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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)**

**MAJOR TRANSACTION AND CONNECTED TRANSACTION:  
IN RELATION TO  
THE BEIJING METRO LINE 4 AND DAXING LINE  
EXCLUSIVE CONCESSION RIGHTS AGREEMENT AND  
BEIJING METRO LINE 17  
EXCLUSIVE CONCESSION RIGHTS AGREEMENT  
FOR MAJOR ADVERTISING RESOURCES**

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



#### **EXCLUSIVE CONCESSION RIGHTS AGREEMENTS**

On 11 December 2023, (i) the Company entered into the Beijing Metro Line 4 and Daxing Line Exclusive Concession Rights Agreement with Beijing MTR, pursuant to which the Company was granted the exclusive rights to use and operate the Major Advertising Resources in Beijing Metro Line 4 and Daxing Line operated by Beijing MTR with Concession Fees payable to Beijing MTR; and (ii) the Company entered into the Beijing Metro Line 17 Exclusive Concession Rights Agreement with Beijing MTR17, a wholly owned subsidiary of the Beijing MTR, pursuant to which the Company was granted the exclusive rights to use and operate the Major Advertising Resources in the northern section of Beijing Metro Line 17 operated by Beijing MTR17 with Concession Fees payable to Beijing MTR17.

As at the date of this announcement, Beijing MTR is owned as to 2% directly and 47% indirectly by Capital Group, the de facto controller of the Company, and Beijing MTR17 is a wholly-owned subsidiary of Beijing MTR. Therefore, Beijing MTR and Beijing MTR17 are associates of Capital Group and connected persons of the Company under Chapter 14A of the Listing Rules.

The transaction under the above Exclusive Concession Rights Agreements constitutes a major and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

### **GENERAL INFORMATION**

The Company intends to convene an EGM on 29 December 2023 for the purposes of, among other things, seeking Independent Shareholders' approval for the entering into of the Exclusive Concession Rights Agreements.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the transactions contemplated under the Exclusive Concession Rights Agreements. The Independent Financial Adviser, Gram Capital, has been engaged by the Company to advise the Independent Board Committee and the Independent Shareholders on the same.

A circular containing (among other things) (i) details of the Exclusive Concession Rights Agreement; (ii) a letter of recommendations from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice of the EGM is expected to be dispatched to the Shareholders on or before 14 December 2023.

### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed for a period of two days from Thursday, 28 December 2023 to Friday, 29 December 2023, during which period no transfer of shares will be registered, for the purpose of determining the list of Shareholders entitled to attend the EGM. In order to be qualified for attending and voting at the EGM, all transfer documents of the holders of H shares together with the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's H share registrar and transfer office in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 27 December 2023. The record date for determining the eligibility to attend the EGM will be on Thursday, 28 December 2023.

## **I. INTRODUCTION**

On 11 December 2023, (i) the Company entered into the Beijing Metro Line 4 and Daxing Line Exclusive Concession Rights Agreement with Beijing MTR, pursuant to which the Company was granted the exclusive rights to use and operate the Major Advertising Resources in Beijing Metro Line 4 and Daxing Line operated by Beijing MTR with Concession Fees payable to Beijing MTR; and (ii) the Company entered into the Beijing Metro Line 17 Exclusive Concession Rights Agreement with Beijing MTR17, a wholly owned subsidiary of the Beijing MTR, pursuant to which the Company was granted the exclusive rights to use and operate the Major Advertising Resources in the northern section of Beijing Metro Line 17 operated by Beijing MTR17 with Concession Fees payable to Beijing MTR17.

## **II. EXCLUSIVE CONCESSION RIGHTS AGREEMENTS**

### **1. Principal Terms of the Beijing Metro Line 4 and Daxing Line Exclusive Concession Rights Agreement**

Date: 11 December 2023

Parties: (1) the Company; and  
(2) Beijing MTR

Subject matter: Beijing MTR granted the Company the exclusive rights to use and operate the Major Advertising Resources in Beijing Metro Line 4 and Daxing Line operated by Beijing MTR with Concession Fees payable by the Company to Beijing MTR.

Exclusive concession period: Two years commencing from 1 January 2024 and ending on 31 December 2025.

