

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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

Reference is made to the announcement dated 12 May 2023 of the Company, in relation to the 2023 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract entered into between the Company and BYDA.

The Board hereby announces that, as the 2023 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract expired on 31 December 2023, the Company entered into the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract with BYDA on 6 February 2024, pursuant to which, BYDA has authorized the Company to act as (i) the exclusive advertising agency for real estate, automobile and finance sectors at YNET.COM which BYDA has been legally and validly authorized by BYDNICT (“**YNET Exclusive Advertising Agency**”), and a non-exclusive advertising agency for sectors other than the above three sectors at YNET.COM (“**YNET Non-Exclusive Advertising Agency**”), and (ii) the exclusive advertising agency for real estate, automobile and finance sectors at “Beijing Youth Daily” Mobile Client (formerly known as Beijing Headlines APP) legally owned by BYDA (“**BYD Exclusive Advertising Agency**”), all for a term expiring on 31 December 2024.

The Board proposed that the Relevant Cap of the fees in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract for the period ending 31 December 2024 shall be RMB8.5 million. YNET Non-Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract is a transaction under the Previous Framework Agreement and will be carried out under the scope of the Previous Framework Agreement and the annual cap for the year ending 31 December 2024 for the transactions thereunder.

II. MAJOR TERMS OF THE 2024 “BEIJING YOUTH DAILY” MOBILE CLIENT AND YNET ADVERTISING AGENCY CONTRACT

Date

6 February 2024

Parties

- (i) the Company
- (ii) BYDA

Continuing transactions

During the validity period of the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract, BYDA has authorized the Company to act as (i) the exclusive advertising agency for real estate, automobile and finance sectors at YNET.COM which BYDA has been legally and validly authorized by BYDNICT, and (ii) the exclusive advertising agency for real estate, automobile and finance sectors at “Beijing Youth Daily” Mobile Client (formerly known as Beijing Headlines APP) legally owned by BYDA. BYDA shall ensure that itself and BYDNICT shall not authorize any third party to be the advertising agency for the above sectors at YNET.COM and “Beijing Youth Daily” Mobile Client. BYDA also authorized the Company to act as a non-exclusive advertising agency for sectors other than the above three sectors at YNET.COM. Without the written consent of BYDA, the Company shall not exceed the above scope to act as the advertising agency for other sectors or fields within the above platform and shall not assign or sublicense the entire or part of its advertising agency right to any third party.

The Company shall have the priority under the same conditions to renew the agreement upon expiry of the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract.

Term and termination

The 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract shall become effective upon (i) the execution and affixing with official stamp or the seal for contract-use by the legal representative or authorized representative of the Company and BYDA; and (ii) the date of completion of the relevant approval and disclosure procedures by the Company under the Listing Rules in respect of the YNET Exclusive Advertising Agency and the BYD Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract. The term will expire on 31 December 2024.

Pricing policy

The advertising agency fee (namely the advertising space cost) payable by the Company to BYDA under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract should be fair and reasonable, on the normal commercial terms and shall not be higher than the price paid by the independent third party to BYDA in respect of the advertising agency of the advertising space for the same industry and place.

The Company shall pay BYDA 70% of the advertising income generated from BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract calculated based on the public price and base selling price determined by parties. If the Company has paid in full the advertising agency fee of RMB8 million (including tax) (the “**Base Price**”) to BYDA, then in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract, the Company shall pay relevant advertising agency fee other than the Base Price to BYDA at 60% of the advertising income calculated based on the public price and base selling price as agreed by both parties. If the actual annual advertising agency fee in total paid by the Company to BYDA is lower than RMB8 million (including tax), the Company shall pay the shortfall to BYDA.

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

- (i) The actual annual advertising agency fee paid by the Company to BYDA in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract;

- (ii) The advertising agency fee paid by the Company to BYDA Group in respect of exclusive advertising agency of same scope as BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under Previous Framework Agreement from 1 January 2024 to the effective date of the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract.

