

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **BEIJING MEDIA CORPORATION LIMITED**

### **北青傳媒股份有限公司**

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

**(Stock Code: 1000)**

## **CONTINUING CONNECTED TRANSACTION RENEWAL OF PERSONNEL SERVICE AGREEMENT**

### **I. INTRODUCTION**

Reference is made to the announcement of the Company dated 28 December 2022 in relation to the 2023 Personnel Service Agreement entered into between the Company and BYDA.

As the 2023 Personnel Service Agreement will expire on 31 December 2023, on 29 December 2023, the Company entered into the 2024 Personnel Service Agreement with BYDA for a term of one year commencing from 1 January 2024 and ending on 31 December 2024. Accordingly, BYDA and/or its subsidiaries will assign employees to the Company to provide services to the Company, and the total service fees payable by the Company to BYDA Group during the validity period of the agreement shall not exceed RMB1,400,000.

### **II. 2024 PERSONNEL SERVICE AGREEMENT**

#### **1. Major Terms of 2024 Personnel Service Agreement**

Major terms of 2024 Personnel Service Agreement are set out as follows:

***Date***

29 December 2023

### ***Parties***

- (1) the Company
- (2) BYDA

### ***Continuing transactions***

Pursuant to the 2024 Personnel Service Agreement, BYDA and/or its subsidiaries will assign employees to the Company to provide services to the Company during the validity period of the agreement, and the Company will pay the service fees to BYDA and/or its subsidiaries.

### ***Term and termination***

The 2024 Personnel Service Agreement is for a term commencing from 1 January 2024 and ending on 31 December 2024.

### ***Price determination***

The service fees payable by the Company under the 2024 Personnel Service Agreement are determined based on the salary or remuneration of the assigned employees during the period of providing services to the Company and other taxes and fees. The relevant arrangements for service fees shall be fair and reasonable, and as far as the Company is concerned, shall be on terms that are no less favourable to the Company than those available to or from independent third party under the same conditions. The total service fees payable by the Company to BYDA Group during the validity period of the agreement shall not exceed RMB1,400,000, including the post salary and performance salary. The post salary is fixed and accounts for 40% of the total salary, including basic salary, qualification salary, five social insurances and housing provident fund and welfare subsidies; and performance salary is floating and accounts for 60% of the total salary, and is implemented in accordance with the performance appraisal system of each department.

### ***Payment***

The Company will pay the service fees to BYDA Group's member in cash on which the assigned employee serves on a monthly basis. The relevant service fees will be funded by the internal resources of the Company.

## 2. Annual caps

### *Historical annual cap and actual transaction value*

The historical annual cap and actual transaction value for the transactions under the 2023 Personnel Service Agreement are set out below:

	<b>Annual cap for the year ending 31 December 2023 (RMB)</b>	<b>Historical amounts for the eleven months ended 30 November 2023 (RMB)</b>
Service fees payable/paid by the Company to BYDA Group	1,800,000.00	1,399,975.99

The Directors have been monitoring the transaction amounts under the 2023 Personnel Service Agreement. As at the date of this announcement, the transaction amounts under the 2023 Personnel Service Agreement did not exceed the annual cap for the year ending 31 December 2023.

### *Annual cap*

The Board has resolved that the annual cap for the 2024 Personnel Service Agreement is as follows:

	<b>Annual cap for the year ending 31 December 2024 (RMB)</b>
Service fees payable by the Company to BYDA Group	1,400,000.00

### *Basis of determination of annual caps*

In arriving at the above annual caps, the Directors have taken into account the following factors:

- (i) the actual service fees paid by the Company to BYDA Group under the 2023 Personnel Service Agreement;
- (ii) in 2024, based on the principle of cost reduction and efficiency improvement, the number of employees assigned by BYDA Group will be properly reduced, on the premise of ensuring the normal business needs of the Company; and
- (iii) reasonable fluctuations in labour costs in the future.

### **3. Reasons for and benefits of entering into the 2024 Personnel Service Agreement**

The Company is of the view that the 2024 Personnel Service Agreement will be conducive to: (i) making full use of BYDA Group's talent advantages in media resources and leveraging BYDA Group's employees with rich media experience to achieve media resources integration; and (ii) obtaining ready and stable supply of personnel services, reducing the Company's labour costs and promoting the Company's daily operations.

