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鳳凰衛視

**PHOENIX MEDIA INVESTMENT (HOLDINGS) LIMITED**  
鳳凰衛視投資（控股）有限公司  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 02008)**

**MAJOR TRANSACTION  
DISPOSAL OF THE SALE SHARES BY THE GROUP**

**DISPOSAL OF THE SALE SHARES BY THE GROUP**

On 22 March 2019 (after trading hours), PNM (an indirect non-wholly owned subsidiary of the Company) entered into the Share Purchase Agreement with the Purchaser (an independent third party), pursuant to which PNM conditionally agreed to sell the Sale Shares and the Purchaser conditionally agreed to purchase the Sale Shares at the Consideration and subject to and upon the principal terms and the Conditions under the Share Purchase Agreement as summarized in this announcement.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceeds 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Rule 14 of the Listing Rules, and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

As more time is needed to prepare and finalize the relevant financial and other information to be included in the circular in accordance with the relevant requirements of the Listing Rules, a circular containing, among other things, further details of the Disposal, a fairness opinion on the Disposal and a notice convening the EGM to approve the Share Purchase Agreement and the transactions contemplated thereunder or incidental thereto will be despatched to the Shareholders on or before 1 May 2019.

**Completion of the transactions contemplated under the Share Purchase Agreement is subject to the satisfaction of the Conditions disclosed in this announcement and may or may not materialize. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

Reference is made to the Company's announcement dated 27 February 2019 (the "**Announcement**") relating to the proposed disposal of the Offshore Sale Shares in Cayman Company contemplated under the Letter of Intent. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings as those used in this announcement.

## **INTRODUCTION**

On 22 March 2019 (after trading hours), PNM entered into the Share Purchase Agreement with the Purchaser, pursuant to which PNM conditionally agreed to sell the Sale Shares and the Purchaser conditionally agreed to purchase the Sale Shares at the Consideration and subject to and upon the principal terms and the Conditions as summarized below. The Share Purchase Agreement superseded the Letter of Intent entered into between PNM and the Purchaser.

## **THE SHARE PURCHASE AGREEMENT**

### **Date:**

22 March 2019

### **Parties:**

- Vendor : Phoenix New Media Limited, an indirect non-wholly owned subsidiary of the Company; and
- Purchaser : Run Liang Tai Management Limited (the "**Purchaser**")

The Purchaser is a company with limited liability incorporated under the laws of Hong Kong on 27 April 2016, with principal business in investment holding.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an independent third party.

### **Assets to be disposed of**

- (1) The Offshore Sale Shares, being the 32% equity interest on an as-if converted basis held by PNM in Cayman Company, comprised an aggregate of 199,866,509 shares of Cayman Company (including 27,639,580 series B preferred shares and 172,226,929 series C preferred shares of Cayman Company); and
- (2) the Onshore Sale Shares, being approximately 37.169% of the equity interest held by Mr. Chen in Yidian Technology.

The Offshore Sale Shares are recognized as financial assets at fair value through profit or loss in the Group's accounts. Immediately following the Completion under the heading "Completion" below, the remaining equity interest held by PNM in Cayman Company will represent approximately 5.63% of the equity interest on an as-if converted basis in Cayman Company.

### **Deposit**

As of the date of this announcement, PNM has received the Deposit in the sum of US\$100 million (approximately HK\$780 million) in cash pursuant to the terms of the Letter of Intent.

### **Consideration**

The Consideration payable in cash by the Purchaser comprises of (i) US\$448 million (approximately HK\$3,494.4 million) in respect of the Offshore Sale Shares and (ii) RMB3,719,167 (approximately HK\$4,351,000) in respect of the Onshore Sale Shares.

The Consideration in respect of the Offshore Sale Shares is payable in cash within 15 business days from the date of the satisfaction or waiver of all of the Conditions set out under the heading "Conditions precedent" below or within the period otherwise mutually agreed by PNM and the Purchaser. If the Purchaser fails to pay the Consideration in respect of the Offshore Sale Shares by the due date, the Purchaser shall pay a late payment fee at the rate of 15% per annum for the outstanding amount.

The Consideration in respect of the Onshore Sale Shares will be payable at time of transfer of the Onshore Sale Shares, in respect of which a separate agreement will be entered into following Completion as summarized under the sub-heading "Arrangement after the Completion" below. As explained in the section headed "Arrangement in respect of Onshore Sale Shares after Completion" below, such amount is to facilitate the replacement of the loan previously granted by WFOE to Mr. Chen as PNM's nominee with the Onshore Loan after the Disposal, and will not be received by the Group as actual consideration in addition to the US\$448 million.

