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鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED

鳳凰衛視控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02008)

CONTINUING CONNECTED TRANSACTION FRAMEWORK AGREEMENT

On 4 December 2015, Beijing Tianying, a non wholly-owned subsidiary of the Company, entered into the Framework Agreement with LLT, pursuant to which LLT agreed to place, and Beijing Tianying agreed to launch, internet advertisements provided by LLT from time to time on (i) the websites operated by Beijing Tianying, including www.ifeng.com and wap.ifeng.com and (ii) the mobile apps operated by Beijing Tianying, including but not limited to ifeng news and v.ifeng.com, etc. during the Contract Period.

As the assets ratio, the revenue ratio and the consideration ratio for the Framework Agreement and the Cooperation Agreement calculated on an aggregate and annual basis exceed 0.1% but are less than 5%, the Framework Agreement and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Beijing Tianying and LLT had entered into the Cooperation Agreement on 19 September 2014, pursuant to which, among other things, Beijing Tianying agreed to provide advertisement resources on www.ifeng.com to LLT to advertise its business for the period commencing on 19 September 2014 and ending on 31 December 2016 for an aggregate transaction amount not exceeding HK\$4,800,000 on an annual basis. As all the applicable percentage ratios (as defined in the Listing Rules) for the Cooperation Agreement were less than 0.1%, the transactions under the Cooperation Agreement were fully exempt from reporting, announcement, annual review and independent shareholders' approval requirements.

It is advised by LLT that they achieved a substantial growth in their business in the first half of 2015. During (i) the period between 19 September 2014 and 31 December 2014 and (ii) the six months ended 30 June 2015, the transaction amount in respect of the advertising services provided by Beijing Tianying to LLT under the Cooperation Agreement was RMB333,350 (equivalent to approximately HK\$403,920) and RMB3,550,000 (equivalent to approximately HK\$4,301,535) respectively. The existing cap for advertising services set out in the Cooperation Agreement will no longer meet the business needs of LLT. In view of the rapid growth of the China internet finance industry, LLT plans to increase their advertising effort and budget. On 4 December 2015, Beijing Tianying has entered into the Framework Agreement with LLT to revise the scope of advertising services and increase the annual caps for each of the three years ending 31 December 2017.

FRAMEWORK AGREEMENT

Pursuant to the Framework Agreement, during the Contract Period, LLT agreed to place, and Beijing Tianying agreed to launch, internet advertisements provided by LLT from time to time on (i) the websites operated by Beijing Tianying, including www.ifeng.com and wap.ifeng.com and (ii) the mobile apps operated by Beijing Tianying, including but not limited to ifeng news and v.ifeng.com, etc.

The parties will enter into advertisement launching agreement in respect of each internet advertisement, setting out the detailed advertising arrangement, including but not limited to, the advertisement fee, the dimensions, the positions and the launching time, etc. Those internet advertisements may be launched in various formats, such as banner (條幅廣告), button (按鈕廣告), text link (文字鏈接), moving icon (移動圖標廣告), etc.

During the Contract Period, unless LLT consents otherwise, Beijing Tianying shall not provide advertising services for any other third party on P2P online lending and rewards-based crowd-funding business, which is the main business of LLT.

The advertising transactions between the parties shall be conducted in accordance with the principles of fairness, legitimacy, reasonableness and transparency and the consideration for the Services shall be not be less than the fair market prices.

Consideration

The parties agree that the consideration for the Services shall be determined in accordance with (i) the rate card published by Beijing Tianying from time to time and (ii) the advertising discounts policy of Beijing Tianying. The payment terms will be agreed between the parties under each advertisement launching agreement.

The consideration for the provision of the Services was arrived after arm's length negotiation and will be determined based on the market price and shall, in principle, not deviate from the price and terms which may be offered by Independent Third Parties.