Subject to the applicable laws and regulations and the requirements of the Listing Rules, both parties have the right to decide whether to extend the exclusive concession period no later than three months prior to the expiry of the period. The first extension will be for a period of one year commencing from 1 January 2026 to 31 December 2026, and the second extension will be a period of two years commencing from 1 January 2027 to 31 December 2028.

Amount of Concession Fees: The Company will pay the Concession Fees to Beijing MTR on the basis of “guarantee fees + extra revenue commission fees” as detailed below:

- (i) For the guarantee fees, the guaranteed amount for the first operating year of exclusive concession for the Beijing Metro Line 4 and Daxing Line are RMB18.63 million and RMB4.70 million respectively, with an annual increment of 2%. Accordingly, the total guarantee fees payable by the Company to Beijing MTR during the Exclusive Concession Period is RMB47.1266 million (including tax).

- (ii) The extra revenue commission fees will be calculated based on the actual advertising revenue (*note*) and on a stepwise basis according to the following formula:

<b>The actual advertising revenue ladder</b>	<b>The basis for calculating extra revenue commission fees</b>
Actual advertising revenue $\leq 1.5$ times of guaranteed amount	0
1.5 times of guaranteed amount $<$ actual advertising revenue $\leq 1.8$ times of guaranteed amount	(Actual advertising revenue $- 1.5$ times of guaranteed amount) $\times 40\%$
1.8 times of guaranteed amount $<$ actual advertising revenue $\leq 2$ times of guaranteed amount	(1.8 times of guaranteed amount $- 1.5$ times of guaranteed amount) $\times 40\%$ + (actual advertising revenue $- 1.8$ times of guaranteed amount) $\times 50\%$
Actual advertising revenue $> 2$ times of guaranteed amount	(1.8 times of guaranteed amount $- 1.5$ times of guaranteed amount) $\times 40\%$ + (2 times of guaranteed amount $- 1.8$ times of guaranteed amount) $\times 50\%$ + (actual advertising revenue $- 2$ times of guaranteed amount) $\times 60\%$

*Note:* The actual advertising revenue refers to the total value of advertising contracts actually signed by the Company with its advertisers or their agents in respect of the Major Advertising Resources of Beijing Metro Line 4 and Daxing Line, including revenue from publication fees and production fees. For the calculation of actual advertising revenue for the year or quarter, advertising contracts spanning across years or quarters shall be split and based on the actual publication date stipulated in the contract.

Payment of  
Concession Fees:

(i) For the guarantee fees:

The Company will pay the guarantee fees to Beijing MTR on a quarterly basis (i.e. every three months). Specifically, the first quarterly guarantee fees will be payable within 15 business days from the commencement date of the exclusive concession period (i.e. 1 January 2024), and thereafter, each subsequent quarterly guarantee fees will be payable in advance within 15 business days prior to the commencement of the respective quarter.

(ii) For the extra revenue commission fees:

Without prejudice to the day-to-day operations of the Company and in compliance with the applicable laws and regulations and the Listing Rules, the Company shall appoint an independent auditor previously approved by Beijing MTR to prepare an audit report on the annual revenue from the advertising business of Beijing Metro Line 4 and Daxing Line for each of the financial years, which shall be submitted to Beijing MTR within 60 calendar days from the end of the relevant financial year. The Company shall pay to Beijing MTR the extra revenue commission fees for that year within 10 working days from the date of publication of the audit report and confirmation by both parties.

Advertising retention and New Media development:

According to the practice of the MTR industry, for the unsold advertising positions, without prejudice to the Exclusive Concession Rights, Beijing MTR has the right to use them for the non-commercial advertisements, including its corporate image, newly-opened or other lines, passenger education, operation and non-fare business, product and project promotion, which in total shall not exceed 15% of the total amount of conventional advertising media and of the total amount of the subway car media for the whole year, respectively. Among which, the costs on advertising production and up and down (i.e. replacement of advertisement images) of conventional advertising media will be borne by the Company, while the production costs of the subway car media will be borne by Beijing MTR. No consideration is payable by Beijing MTR to the Company in this regard. Having considered that such arrangements are in line with the practice of the MTR industry and the tender requirements of Beijing MTR, the Directors are of the view that such arrangements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

For the New Media invested and planned by Beijing MTR, the Company shall have the right of priority negotiation for the operation. The operation of the New Media will not prejudice the fairness, transparency and justice of treatment to advertising partners by Beijing MTR.