The Consideration was determined based on normal commercial terms and after arm's length negotiations between PNM and the Purchaser with reference to a preliminary valuation of the Disposal Group at approximately US\$1,400 million, with reference to the estimated valuation of approximately US\$1,000 million at time of Cayman Company's latest round of capital fundraising in 2017, the growth of the Disposal Group's net advertising sales over the years, the price to sales ratio of listed market comparables, the valuation of the Disposal Group by research analysts of major investment banks in recent year, and subsequent commercial negotiations.

## Conditions precedent

Unless otherwise waived by the Purchaser in writing, the performance of the Purchaser's obligation to pay the Consideration in respect of the Offshore Sale Shares is subject to and conditional upon satisfaction of the following Conditions:

- (a) the approval of the Disposal by the shareholders of the Company in a general meeting;
- (b) the approval of the Disposal by the respective board of directors of PNM and the Company;
- (c) the clearance of the relevant announcement and circular of the Company regarding the Disposal by the Stock Exchange and other relevant regulatory authorities in connection with the Disposal;
- (d) the approvals, consents and permission of the transfer of the Offshore Sale Shares as required under the memorandum and articles of associations of Cayman Company (the "**Cayman Company's Articles**"), the relevant shareholders agreement regarding Cayman Company (the "**Shareholders Agreement**") and the relevant legal documents with the binding effect on PNM and Cayman Company (including but not limited to the consent or waiver provided by other shareholders of the Disposal Group of restrictive rights regarding share transfer, including but not limited to veto right or co-sale right, necessary for the transfer of the Offshore Sale Shares to the Purchaser or its designee);
- (e) entry into a deed of adherence by Cayman Company in the prescribed form in relation to including the Purchaser or a party designated by the Purchaser as a party to the Shareholders Agreement and the delivery of such document to the Purchaser or its designee;
- (f) the satisfaction of the matters under the heading "Transitional arrangements" below;
- (g) the receipt by PNM of the fairness opinion on the Disposal<sup>1</sup> prepared by an independent third party engaged by PNM;
- (h) the appointment of the candidate referred by the Purchaser as chief executive officer of Yidian Technology and as the sole director of HK Subsidiary;
- (i) as of the date of the Completion, the Disposal Group continues normal operation in all material aspects and there is no evidence, in terms of business, operation, licenses, assets and financial conditions, indicating the existence of any Material Adverse Event, and the cause of such event takes place only before date of the appointment of the chief

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<sup>1</sup> The fairness opinion on the Disposal is to be prepared by an independent financial institution addressed to the board of the directors of PNM in respect of the fairness of the Consideration to be received by PNM pursuant to the Share Purchase Agreement from a financial point of view.

executive officer of Yidian Technology under Condition (h) above; and

- (j) the delivery of the confirmation of Completion by PNM to the Purchaser in the prescribed form.

Unless otherwise waived by PNM in writing, the performance of PNM's obligation to transfer the Sale Shares is subject to and conditional upon satisfaction of the following Conditions:

- (k) Conditions (a) to (d) being satisfied; and
- (l) the representations and warranties given by the Purchaser under the Share Purchase Agreement are true and accurate and not misleading as of the date of the Share Purchase Agreement and remain true and accurate and not misleading as at the date of Completion.

### **Termination**

The Share Purchase Agreement may be terminated in the following situations:

- (a) if PNM and the Purchaser mutually agree in writing to terminate the Share Purchase Agreement; or
- (b) (i) if the Purchaser fails to pay the entire Consideration in accordance with the terms under heading "Consideration" above, or within the period otherwise agreed by PNM and the Purchaser (if any), or the parties fail to agree on such period, or  
  
(ii) if the Purchaser breaches the Authorization Conditions under the heading "Transitional arrangements" below,

PNM shall be entitled to terminate the Share Purchase Agreement by written notice to the Purchaser; or

