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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)

REVISION OF THE ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

Reference is made to the announcement of the Company dated 12 November 2021 in relation to the 2021 Advertising Agency Framework Agreement entered into between the Company and BYDA, with effect from 1 January 2022 to 31 December 2024.

On 30 December 2024, the Company entered into a 2024 Advertising Agency Framework Agreement with BYDA, pursuant to which the Group will continue to provide advertising agency services to BYDA Group, major terms of which are consistent with the 2021 Advertising Agency Framework Agreement, with effect from 1 January 2025 to 31 December 2027. At the same date, annual caps for the three years ending 31 December 2027 set by the Company in respect of the continuing connected transactions under the 2024 Advertising Agency Framework Agreement were less than HK\$3,000,000. Accordingly, such transactions constitute de minimis transactions under Rule 14A.76(1) of the Listing Rules and are fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

After considering the current advertising agency service arrangement between the Group and BYDA, it is expected that there will be new transactions under the 2024 Advertising Agency Framework Agreement in relation to the provision of relevant advertising agency services in respect of the "Beijing Youth Daily" Mobile Client and YNET by the Group to the BYDA Group. Therefore, the Board resolved on 25 February 2025 to increase the annual caps to RMB5 million for each of the three years ending 31 December 2027. As the revised annual caps are all less than HK\$10 million and the applicable percentage ratios (as defined under Rule 14A.06 of the

Listing Rules) thereof are all below 25%, the revision of relevant annual caps 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.

II. MAJOR TERMS OF 2024 ADVERTISING AGENCY FRAMEWORK AGREEMENT

Major terms of the 2024 Advertising Agency Framework Agreement are consistent with those of the 2021 Advertising Agency Framework Agreement, details of which are set out below:

Date

30 December 2024

Parties

- (i) the Company
- (ii) BYDA

Continuing transactions

Pursuant to the 2024 Advertising Agency Framework Agreement, BYDA authorizes the Group to act as an advertising agent of BYDA Group to sell advertising space in other publications or media (except Beijing Youth Daily) owned or represented by BYDA Group and its new media resources and provide relevant services.

Term and termination

The 2024 Advertising Agency Framework Agreement is for a term commencing from 1 January 2025 and ending on 31 December 2027.

Determination of price

Pursuant to the 2024 Advertising Agency Framework Agreement, the advertising agency services between the Group and BYDA Group will be implemented in accordance with the following pricing policies:

- (1) For exclusive agency, the Group will pay BYDA Group the publication cost based on 70% of the advertising revenue from the sale of the advertising publication resources;

- (2) For non-exclusive agency, the price given by BYDA Group to the Group shall be no less favorable than those available to independent third parties under the same conditions. The Group will pay the advertising publication cost to BYDA Group based on certain discount of the unit price listed in the standard advertising price list of the relevant advertising publication of BYDA Group (the discount is generally about 20% to 70% and is determined based on the nature of each industry, market conditions, publication location, publication time, etc.), actual placement quantity, size and other factors upon arm's length negotiations with BYDA Group.

Payment

The consideration under the 2024 Advertising Agency Framework Agreement is paid in cash in one lump sum or in installments according to specific and individual execution agreements, and is funded by the internal resources of the relevant parties.

Historical transaction amount and annual caps

Historical annual caps and actual transaction amounts

For the three years ended 31 December 2024, the annual caps and actual transaction amounts of the transactions under the 2021 Advertising Agency Agreement in respect of the Group as the advertising agent of BYDA Group are set out as follows:

	Year ended 31 December 2022 (RMB)	Year ended 31 December 2023 (RMB)	Year ended 31 December 2024 (RMB)
Advertising publication cost paid by the Group to BYDA Group			
Annual caps	16,000,000	16,000,000	16,000,000
Actual transaction amounts	<u>1,015,754.73</u>	<u>1,201,382.27</u>	<u>1,692,028.31</u>

As of 31 January 2025, the actual transaction amount of the transactions under the 2024 Advertising Agency Framework Agreement for the year 2025 was RMB346,800.

Revised annual caps

The Board has resolved that for the three years ending 31 December 2027, the revised annual caps for the transactions contemplated under the 2024 Advertising Agency Framework Agreement are as follows:

Advertising publication cost to be paid by the Group to BYDA Group	Year ending 31 December 2025 (RMB)	Year ending 31 December 2026 (RMB)	Year ending 31 December 2027 (RMB)
Revised annual caps	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