Payment arrangement

During the term of the agency, the advertising agency fee shall be settled every three months. The Company shall provide a written list of the advertising agency fee to BYDA during the first five business days of the next period subject to settlement after the conclusion of each period based on the advertising agency and publication and the payments collection of the current period, and the Company shall pay the advertising agency fee for the current period to BYDA within five business days upon confirmation with no disagreement by the both parties. After 31 December 2024, if the fees in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract (including the performance deposit converted to advertising agency fee) in total paid by the Company to BYDA is less than the Base Price of RMB8 million (including tax), the Company shall pay the shortfall to BYDA when paying the last instalment of the advertising agency fee.

Performance deposit

Within 20 working days after the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract came into effect, the Company shall pay RMB2 million to BYDA as a performance deposit, which will be only used to guarantee the Company’s obligation to fulfill the payment of the advertising agency fee as agreed under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract and will not be used to guarantee the fulfillment of the Company’s other obligations under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract.

Upon expiry of the term of 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract and the settlement of the last instalment of the advertising agency fee, if the fees in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract in total paid to BYDA is less than the Base Price of RMB8 million (including tax), then BYDA shall have the right to deduct the shortfall from the performance deposit and return the remaining to the Company in full without interest. In addition, BYDA shall not arbitrarily deduct, forfeit or in any other way deduct or forfeit the performance deposit.

III. RELEVANT CAP AND BASIS OF DETERMINATION

Historical Cap and actual amount

The cap and actual amount of the advertising agency fee paid by the Company to BYDNICT and BYDA in aggregate relating to YNET Exclusive Advertising Agency and BYD Exclusive Advertising Agency under 2023 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract for the period ended 31 December 2023 is as follows:

	For the period ended 31 December 2023	
	Cap	Actual amount
	<i>(RMB'0,000)</i>	<i>(RMB'0,000)</i>
The advertising agency fee payable (paid) by the Company to BYDA in aggregate	850	831.6

Relevant Cap

The Board has resolved that the Relevant Cap of the advertising agency fee paid by the Company to BYDA for the period ending 31 December 2024 in respect of YNET Exclusive Advertising Agency and BYD Exclusive Advertising Agency under 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract are as follows:

	Relevant Cap for the period ending 31 December 2024
	<i>(RMB'0,000)</i>
The advertising agency fee payable by the Company to BYDA	850

Basis of determination of Relevant Cap

In arriving at the Relevant Cap, the Directors have comprehensively considered the following factors:

- (i) advertising agency fee paid by the Company to BYDA and BYDNICT in the previous years;
- (ii) the advertising agency business demand for 2024 is expected to remain stable as compared to last year; and

(iii) a buffer is provided for the reasonable fluctuations of the advertising agency fees payable by the Company to BYDA in respect of BYD Exclusive Advertising Agency and YNET Exclusive Advertising Agency.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO 2024 “BEIJING YOUTH DAILY” MOBILE CLIENT AND YNET ADVERTISING AGENCY CONTRACT

By entering into the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract, the Company will continue to obtain exclusive agency resources of “Beijing Youth Daily” Mobile Client and the three industries where YNET has advantages, so as to: (i) provide a more extensive advertising platform and offer richer services to the clients of the Company, establish a one-stop procurement platform and optimize the resources procurement process available to the clients, which can facilitate the Company to explore more clients; (ii) bring higher return through the Company’s advertising agency and related services business; (iii) integrate the resources of the Group, enhance the Group’s overall market competitiveness by the systematic development of all areas of the Group’s internal resources and products packaging; and (iv) promote the gradual shift of business focusing from traditional media to new media and mobile internet media by following the demand of market development and the rapid growth of new media resources platforms.