Conditions precedent

The Framework Agreement shall become effective upon (i) the Framework Agreement having been duly executed by both parties; (ii) the approvals of the board of directors of the Company and PNM having been obtained; and (iii) all approvals, authorizations, consents and permissions required at the places where the Company and PNM are listed having been obtained and all procedures having been complied with.

Projected aggregate annual caps for the Framework Agreement and the Cooperation Agreement for the three years ending 31 December 2017

The projected annual caps for the aggregate consideration payable under the Framework Agreement and the Cooperation Agreement for the three years ending 31 December 2017 are as follows:

Year ending 31 December 2015	HK\$17,500,000
Year ending 31 December 2016	HK\$38,000,000
Year ending 31 December 2017	HK\$57,000,000

The above annual caps are determined based on (i) the rate card published by Beijing Tianying from time to time, (ii) the advertising discounts policy of Beijing Tianying, and (iii) the annual advertising budget of LLT, which is mainly based on the projected transaction amount in respect of the financing business of LLT for each of the three years ending 31 December 2017. LLT anticipates that their business will continue to grow at a significant rate in the coming years in view of the strong growth rate of internet finance industry in China.

REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT

PNM Group offers internet advertisement services in its ordinary course of business. The revenue generated from such business constitutes a major part of the revenue of PNM Group. Since the internet finance advertisements have become a fast-growing and indispensable part of internet advertisement business in view of the strong growth of the business of internet finance industry, the provision of internet finance advertisement services by PNM Group to LLT can generate more revenue for its operation and business and bring extra profits to the Group.

At the same time, through our advertisement collaboration with LLT, the purchasing power of the users of PNM Group can be assessed. Such collaboration does not only provide PNM Group with data and information on the user groups when exploring innovative businesses such as vertical integration of media contents and sales productization, etc in the future, it also provides more precedents and data support for advertisement collaboration.

VIEWS OF THE DIRECTORS

The Board (including the independent non-executive Directors) considers that the Framework Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms thereof and the annual caps are fair and reasonable and the entering into of the Framework Agreement is in the interests of the Company and the Shareholders as a whole.

Mr. Liu Changle, an executive Director of the Company, had abstained from voting on the Board resolutions approving the Framework Agreement due to his connected relationship with LLT. Save as disclosed above, none of the Directors has a material interest in the Framework Agreement and the transactions contemplated thereunder.

IMPLICATIONS UNDER THE LISTING RULES

As Mr. He Xin, the controlling shareholder of LLT, is the son-in-law of Mr. Liu Changle, who is the Chairman of the Board, an executive Director and the Chief Executive Officer of the Company, LLT is therefore a connected person of the Company under the Listing Rules and accordingly the entering into of the Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.81 of the Listing Rules, the Stock Exchange will aggregate a series of connected transactions and treat them as if they were on one transaction if they are all completed within a 12-month period or are otherwise related. Beijing Tianying has entered into the Cooperation Agreement with LLT on 19 September 2014. In this regard, the relevant transaction amount and annual caps in respect of the Cooperation Agreement and the relevant caps in respect of the Framework Agreement shall be aggregated in the calculation of the applicable percentage ratios (as defined in the Listing Rules) in accordance with Rule 14A.81 of the Listing Rules. Save for the aforesaid, the Group has not entered into any prior transaction with LLT and/or any of its connected persons that is required to be aggregated with the aforesaid agreements.

As the assets ratio, the revenue ratio and the consideration ratio for the Framework Agreement and the Cooperation Agreement calculated on an aggregate and annual basis exceed 0.1% but are less than 5%, the Framework Agreement and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Framework Agreement and the transactions contemplated thereunder will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

GENERAL

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television operator broadcasting in the PRC and provision of new media services.