- Operating conditions and restrictions: In the event of force majeure such as the construction and operation, inspection and maintenance, governmental requisition, and centralized dispatch arrangements of the MTR lines, which results in any change of the Major Advertising Resources (the proportion of adjustment and deletion of relevant media shall not exceed 5% of the total media volume of the corresponding category), for any direct or indirect losses caused to the Company as a result of or in connection with such acts in any circumstances, Beijing MTR shall proactively provide the Company with reasonable and necessary compensation, including but not limited to alternatives such as the corresponding area of advertising resources at stations of the same level, and in the event of material adjustments, the parties shall promptly renegotiate a solution for such adjustments.
- Performance deposit and default clauses: The Company will pay a performance deposit of 27% of the annual guaranteed amount (i.e. RMB6.2991 million) to Beijing MTR within ten working days after the effective date of this agreement. In the event that the Company fails to pay the concession fee for a period of 30 working days overdue or commits any other serious defaults, Beijing MTR shall have the right to deduct the actual loss of the corresponding amount from the performance deposit and reserve the right to charge interest thereon. For every payment overdue for more than ten days without the written consent of Beijing MTR, Beijing MTR shall be entitled to deduct RMB500,000 directly from the performance deposit as an additional direct penalty.
- Effective conditions: This agreement shall become effective upon the signatures and the affixing of the seal of each of the representatives of Beijing MTR and the Company as well as the fulfillment of the relevant requirements of Hong Kong Stock Exchange and regulatory authorities by the Company.

## 2. Principal Terms of the Beijing Metro Line 17 Exclusive Concession Rights Agreement

Date:	11 December 2023
Parties:	(1) the Company; and (2) Beijing MTR17
Subject matter:	Beijing MTR17 granted the Company the exclusive rights to use and operate the Major Advertising Resources in the northern section of Beijing Metro Line 17 operated by Beijing MTR17 with Concession Fees payable by the Company to Beijing MTR17.
Exclusive concession period:	Two years commencing from 1 January 2024 and ending on 31 December 2025.  Subject to the applicable laws and regulations and the requirements of the Listing Rules, both parties have the right to decide whether to extend the exclusive concession period no later than three (3) months prior to the expiry of the exclusive concession period. The first extension will be for a period of one year commencing from 1 January 2026 to 31 December 2026, and the second extension will be for a period of two years commencing from 1 January 2027 to 31 December 2028.
Amount of Concession Fees:	The Company will pay the Concession Fees to Beijing MTR17 on the basis of “guaranteed fees + extra revenue commission fees” as detailed below:  (i) For the guaranteed fees, the guaranteed amount for the first operating year of Exclusive Concession Rights for the northern section of Beijing Metro Line 17 is RMB3.67 million, with an annual increment of 2%. Accordingly, the total guarantee fees payable by the Company to Beijing MTR17 during the exclusive concession period is RMB7.4134 million (including tax).

- (ii) The extra revenue commission fees will be calculated based on the actual advertising revenue (*note*) and on a stepwise basis according to the following formula:

<b>The actual advertising revenue ladder</b>	<b>The basis for calculating extra revenue commission fees</b>
Actual advertising revenue $\leq$ 1.5 times of guaranteed amount	0
1.5 times of guaranteed amount $<$ actual advertising revenue $\leq$ 1.8 times of guaranteed amount	(Actual advertising revenue – 1.5 times of guaranteed amount) $\times$ 40%
1.8 times of guaranteed amount $<$ actual advertising revenue $\leq$ 2 times of guaranteed amount	(1.8 times of guaranteed amount – 1.5 times of guaranteed amount) $\times$ 40% + (actual advertising revenue – 1.8 times of guaranteed amount) $\times$ 50%
Actual advertising revenue $>$ 2 times of guaranteed amount	(1.8 times of guaranteed amount – 1.5 times of guaranteed amount) $\times$ 40% + (2 times of guaranteed amount – 1.8 times of guaranteed amount) $\times$ 50% + (actual advertising revenue – 2 times of guaranteed amount) $\times$ 60%

*Note:* The actual advertising revenue refers to the total value of advertising contracts actually signed by the Company with its advertisers or their agents in respect of the Major Advertising Resources of the northern section of Beijing Metro Line 17, including revenue from publication fees and production fees. For the calculation of actual advertising revenue for the year or quarter, advertising contracts spanning across years or quarters shall be split and based on the actual publication date stipulated in the contract.

