

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, makes 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.



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)

**DISCLOSEABLE TRANSACTION –
PROVISION OF NEW LOAN TO
PARTICLE INC.**

PROVISION OF THE NEW LOAN

On 20 January 2017, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower a loan in the principal amount of RMB74,000,000, bearing interest at a rate of 9% per annum for a period of one (1) year.

LISTING RULES IMPLICATION

On 28 January 2016, 5 April 2016, 10 August 2016 and 2 November 2016, the Lender granted the Loans in the principal amounts of US\$10,000,000, US\$10,000,000, US\$14,800,000 and RMB 46,000,000, respectively, to the Borrower.

The New Loan, when aggregated with the Loans which were granted within a 12-month period before the New Loan, results in certain applicable percentage ratios exceeding 5% but all applicable percentage ratios being less than 25%. The New Loan when aggregated with the Loans therefore constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE LOAN AGREEMENT

On 20 January 2017, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower a loan in the principal amount of RMB74,000,000, bearing interest at a rate of 9% per annum for a period of one (1) year.

The Lender is a subsidiary of the Company. The Lender invested and owns certain series B, series C and series D preferred shares in the Borrower, which represent approximately 47.8% of the total outstanding shares in the Borrower as of the date of this announcement, and approximately 45.3% of the total outstanding shares in the Borrower on an as-if converted and diluted basis assuming all shares reserved under the Borrower’s employee share option plan are issued and the conversion right in relation to Loan C is fully exercised.

The principal terms of the Loan Agreement are summarised as follows:

Date: 20 January 2017
Lender: Phoenix New Media Limited
Borrower: Particle Inc.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, (i) the Borrower is principally engaged in operating Yidian Zixun (“**Yidian**”), a rapidly-growing personalized news and life-style information application in China, which allows users to efficiently define and explore individualized content over mobile devices.; and (ii) save for the Group’s interest in the Borrower set out above, the Borrower and its ultimate beneficial owner(s) are Independent Third Parties.

Principal amount: RMB74,000,000 or the equivalent amount in US\$
Term: One (1) year commencing from the drawdown date
Interest: 9% per annum
Purpose of the New Loan The Borrower plans to use the New Loan for market promotion and user development

The New Loan is funded by internal resources of the PNM Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties after arm’s length negotiation, with reference to the commercial practice and the amount of the New Loan.

PROVISION OF PREVIOUS LOANS

LOAN A

Date of agreement: 28 January 2016

Lender: Phoenix New Media Limited

Borrower: Particle Inc.

Conversion right: Phoenix New Media Limited has the right to convert the loan into Particle Inc.'s series D preferred shares and completed such conversion on 30 December 2016.

Principal: US\$10,000,000

Interest rate: 4.35% per annum

Term: One (1) year commencing from the drawdown date

LOAN B

Date of agreement: 5 April 2016

Lender: Phoenix New Media Limited

Borrower: Particle Inc.

Conversion right: Phoenix New Media Limited has the right to convert the loan into Particle Inc.'s series D preferred shares and completed such conversion on 30 December 2016.

Principal: US\$10,000,000

Interest rate: 4.35% per annum

Term: One (1) year commencing from the drawdown date

LOAN C

Date of agreement: 10 August 2016 (as amended by an amendment agreement dated 20 January 2017)

Lender: Phoenix New Media Limited

Borrower: Particle Inc.

Conversion right: Phoenix New Media Limited has the right to convert the loan (including interest) into Particle Inc.'s series D preferred shares.

Principal: US\$14,800,000

Interest rate: 4.35% per annum

Term: One (1) year from the drawdown date

LOAN D

Date of agreement: 2 November 2016 (as amended by an amendment agreement dated 20 January 2017)

Lender: Phoenix New Media Limited

Borrower: Particle Inc.

Principal: RMB46,000,000 (or an equivalent amount in US\$)

Interest rate: 9% per annum

Term: One (1) year from the drawdown date

CONVERSION OF LOAN A AND LOAN B INTO PARTICLE INC.'S SERIES D PREFERRED SHARES

On 30 December 2016, following the exercise of the conversion rights of Loan A and Loan B by the Lender, Loan A and Loan B were fully settled by the conversion. The Lender held approximately 43.8% of total outstanding shares of Particle Inc. on an as-if converted and diluted basis assuming all shares reserved under the Borrower's employee share option plan are issued.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE NEW LOAN

The Group is principally engaged in satellite television broadcasting and provision of new media services. The Lender, being a subsidiary of the Company, is a media company providing content on an integrated platform across internet, mobile and television channels in China. The Lender invested and owns certain series B, series C and series D preferred shares in the Borrower, which represent approximately 47.8% of the total outstanding shares in the Borrower as of the date of this announcement, and approximately 45.3% of the total outstanding shares in the Borrower on an as-if converted and diluted basis assuming all shares reserved under the Borrower's employee share option plan are issued and the conversion right in relation to Loan C is fully exercised. The Borrower is principally engaged in operating Yidian, a rapidly-growing personalized news and life-style information application in China, which allows users to efficiently define and explore individualized content over mobile devices.

Having considered the financial background of the Borrower, and the interest income to be received by the Group, the Directors consider that the terms of the Loan Agreement fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Lender may consolidate the Borrower as a subsidiary once the Borrower's user base reaches a certain level and the Lender have also been collaborating closely with the Borrower in executing a mobile strategy. As such, if the Borrower fails to develop its user base and expand its business, the efforts to expand the mobile platform may be materially and adversely affected and the Lender may not realize the anticipated benefits from consolidating the Borrower as a subsidiary upon achieving certain level of user base and the Lender may lose its entire investments in the Borrower. In addition, if the Borrower engages in additional financing activities in the future, the Lender's equity interest in the Borrower may decrease and the Lender may not be able to consolidate the Borrower as a subsidiary. Any of the above could have a material adverse effect on the Lender's business, financial condition and results of operations.

LISTING RULES IMPLICATION

The New Loan, when aggregated with the Loans which were granted within a 12-month period before the New Loan, results in certain applicable percentage ratios exceeding 5% but all applicable percentage ratios being less than 25%. The New Loan when aggregated with the Loans therefore constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Particle Inc.
“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
“Director(s)”	the director(s) of the Company
“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(ies)”	a person who is not a connected person (as defined under the Listing Rules) of the Company and is independent of the Company and such connected persons
“Lender”	Phoenix New Media Limited, a subsidiary of the Company, being the lender under the Loan Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 20 January 2017 and entered into between the Lender and the Borrower in relation to the provision of the New Loan
“Loans”	Loan A, Loan B, Loan C and Loan D
“New Loan”	a loan of RMB74,000,000 (or an equivalent amount in US\$) granted by the Lender to the Borrower pursuant to the Loan Agreement
“PNM Group”	Phoenix New Media Limited and/or its subsidiaries
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)” the shareholder(s) of the Company
“Stock Exchange” The Stock Exchange of Hong Kong Limited
“US\$” US dollars, the lawful currency of the U.S.

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

Hong Kong, 20 January 2017

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

Non-executive Directors

Mr. SHA Yuejia, Mr. XIA Bing, Mr. GONG Jianzhong and Mr. SUN Yanjun

Independent Non-executive Directors

Mr. LEUNG Hok Lim, Mr. Thaddeus Thomas BECZAK, Mr. FANG Fenglei and Mr. HE Di

Alternate Director

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