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

- (i) the actual transaction amounts of the advertising publication costs paid by the Group to BYDA Group for the three years ended 31 December 2024, mainly involving advertising agency transactions with respect of media such as Weibo and WeChat public accounts of BYDA;
- (ii) after considering the current advertising agency service arrangement between the Group and BYDA, it is expected that there will be new transactions under the 2024 Advertising Agency Framework Agreement in relation to the provision of relevant advertising agency services in respect of the “Beijing Youth Daily” Mobile Client and YNET by the Group to the BYDA Group. For the three years ended 31 December 2024, the advertising agency fee paid by the Group to the BYDA Group for the “Beijing Youth Daily” Mobile Client and YNET amounted to RMB7,744,054, RMB7,845,280 and RMB7,547,761 respectively pursuant to the Separate Framework Agreements;
- (iii) the Group has proactively adjusted its product structure and taken a series of initiatives to accelerate the gradual shift of the advertising business focus from agency of traditional media to the development of its outdoor metro advertising and self-owned new media businesses based on the direction of integrated media development. Accordingly, it is expected the advertising agency services with BYDA Group will decrease year-on-year in the next three years. The above initiatives include: 1) actively building its self-owned new media product matrix, joining in short videos, live broadcasts and other forms to create a multimedia marketing platform on the basis of comprehensive integration of traditional media resources such as “Beijing Youth Daily” Mobile Client, YNET, microblog and WeChat; 2) developing diversified offline activities to provide full advertising services for customers through activities planning; 3) actively expanding new resources of advertising, developing competitive product system in the market, expanding outdoor advertising business in metro, enhancing the core comprehensiveness in many aspects such as short video production,

cultural and creative IP operations and new media operation and maintenance, and exploring new customer resources and new needs of regular customers. The above initiatives are beneficial for the Group to achieve the transformation and innovation of advertising business, effectively enhance the overall market competitiveness of the Group, and drive the improvement of the Group's performance as a whole.

Implementation agreements

The Group and the members of BYDA Group have entered into and will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the 2024 Advertising Agency Framework Agreement during its term. Each implementation agreement will set out the detailed services, specifications, quantities, prices, payment methods, dates and other relevant terms.

As the implementation agreements provide for the supply of services as contemplated under the 2024 Advertising Agency Framework Agreement, they do not constitute new categories of connected transactions. Any of such implementation agreements will be within the ambit of the 2024 Advertising Agency Framework Agreement and the relevant annual caps, and if exceeded, the Company will comply with the relevant Listing Rules requirements accordingly.

Reasons for entering into the 2024 Advertising Agency Framework Agreement

The Company is of the view that entering into the 2024 Advertising Agency Framework Agreement will (i) provide wider advertising resources and offer richer services to the clients of the Company, establish a one-stop procurement platform, and optimize the resources purchasing process available to the clients, so as to facilitate the development of more clients by the Company; and (ii) 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.

III. INTERNAL CONTROL MEASURES

- (a) The president of the Company is responsible for the final approval of the execution of the framework agreement for continuing connected transactions. For the 2024 Advertising Agency Framework Agreement, when the specific implementation agreement is concluded, the Company's advertising department is responsible for proposing transaction content and price recommendations, and such implementation agreements may only be signed with BYDA Group after it is reviewed by the Company's finance department and approved by the president of the Company when the president of the Company has confirmed all terms of relevant implementation agreement;

- (b) The finance department and the Board office of the Company continuously inspect, monitor, collect and evaluate the detailed information of the Group's continuing connected transactions, including but not limited to the implementation agreement, actual transaction amount and payment arrangement under the framework agreement of each continuing connected transaction, to ensure that the scope of the framework agreement of each continuing connected transaction and respective annual cap are not exceeded;
- (c) 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;
- (d) 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
- (e) 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.

IV. 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 under the Listing Rules. Therefore, the transactions under the 2024 Advertising Agency Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the revised annual caps for the transactions under the 2024 Advertising Agency Framework Agreement for the three years ending 31 December 2027 are all less than HK\$10 million and the applicable percentage ratios (as defined under Rule 14A.06 of the Listing Rules) thereof are all below 25%, the revision of relevant annual caps 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.

V. DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2024 Advertising Agency Framework 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 revised annual caps of the transactions contemplated under the 2024 Advertising Agency Framework Agreement for the three years ending 31 December 2027 are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

No Directors is deemed as materially interested in the transactions contemplated under the 2024 Advertising Agency Framework Agreement and shall abstain from voting for relevant Board resolution.

VI. 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.

VII. DEFINITIONS

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

"Board"	the board of directors of the Company
"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 Co., Ltd. (北京首都創業集團有限公司), the de facto controller of the Company based on the entrust management arrangement among the Company, Capital Group and BYDA
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	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 Hong Kong Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Separate Framework Agreements”	YNET Advertising Agency Agreement and BYD Client Advertising Exclusive Agency Agreement entered into between the Company and Beijing Youth Daily Newspaper Internet Communication Technology Co., Ltd. (北京青年報網際傳播技術有限公司) and BYDA, respectively on 23 February 2022 and the 2023 “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract entered into between the Company and BYDA on 12 May 2023. As at the date of this announcement, except for the 2024 Advertising Agency Framework Agreement, the Group and BYDA Group have not entered into a separate framework agreement in relation to the “Beijing Youth Daily” Mobile Client and YNET Advertising Agency Contract
“Shareholders”	the shareholders of the Company

“2021 Advertising Agency Framework Agreement”	the advertising agency framework agreement entered into between the Company and BYDA on 12 November 2021
“2024 Advertising Agency Framework Agreement”	the advertising agency framework agreement entered into between the Company and BYDA on 30 December 2024

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

Beijing, the PRC
25 February 2025

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.