Payment of  
concession rights  
fees:

(i) For the guaranteed amount:

The Company will pay the guaranteed amount to Beijing MTR17 on a quarterly basis (i.e. every three months). Specifically, the first quarterly guaranteed fees will be payable within 15 working days from the commencement date of the exclusive concession period (i.e. 1 January 2024), and thereafter, each subsequent quarterly guaranteed fees will be payable in advance within 15 working days prior to the commencement of the respective quarter.

(ii) For the extra revenue commission fees:

Without prejudice to the day-to-day operations of the Company and in compliance with the applicable laws and regulations and the Listing Rules, the Company shall appoint an independent auditor previously approved by Beijing MTR17 to prepare an audit report on the annual revenue from the advertising business of the northern section of Beijing Metro Line 17 for each of the financial years, which shall be submitted to Beijing MTR17 within 60 calendar days from the end of the relevant financial year. The Company shall pay to Beijing MTR17 the extra revenue commission fees for that year within 10 working days from the date of publication of the audit report and confirmation by both parties.

Advertising retention  
and New Media  
development:

According to the practice of the MTR industry, for the unsold advertising positions, without prejudice to the Exclusive Concession Rights, Beijing MTR17 has the right to use them for the non-commercial advertisements, including its corporate image, newly-opened or other lines, passenger education, operation and non-fare business, product and project promotion, which in total shall not exceed 15% of the total amount of conventional advertising media and 15% of the total amount of the subway car media for the whole year, respectively. Among which, the costs on advertising production and up and down (i.e. replacement of advertisement images) of conventional advertising media will be borne by the Company, while the production costs of the subway car media will be borne by Beijing MTR17. No consideration is payable by Beijing MTR17 to the Company in this regard. Having considered that such arrangements are in line with the practice of the MTR industry and the tender requirements of Beijing MTR17, the Directors are of the view that such arrangements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

For the New Media invested and planned by Beijing MTR17, the Company shall have the right of priority negotiation for the operation. The operation of the New Media will not prejudice the fairness, transparency and justice of treatment to advertising partners by Beijing MTR17.

- Operating conditions and restrictions: In the event of force majeure such as the construction and operation, inspection and maintenance, governmental requisition, and centralized dispatch arrangements of the MTR lines, which results in any change of the Major Advertising Resources (during the construction period of the northern section of Beijing MTR17, the proportion of adjustment and deletion of relevant media shall not exceed 10% of the total media volume of the corresponding category; after the completion of the construction of the northern section of Beijing MTR17, the proportion of adjustment and deletion of relevant media shall not exceed 5% of the total media volume of the corresponding category), for any direct or indirect losses caused to the Company as a result of or in connection with such acts in any circumstances, Beijing MTR17 shall proactively provide the Company with reasonable and necessary compensation, including but not limited to alternatives such as the corresponding area of advertising resources at stations of the same level, and in the event of material adjustments, the parties shall promptly renegotiate a solution for such adjustments.
- Performance deposit and default clause: The Company will pay performance deposit of 27% of the annual guaranteed amount (i.e. RMB990,900) to Beijing MTR17 within ten working days after the effective date of the agreement. In the event that the Company fails to pay the concession fee for a period of thirty working days overdue or commits any other serious default, Beijing MTR17 shall have the right to deduct the actual loss of the corresponding amount from the performance deposit and reserve the right to charge interest thereon. For every payment overdue for more than ten days without the written consent of Beijing MTR17, Beijing MTR17 shall be entitled to deduct RMB500,000 directly from the performance deposit as an additional direct penalty.
- Effective conditions: This agreement shall become effective upon the signatures and the affixing of the seal of each of the representatives of Beijing MTR17 and the Company as well as the fulfillment of the relevant requirements of Hong Kong Stock Exchange and regulatory authorities by the Company.

### **3. Basis for Determining Concession Fees**

The Concession Fees was arrived at after taking into account a number of factors, including the location of the concession space and the target customers, and combining the projected revenues and projected operating costs and fees to be received from existing and target customers and with reference to a report issued by the Independent Appraiser. The annual increment of 2% of the guaranteed fees of the Concession Fees was arrived at in accordance with the tender requirements of Beijing MTR and Beijing MTR17.