The Directors (including independent non-executive Directors) are of the view that the 2024 Personnel Service Agreement was entered in the ordinary and usual course of business, and the terms of the 2024 Personnel Service Agreement were entered into by the Company after arm's length negotiations and on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole. At the same time, the annual cap for the transactions contemplated under the 2024 Personnel Service Agreement is also fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **III. INTERNAL CONTROL MEASURES**

- (a) In determining the pricing policy of the 2024 Personnel Service Agreement, the Company has referred to and evaluated the current market prices for similar services in the relevant industry and the Group's internal policies for human resources and the salary and performance management, and 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;
- (b) The president of the Company is responsible for the final approval of the execution of the continuing connected transactions agreement. For the 2024 Personnel Service Agreement, the relevant hiring departments of the Company are responsible for confirming the monthly salary and total performance salary of their respective personnel from whom they receive service and reporting to the Company's human resources department for review, and payment shall be made to the members of BYDA Group only after the Company's human resources department reports to the president of the Company for final approval;
- (c) The finance department and the Board office of the Company continuously inspect, monitor, collect and evaluate the detailed information of the Group's continuing connected transactions, including but not limited to the implementation 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 the respective annual/period cap are not exceeded;

- (d) The Company continues to improve the relevant internal control system of the Group and it 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;
- (e) The independent non-executive Directors have reviewed and will continue to review the continuing connected transactions to ensure that such transactions are on normal commercial terms and in the usual and ordinary course of business of the Group, and the terms of the related agreements are fair, reasonable and in the interests of the Company and its Shareholders as a whole; and
- (f) The auditors of the Company will also conduct an annual review on the pricing and annual/period caps of continuing connected transactions to ensure that they are within the scope of the annual/period caps under these agreements.

Taking into account of that: (i) the above methods and procedures comprise necessary components of an internal control system of the Company, 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 can ensure that the transactions contemplated under 2024 Personnel Service Agreement will be executed in compliance with the pricing principles stipulated in 2024 Personnel Service Agreement. The Directors are of the view that such methods and procedures can ensure that the transactions contemplated under 2024 Personnel Service Agreement will be conducted on normal commercial terms and in the interests of the Company and Shareholders as a whole.

#### **IV. LISTING RULES IMPLICATIONS**

As at the date of this announcement, BYDA holds 124,839,974 shares of the Company, representing approximately 63.27% of the issued share capital of the Company, therefore BYDA is a Connected Person of the Company under the Listing Rules. Therefore, the transactions under the 2024 Personnel 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 annual cap for the transactions under the 2024 Personnel Service Agreement for the year of 2024 after aggregation of that of the Historical Transaction exceed 0.1% but are below 5%, the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

No Director is deemed to have material interest in the transactions contemplated under the 2024 Personnel Service Agreement and shall abstain from voting on relevant Board resolutions.

## **V. GENERAL INFORMATION OF THE PARTIES**

### **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 matrix and conducts relevant business. The ultimate controller of BYDA is Beijing Municipal Government.

## **VI. DEFINITIONS**

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

“2023 Personnel Service Agreement”	Personnel Service Agreement entered into by the Company and BYDA on 28 December 2022
“2024 Personnel Service Agreement”	Personnel Service Agreement entered into by the Company and BYDA on 29 December 2023
“Board”	the board of directors of the Company
“BYDA”	Beijing Youth Daily Agency, a wholly state-owned enterprise incorporated under the laws of the PRC and the controlling shareholder of the Company
“BYDA Group”	BYDA and its subsidiaries (excluding the Group)

“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
“Historical Transaction”	provision of personnel services for the year of 2024 by BYDA Group to Beiqing Community Media, a subsidiary of the Company, with relevant service fees amount not exceeding RMB1,500,000
“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, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“%”	per cent

By Order of the Board  
**Beijing Media Corporation Limited**  
**Sun Baojie**  
*Chairman*

Beijing, the PRC  
29 December 2023

*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, Sun Baojie, Cui Ping, Wang Hao, 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](http://www.bjmedia.com.cn).*