LLT is an internet finance company established in the PRC, and is mainly engaged in the provision of platforms for P2P online lending and rewards-based crowd-funding businesses. As at the date hereof, LLT was owned by Beijing Tianying, 北京匯播廣告傳媒有限公司 (Beijing Huibo Advertising Media Co. Ltd.*) (a wholly-owned subsidiary of the Company), Mr. He Xin, Mr. Zhang Zhen, 北京國科鼎鑫投資中心 (Beijing Guoke Dingxin Investment Centre*) and 北京五五東方瑞泰創業投資有限公司 (Beijing Wuwu Dongfang Ruitao Chuangye Investment Company Limited*) as to 5%, 5%, 76.67%, 10%, 2.5% and 0.83% respectively.

TERMS USED IN THIS ANNOUNCEMENT

“Beijing Tianying”	北京天盈九州網絡技術有限公司 (Beijing Tianying Jiuzhou Network Technology Co. Ltd.*), a company established under the laws of the PRC with limited liability and a non wholly-owned subsidiary of the Company which is indirectly held through PNM
“Board”	the board of Directors
“Company”	Phoenix Satellite Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contract Period”	during the period commencing from the date on which the Framework Agreement becomes effective and 31 December 2017
“Cooperation Agreement”	the authorization and cooperation agreement in respect of ifeng.com dated 19 September 2014 entered into between Beijing Tianying and LLT, pursuant to which, among other things, Beijing Tianying agreed to provide advertisement resources on ifeng.com to LLT to advertise its business
“Directors”	the director(s) of the Company, including independent non-executive director(s)
“Framework Agreement”	the framework agreement dated 4 December 2015 entered into between Beijing Tianying and LLT relating to cooperation in internet advertising
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party who is not connected person of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and the connected persons of the Company

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“LLT”	北京鳳凰理理它信息技術有限公司 (Beijing Phoenix Li Li Ta Information Technology Co., Ltd.*), a limited company established under the laws of the PRC, which is owned by Beijing Tianying, 北京匯播廣告傳媒有限公司 (Beijing Huibo Advertising Media Co. Ltd.*) (a wholly-owned subsidiary of the Company), Mr. He Xin, Mr. Zhang Zhen, 北京國科鼎鑫投資中心 (Beijing Guoke Dingxin Investment Centre*) and 北京五五東方瑞泰創業投資有限公司 (Beijing Wuwu Dongfang Ruitao Chuangye Investment Company Limited*) as to 5%, 5%, 76.67%, 10%, 2.5% and 0.83% respectively
“PNM”	Phoenix New Media Limited (鳳凰新媒體有限公司), a company incorporated in the Cayman Islands with limited liability and a non wholly-owned subsidiary of the Company and the holding company of Beijing Tianying, whose shares are listed by way of American Depository Receipts on the New York Stock Exchange of the United States
“PNM Group”	PNM and its subsidiaries (including Beijing Tianying)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Services”	the internet advertisement launching services to be provided by Beijing Tianying pursuant to the Framework Agreement
“Shareholder(s)”	holder(s) of the ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB 1 = HK\$1.2117 has been adopted. No representation is made as to whether any amounts in RMB or HK\$ can or could have been converted on the relevant dates at the above rates or any other rates at all.

By order of the Board
Phoenix Satellite Television Holdings Limited
LIU Changle
Chairman

Hong Kong, 4 December 2015

As at the date of this announcement, the board of directors of the Company comprises:

Executive Directors

Mr. LIU Changle (Chairman) (also an alternate director of Mr. CHUI Keung), Mr. CHUI Keung (also an alternate director to Mr. LIU Changle) and Mr. WANG Ji Yan (also an alternate director of Mr. LIU Changle and Mr. CHUI Keung)

Non-executive Directors

Mr. SHA Yuejia, Mr. GAO Nianshu, Mr. GONG Jianzhong and Mr. SUN Yanjin

Independent Non-executive Directors

Dr. LO Ka Shui, Mr. LEUNG Hok Lim, Mr. Thaddeus Thomas BECZAK and Mr. FANG Fenglei

Alternate Director

Mr. Lau Wai Kei, Ricky (alternate director to Mr. SUN Yanjun)

* *For identification purposes only*