According to the valuation report issued by the Independent Appraiser, the aggregate market value of the Exclusive Concession Rights as at 31 October 2023 was RMB57 million, including the market value of the Exclusive Concession Rights of Beijing Metro Line 4, Daxing Line and the northern section of Beijing Metro Line 17, which were RMB39.54 million, RMB9.91 million and RMB7.55 million respectively. The above valuation has been prepared by the Independent Appraiser using the discounted cash flow method of the income approach. Accordingly, the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

### **4. Profit Forecast Covered by the Valuation Report**

#### ***(1) Valuation Assumptions Used in the Profit Forecast***

In determining the market value of the Exclusive Concession Rights, the following general assumptions were made:

- It is assumed that the projected revenue and income will be according to the proposed business plan of the subject asset and could be achieved with the effort of the Company's management;
- All relevant legal approvals and business certificates or licenses to operate the business in which the Project operate or intend to operate have been or would be officially obtained and renewable upon expiry;
- In order to realize the future economic benefit of the business and maintain a competitive edge, manpower, equipment and facilities are necessary to be employed. For the valuation exercise, the Independent Appraiser has assumed that all proposed facilities and systems will work properly and will be sufficient for future operation;
- It is assumed that there will be no material changes in the international financial environment, global economic environment and national macroeconomic conditions, and that there will be no material change in the political, economic and social environment in which the appraised entity operates;

- It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- It is assumed the accuracy of the financial and operational information provided to the Independent Appraiser by the Company and relied to a considerable extent on such information in arriving at our opinion of value; and
- There are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, the Independent Appraiser assumes no responsibility for changes in market conditions after the Valuation Date.

## ***(2) Confirmation***

The calculation methods of the above profit forecast have been reviewed by the Company's auditor, WUYIGE Certified Public Accountants LLP. The above profit forecasts do not involve the adoption of accounting policies. The Board has confirmed that the above profit forecast has been formulated after due and careful enquiry by the Board. The report of WUYIGE Certified Public Accountants LLP and the letter from the Board are set out in Appendix I and Appendix II to this announcement respectively.

## **5. Reasons for and Benefits of Entering into the Exclusive Concession Rights Agreements**

The Exclusive Concession Rights Agreements involve the Exclusive Concession Rights of Major Advertising Resources on major metro lines in Beijing, namely Beijing Metro Line 4, Daxing Line and the northern section of Beijing Metro Line 17. Metro Line 4 and Daxing Line have a total operating mileage of 50 kilometers, including 35 stations, which together recorded approximately 212 million passenger trips and average weekday patronage of 675,000 in 2022. The northern section of Beijing Metro Line 17 is still under construction and is expected to be opened to traffic by the end of this year.

The Directors believe that the entering into of the Exclusive Concession Rights Agreements will enable the Company to fully utilize the advantages of its main business of integrated media advertising sales and effectively increase its revenue with the Major Advertising Resources of the relevant metro lines. Meanwhile, the exclusive operation of Major Advertising Resources in the metro will help the Company to enrich the existing advertising product types, explore new growth drivers through outdoor advertising business expansion, actively explore strategic transformation, capture the opportunities in the PRC metro advertising market and generate better returns for the Shareholders.

The Directors (excluding the independent non-executive Directors whose opinions will be set out in the Letter from the Independent Board Committee in the circular) are of the view that the Exclusive Concession Rights Agreements and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, are fair and reasonable, on normal commercial terms, and in the interest of the Company and its Shareholders as a whole.

Save for Ms. Sun Baojie, Mr. Jing Enji, Ms. Cui Ping and Mr. Xu Jian, all of whom are employed by Capital Group or its subsidiaries, who are materially interested in the transactions under the Exclusive Concession Rights Agreements and abstain from voting on the relevant Board resolutions, to the knowledge of the Company having made all reasonable enquiries, none of the other Directors is required to abstain from voting on the relevant Board resolution(s).

