the vice president and executive vice president. From October to December 2013, she was the general manager of Beijing Capital Construction Co., Ltd.. From December 2013 to August 2016, Ms. Sun served as director, general manager and the secretary of Party Branch of Beijing Capital Investment and Development Co., Ltd.. From August to October 2016, Ms. Sun served as a director of Capital Jingzhong (Tianjin) Investment Co., Ltd. and a director of Beijing Jingzhong Industry Development General Company (now Beijing Jingzhong Industry Development Company Limited* (北京市經中實業開發有限責任公司)). From May to October 2016, she was also a non-executive director of Beijing Capital Land Ltd. (now Beijing Capital Land Co., Ltd.). Ms. Sun has served as the deputy general manager of Beijing Capital Group Co., Ltd. since October 2016. Ms. Sun was also the chairman of Capital Jingzhong (Tianjin) Investment Co., Ltd. since August 2017, the chairman of Beijing Jingzhong Industry Development Company Limited* (北京市經中實業開發有限責任公司) since December 2017, the chairman of Eurocity Holding SAS since July 2019, a director of Beijing Capital City Development Group Co., Ltd.* (北京首創城市發展集團有限公司) and a director of Beijing Capital Land Co., Ltd. since October 2021, and the chairman of Beijing Tennis Competition Marketing Co., Ltd.* (北京中國網球公開賽體育推廣有限公司) since January 2023.

Save as disclosed in the above biographical details and as at the Latest Practicable Date, Ms. Sun does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company, nor does she hold any other positions in the Company or any of its subsidiaries, or any directorships in other listed companies in the last three years. As at the Latest Practicable Date, Ms. Sun does not have any interest in the shares of the Company within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong).

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. 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 and 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 were taken or deemed to have), or which were required, pursuant to Section 352 of the SFO, to be entered in 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.

As at the Latest Practicable Date: Directors Mr. Su Zhaohui, Ms. Cui Ping and Director candidate Ms. Sun Baojie are employees of Capital Group; Director Mr. Wang Zechen is an employee of Beijing Chengshang Cultural Communication Co., Ltd.; Director Mr. Zhang Lei is an employee of Leshi Internet Information & Technology Corp., Beijing. While Capital Group, Beijing Chengshang Cultural Communication Co., Ltd. and Leshi Internet Information & Technology Corp., Beijing had interests in the 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 as detailed below:

Name of Shareholder	Class of Shares	Nature of Shares	Nature of Interest	Number of Shares	% of Class Issued Share Capital	% of Total Share Capital
Capital Group ^{Note 1}	Other	Domestic shares	N/A	124,839,974	87.66	63.27
Beijing Chengshang Cultural Communication Co., Ltd.	Beneficial owner	Domestic shares	N/A	7,367,000	5.17	3.73
Leshi Internet Information & Technology Corp., Beijing	Beneficial owner	H share	Long position	19,533,000	35.58	9.90

Information disclosed above is based on the information published on the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) unless otherwise stated in the notes below.

Note:

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.

Save as disclosed above, as at the Latest Practicable Date, none of other Directors or Director candidates holds position in a company which has an interest or short position in the shares and 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.

3. 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.

4. INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors, Director candidates, 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.

5. DIRECTORS' AND SUPERVISORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors, Director candidates or 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.

6. 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 more than one year's notice or payment of compensation (other than statutory compensation) shall be given by the latter upon termination.

7. 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 advice which are contained in this circular:

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

8. 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 of 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.

9. METHOD OF VOTING AT THE EGM

According to Rule 13.39(4) of the Listing Rules, any vote of the 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.

10. MISCELLANEOUS

- (a) The joint company secretaries of the Company are Ms. Liu Jia and Mr. Yu Leung Fai. Ms. Liu Jia, by virtue of her relevant experiences, has been confirmed capable of discharging the functions of company secretary by the Hong Kong Stock Exchange in November 2022 pursuant to note 2 to Rule 3.28 of the Listing Rules and qualified for the position of company secretary of the Company under the Listing Rules. Mr. Yu Leung Fai is a member of the American Institute of Certified Public Accountants, Certified Practicing Accountants of Australia and the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Building A, 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

11. DOCUMENTS ON DISPLAY

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

- (a) the Comprehensive Service 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 2:30 p.m. on Friday, 24 February 2023 at the Conference Room 704, the 7th Floor, Beijing Youth Daily Agency Building, No. 23 Baijiazhuang Dongli, Chaoyang District, Beijing, the People's Republic of China (“PRC”), for the purpose of considering and, if thought fit, passing the following resolution:

As Ordinary Resolutions

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

“THAT

- a. the relevant caps for the two years ending 31 December 2024 and the period from 1 January 2025 to 17 June 2025 for the transactions under the comprehensive service agreement (the “**Comprehensive Service Agreement**”) dated 28 December 2022 and entered into between the Company and Beijing Youth Daily Agency;
 - 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 Comprehensive Service Agreement and completing the transactions contemplated thereunder with such changes as he may consider necessary, desirable or expedient.”
2. To consider and, if thought fit, to approve the appointment of Ms. Sun Baojie as a non-executive director of the Company, and to authorize any director of the Company to execute a service contract or such other documents or supplemental agreements or deeds on behalf of the Company.

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

Beijing, the PRC
8 February 2023

NOTICE OF EGM

As at the date of this notice, 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 notice on the Company's website at 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 Monday, 20 February 2023 shall be entitled to attend the EGM.

Holders of H shares intending to attend and vote at the EGM to be held on Friday, 24 February 2023 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Friday, 17 February 2023.

2. Proxy

- (1) The 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.
- (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, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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.

NOTICE OF EGM

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 Monday, 20 February 2023 to Friday, 24 February 2023 (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 the 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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (3) The registered office and the contact details of the Company are:

Building A, No. 23 Baijiazhuang Dongli,
Chaoyang District, Beijing 100026, the PRC
Telephone: (+86) 10 6590 2083
Fax: (+86) 10 6590 2801