Taking into account of the above factors and that more than RMB8 million (including tax) advertising agency fee paid by the Company to BYDA and BYDNICT in each of the past three financial years and the Company’s plans for advertising agency business in the future, the Directors (including the independent non-executive Directors) are of the view that the terms of the YNET Exclusive Advertising Agency and the BYD Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract (i) have been negotiated on an arm’s length basis; (ii) will be conducted on normal commercial terms, or on terms no less favorable than those available to or from independent third parties under prevailing local market conditions; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and the Relevant Cap is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

V. INTERNAL CONTROL MEASURES

- (a) In determining the above pricing policy, the Company has referred to and evaluated the current market prices of similar services in the relevant industry through direct inquiries, communication with customers and related industry personnel, etc., to ultimately ensure that the above pricing policy is fair and reasonable and on normal commercial terms, and no less favourable than those available to independent third parties;
- (b) The president of the Company is responsible for the final approval of the execution of the framework agreement for continuing connected transactions. The Company's finance department is responsible for verifying the total monthly advertising revenue generated from "Beijing Youth Daily" Mobile Client and YNET.COM and the amount of fees payable to BYDA and reporting to the president of the Company for final approval before payment can be made to BYDA;
- (c) The finance department and the Board office of the Company continuously inspect, monitor, collect and evaluate the detailed information of the Group's continuing connected transactions, including but not limited to the implementation agreement, actual transaction amount and payment arrangement under the framework agreement of each continuing connected transaction, to ensure that the scope of the framework agreement of each continuing connected transaction and the annual cap for transactions are not exceeded;
- (d) The Company continues to improve the relevant internal control system of the Group and proposes to improve the relevant internal control mechanism and regulations based on the latest regulatory requirements and the problems encountered in the process of managing and monitoring the continuing connected transactions, to ensure the compliance of the Group's continuing connected transactions;
- (e) The independent non-executive Directors have reviewed and will continue to review the continuing connected transactions to ensure that such transactions are on normal commercial terms and entered into in the usual and ordinary course of business of the Group, and the terms of the related agreements are fair, reasonable and in the interests of the Company and its Shareholders as a whole; and
- (f) The auditors of the Company will also conduct an annual review on the pricing and annual caps of such continuing connected transactions to ensure that they are within the scope of the annual caps under these framework agreements.

Taking into account of that: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the above agreements. The Directors 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.

VI. LISTING RULES IMPLICATIONS

As at the date of the announcement, BYDA holds 124,839,974 shares of the Company, representing approximately 63.27% of the issued share capital of the Company, therefore BYDA is a connected person of the Company, and the YNET Exclusive Advertising Agency and the BYD Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) of the Relevant Cap are all below 25% and the amount of the Relevant Cap is lower than HK\$10 million, the YNET Exclusive Advertising Agency and the BYD Exclusive Advertising Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract are subject to the annual review, reporting and announcement requirements but are exempt from the approval of the Independent Shareholders of the Company requirement under Chapter 14A of the Listing Rules.

VII. GENERAL INFORMATION

The Company

The Company is a leading media company in the PRC and is principally engaged in 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.

VIII. DEFINITIONS

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

“2023 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract”	the “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract entered into between the Company and BYDA on 12 May 2023
“2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract”	the “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract entered into between the Company and BYDA on 6 February 2024
“Beijing Youth Daily”	the newspaper named Beijing Youth Daily (《北京青年報》)
“Board”	the board of Directors of the Company
“BYDA”	Beijing Youth Daily Agency (北京青年報社), a wholly state-owned enterprise incorporated under the laws of the PRC and the controlling Shareholder of the Company
“BYDNICT”	Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd. (北京青年報網際傳播技術有限公司)
“Company”	Beijing Media Corporation Limited (北青傳媒股份有限公司), a joint stock limited company incorporated under the laws of the PRC and whose H shares are listed and traded on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement only
“Previous Framework Agreement”	the Advertising Agency Framework Agreement entered into between the Company and BYDA on 12 November 2021. Please refer to the announcement dated 12 November 2021 and the circular dated 15 December 2021 of the Company for details
“Relevant Cap”	the cap of the advertising agency fees payable by the Company to BYDA for the transactions under YNET Exclusive Advertising Agency and the BYD Exclusive Agency under the 2024 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract for the period ending 31 December 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“%”	percentage

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

Beijing, the PRC
6 February 2024

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.