## **6. Listing Rules Implications**

Capital Group has obtained the voting rights attached to 124,839,974 Shares of the Company (representing approximately 63.27% of the issued share capital of the Company) held by BYDA (enterprise) in accordance with the entrust management arrangement between it and BYDA and its beneficial owner on 20 May 2021. Therefore, Capital Group is the de facto controller of the Company. As at the date of this announcement, Beijing MTR is owned as to 2% and 47% by Capital Group directly and through Beijing MTR Equity Investment Fund Partnership (Limited Partnership)\* (北京京港地鐵股權投資基金合夥企業(有限合夥)) controlled by Capital Group respectively; Beijing MTR17 is a wholly-owned subsidiary of Beijing MTR. Beijing MTR and Beijing MTR17 are associates of Capital Group and connected persons of the Company under Chapter 14A of the Listing Rules, thus the transactions contemplated under the Exclusive Concession Rights Agreements constitute connected transactions of the Company. The transactions contemplated under the Exclusive Concession Rights Agreements also constitute acquisition under Chapter 14 of the Listing Rules.

The transactions contemplated under the Exclusive Concession Rights Agreements shall be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed 5%, the transactions under the Exclusive Concession Rights Agreements constitute a non-exempt connected transaction and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. At the same time, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) is higher than 25% but lower than 100%, the entering into of the Exclusive Concession Rights Agreements also

constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **7. General Information of the Parties to the Transactions**

### ***The Company***

The Company is a leading media company in the PRC and is principally engaged in media advertising sales, production of newspapers and magazines, and trading of print-related materials.

### ***Beijing MTR***

Beijing MTR is a company established in the PRC with limited liability. As at the Latest Practicable Date, Beijing MTR is owned as to 2% by Beijing Infrastructure Investment Co., Ltd (which is owned as to 100% by the People's Government of Beijing Municipality), owned as to 2% and 47% by Capital Group directly and through Beijing MTR Equity Investment Fund Partnership (Limited Partnership)\* (北京京港地鐵股權投資基金合夥企業(有限合夥)) controlled by Capital Group respectively, and owned as to 49% by MTR Beijing Line 4 Investment Company Limited (a wholly-owned subsidiary of MTR Corporation Limited (the shares of which are listed on the Hong Kong Stock Exchange under the stock code: 66)). Beijing MTR participates in the investment, construction and operation of Beijing Metro Line 4, 14 and 16 on a PPP model (i.e. Public-Private-Partnership) and is responsible for the operation and management of Daxing Line, as well as the operation of Beijing Metro Line 17 on a leasing basis through Beijing MTR17, a wholly-owned subsidiary established by Beijing MTR. The total mileage is approximately 200 kilometers, with 162.8 kilometers in operation and 101 stations under its management.

### ***Beijing MTR17***

Beijing MTR17 is a company established in the PRC with limited liability. Beijing MTR17 is a wholly-owned subsidiary of Beijing MTR and mainly operates Beijing Metro Line 17 on a leasing basis.

### **III. GENERAL INFORMATION**

The Company intends to submit the entering into of the Exclusive Concession Rights Agreements to the EGM for Independent Shareholders to consider and, if appropriate, to approve. As at the date of this announcement, Capital Group has obtained the voting rights attached to 124,839,974 Shares of the Company (representing approximately 63.27% of the issued share capital of the Company) held by BYDA (enterprise) in accordance with the entrust management arrangement between it and BYDA and its beneficial owner on 20 May 2021. Capital Group has a material interest in the transactions under the Exclusive Concession Rights Agreements, therefore Capital Group and its associates, which in aggregate hold the voting rights attached to 124,839,974 shares of the Company (representing approximately 63.27% of the issued share capital of the Company), are required to abstain from voting on the relevant resolution at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there is no other Shareholder who has material interests in the Exclusive Concession Rights Agreements and the transactions thereunder and is required to abstain from voting on the relevant resolution at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the transactions contemplated under the Exclusive Concession Rights Agreement. The Independent Financial Adviser, Gram Capital, has been engaged by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Exclusive Concession Rights Agreement.

A circular containing (among other things) (i) details of the Exclusive Concession Rights Agreements; (ii) a letter of recommendations from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice of the EGM is expected to be dispatched to the Shareholders on or before 14 December 2023.

### **IV. CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from Thursday, 28 December 2023 to Friday, 29 December 2023 (both days inclusive), during which period no transfer of shares will be registered, for the purpose of determining the list of Shareholders entitled to attend the EGM. In order to be qualified for attending and voting at the EGM, all transfer documents of the holders of H shares together with the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's H share registrar and transfer office in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 27 December 2023. The record date for determining the eligibility to attend the EGM will be on Thursday, 28 December 2023.

## V. DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Beijing Metro Line 4”	a rapid transit line on the metro system of Beijing, entering into operation in September 2009, with a total length of 28 km and 24 stations
“Beijing Metro Line 4 and Daxing Line Exclusive Concession Rights Agreement”	the agreement dated 11 December 2023 entered into between the Company and Beijing MTR in relation to, among other things, the grant of the exclusive right to the Company to use and operate the Major Advertising Resources in Beijing Metro Line 4 and Daxing Line operated by Beijing MTR
“Beijing Metro Line 17”	a rapid transit line on the metro system of Beijing with a total length of 26.3 km and 10 stations, and the northern section of Beijing Metro Line 17 is expected to enter into operation by the end of 2023
“Beijing Metro Line 17 Exclusive Concession Rights Agreement”	the agreement dated 11 December 2023 entered into between the Company and Beijing MTR17 in relation to, among other things, the grant of the exclusive right to the Company to use and operate the Major Advertising Resources in the northern section of Beijing Metro Line 17 operated by Beijing MTR17
“Beijing MTR”	北京京港地鐵有限公司 (Beijing MTR Corporation Limited*), a company established in the PRC with limited liability
“Beijing MTR17”	北京京港十七號線地鐵有限公司 (Beijing Jinggang Line 17 Metro Co., Ltd.*), a wholly-owned subsidiary of Beijing MTR, established in the PRC with limited liability
“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
“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

“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(s)”	has the meaning ascribed thereto under the Listing Rules
“Concession Fees”	concession fees (including the value-added tax of 6%) payable by the Company pursuant to the Exclusive Concession Rights Agreements, consisting of guarantee fees and extra revenue commission fees
“Daxing Line”	a rapid transit line on the metro system of Beijing, being the southern extension of Beijing Metro Line 4, operated in December 2010, with a total length of 21.8 km and 11 stations
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company on 29 December 2023
“Exclusive Concession Rights”	the exclusive right to use and operate the Major Advertising Resources of Beijing Metro Line 4 and Daxing Line and the northern section of Beijing Metro Line 17 and Beijing MTR17 as granted to the Company under the Exclusive Concession Rights Agreements
“Exclusive Concession Rights Agreements”	the Beijing Metro Line 4 and Daxing Line Exclusive Concession Rights Agreement and Beijing Metro Line 17 Exclusive Concession Rights Agreement
“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
“Independent Appraiser” or “APA”	Asia-Pacific Consulting and Appraisal Limited

“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, who have no material interest in the transactions contemplated under the Exclusive Concession Rights Agreements, namely Ms. Shi Hongying, Mr. Chan Yee Ping, Michael, Ms. Du Guoqing and Mr. Kong Weiping, aiming to provide advice to the Independent Shareholders on the transactions contemplated under the Exclusive Concession Rights Agreements
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Exclusive Concession Rights Agreements
“Independent Shareholders”	shareholders who have no material interest in the transactions contemplated under the Exclusive Concession Rights Agreements and are not required to abstain from voting on the relevant resolution at the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Major Advertising Resources”	media authorized by Beijing MTR and Beijing MTR17 to be sold, operated and maintained by the Company under the Exclusive Concession Rights Agreements within the facilities of Beijing Metro Line 4, Daxing Line and the northern section of Beijing Metro Line 17, including conventional media (light boxes, ladder boards, etc.), non-conventional media (wall stickers, bollards, etc.), subway car media as recognized by Beijing MTR and Beijing MTR17, or other new electronic media set up as agreed by the parties

“New Media”	advertising facilities or forms of advertising not introduced to the Beijing MTR system prior to the signing of the Exclusive Concession Rights Agreements, including modifications to the original advertising resources (i.e. advertising facilities or forms of advertising already introduced to the Beijing MTR system prior to the signing of the Exclusive Concession Rights Agreements)
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company

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

Beijing, the PRC  
11 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, Xu Jian, Wang Zechen and Zhang Lei; and the independent non-executive directors of the Company, Shi Hongying, Chan Yee Ping, Michael, Du Guoqing and Kong Weiping.*

*Please also refer to the published version of this announcement on the Company’s website at [www.bjmedia.com.cn](http://www.bjmedia.com.cn).*

**COMFORT LETTER REGARDING THE PROFIT FORECAST OF THE  
CONCESSION RIGHT PROJECT OF ADVERTISING RESOURCES OF BEIJING  
MTR CORPORATION LIMITED\*****Dear Directors of Beijing Media Corporation Limited:**

Reference is made to the “Market Value Appraisal Report on the Exclusive Concession Rights of the Major Advertising Resources of Beijing MTR Corporation Limited\* Involved in the Winning Bid of Beijing Media Corporation Limited” (《北青傳媒股份有限公司中標涉及的北京京港地鐵有限公司主要廣告資源經營權市場價值評估報告》) (the “**Valuation Report**”) issued by Asia-Pacific Consulting and Appraisal Limited.

We have reviewed the arithmetical accuracy of the calculations of the discounted cash flow forecast on which Asia-Pacific Consulting and Appraisal Limited prepared the valuation of the Exclusive Concession Rights of the Major Advertising Resources of Beijing MTR Corporation Limited\*. The Underlying Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

***Directors’ Responsibilities***

The directors of the Company are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions, the completeness, reasonableness and validity of which are the sole responsibility of the directors of the Company.

***Accountants’ Independence and Quality Control***

We have complied with the independence and other ethical requirements of the Code of Ethics issued by the Chinese Institute of Certified Public Accountants (“**CICPA**”), which requires that a certified public accountant should follow the principles of integrity, objectivity and impartiality, acquire and maintain professional competence, maintain due care, and fulfill the obligation of confidentiality.

We have complied with the Quality Control 5101 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by CICPA, and have accordingly put in place a comprehensive risk-based quality control system, which includes documented policies and procedures for compliance with the relevant code of ethics, professional standards and applicable legal and regulatory requirements.

### *Accountant's responsibility*

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the forecast based on our work. The forecast does not involve the adoption of accounting policies.

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” issued by Hong Kong Institute of Certified Public Accountants and the “China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by CICPA. These standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the relevant forecast prepared based on the Assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

### *Opinions*

In our opinion, on the basis of the procedures performed:

The forecasts have been properly prepared, in all material respects, on the basis of assumptions adopted by the directors as to the arithmetical accuracy of the calculations of the forecast.

WUYIGE Certified Public  
Accountants LLP

Beijing, the PRC  
11 December 2023

**MAJOR TRANSACTION AND CONNECTED TRANSACTION:  
IN RELATION TO  
THE BEIJING METRO LINE 4 AND DAXING LINE  
EXCLUSIVE CONCESSION RIGHTS AGREEMENT AND  
BEIJING METRO LINE 17  
EXCLUSIVE CONCESSION RIGHTS AGREEMENT  
FOR MAJOR ADVERTISING RESOURCES**

11 December 2023

*To the Listing Division*

Dear Sir or Madam,

Reference is made to the “Market Value Appraisal Report on the Exclusive Concession Rights of the Major Advertising Resources of Beijing MTR Corporation Limited\* Involved in the Winning Bid of Beijing Media Corporation Limited” (《北青傳媒股份有限公司中標涉及的北京京港地鐵有限公司主要廣告資源經營權市場價值評估報告》) (the “**Valuation Report**”) issued by Asia-Pacific Consulting and Appraisal Limited.

We have reviewed the bases and assumptions on which Asia-Pacific Consulting and Appraisal Limited prepared the valuation of the Exclusive Concession Rights of the Major Advertising Resources of Beijing MTR Corporation Limited\*. We have also considered the report issued by WUYIGE Certified Public Accountants LLP, the reporting accountant of the Company, as to the arithmetical accuracy of the calculations of the discounted cash flow projections in respect of the Exclusive Concession Rights of the Major Advertising Resources of Beijing MTR Corporation Limited\* and whether such projections have been properly compiled, in all material respects, in accordance with the assumptions set out in the valuation report.

Based on the above, in accordance with Rules 14A.68(7) and 14.62(3) of the Hong Kong Listing Rules, we confirm that the profit forecast of the Exclusive Concession Rights of the Major Advertising Resources of Beijing MTR Corporation Limited\* has been made by us after due and careful enquiry.

12/F, Two Exchange Square,  
8 Connaught Place, Central,  
Hong Kong  
The Stock Exchange of Hong Kong Limited

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