- (c) if Conditions (a) to (j) have not been satisfied (or waived by the Purchaser in writing) within four (4) months from the date of the Share Purchase Agreement, or within the extension period otherwise agreed by PNM and the Purchaser in writing (and, in case of failure to satisfy Condition (c) due to the clearance process of the Stock Exchange within four (4) months from the date of the Share Purchase Agreement, PNM and the Purchaser shall agree to extend a reasonable period of no less than 10 business days), the Purchaser shall be entitled to terminate the Share Purchase Agreement by written notice to PNM; or
- (d) if Conditions (k) to (l) have not been satisfied (or waived by PNM in writing) within four (4) months from the date of the Share Purchase Agreement, or within the extension period otherwise agreed by PNM and the Purchaser in writing, PNM shall be

entitled to terminate the Share Purchase Agreement by written notice to the Purchaser, unless any action or inaction of PNM and or its related party results in the failure to satisfy any of Condition (k) or (l); or

- (e) if any Material Breach takes place and such event is not ratified within a reasonable period requested by the Purchaser in writing, the Purchaser shall be entitled to terminate the Share Purchase Agreement by written notice to PNM.

In the event of a Material Breach, without prejudice to any other rights of or remedies available to the Purchaser under the Share Purchase Agreement, PNM shall pay liquidated damages in the amount of 40% of the Deposit already paid by the Purchaser (the “**Liquidated Damages**”), and PNM shall fully indemnify the Purchaser if the Liquidated Damages fall short to cover the loss suffered by the Purchaser.

#### ***Arrangements of the Deposit after the termination***

The Deposit shall be arranged in the following manner after the termination of the Share Purchase Agreement:

- (i) save as the situation (ii) below, if the Purchaser decides to terminate the Share Purchase Agreement according to the termination situation (c) above, PNM shall refund the Deposit and any accrued interest therefrom to the Purchaser within five (5) business days after receipt of a written request from the Purchaser;
- (ii) PNM shall refund the Deposit and any accrued interest therefrom to the Purchaser and shall pay the Compensation (as defined below) within five (5) business days after receipt of the Purchaser’s request, (x) if the Purchaser decides to terminate the Share Purchase Agreement due to failure to satisfy Condition (a) (i.e. *in the event that the Disposal is not approved by the Company’s shareholders in a general meeting*), (b) or (g) within four (4) months from the date of the Share Purchase Agreement, or within the extension period otherwise agreed by the parties in writing, according to the termination situation (c) above, or (y) if PNM decides to terminate the Share Purchase Agreement due to failure to satisfy Condition (a) (i.e. *in the event that the Disposal is not approved by the Company’s shareholders in a general meeting*) or (b) under Condition (k) within four (4) months from the date of the Share Purchase Agreement, or within the extension period otherwise agreed by the parties in writing, according to the termination situation (d) above.

The aforesaid compensation (the “**Compensation**”) is set at the following rate: the Deposit of US\$100 million \* ( 6% / 365 ) \* the number of days from the date when the Purchaser paid the Deposit up to the date when PNM refunds the Deposit and pays the Compensation;

- (iii) in the event of a Material Breach, if the Purchaser decides to terminate the Share

Purchase Agreement according to the termination situation (e) above, PNM shall refund the Deposit and any accrued interest therefrom to the Purchaser and shall pay the Purchaser the Liquidated Damages within five (5) business days after receipt of the Purchaser's request; or

- (iv) save as the situation (iii) above, if PNM decides to unilaterally terminate the Share Purchase Agreement (for the avoidance of doubt, excluding the termination situations (b) and (d) above) PNM shall refund the Deposit and any accrued interest therefrom to the Purchaser and shall pay the Purchaser the Liquidated Damages within five (5) business days after receipt of the Purchaser's request.

Save as above, the Deposit and any accrued interest therefrom shall not be refundable. In addition, if the Deposit falls short to cover PNM's loss resulting from the default of the Purchaser, the Purchaser shall fully indemnify PNM.

### **Completion**

Within 15 business days from the date of the satisfaction (or waiver) of all of the Conditions or within the period otherwise mutually agreed by PNM and the Purchaser, Completion shall take place whereby the Purchaser shall pay to PNM the Consideration in respect of the Offshore Sale Shares.

Within three (3) business days after the receipt of the entire Consideration in respect of the Offshore Sale Shares, PNM shall notify Cayman Company and procure the delivery to the Purchaser the share certificate for the Offshore Sale Shares and the updated register of members of Cayman Company.

### ***Arrangement in respect of Onshore Sale Shares after Completion***

Following the Completion, PNM shall procure its onshore nominee Mr. Chen (as a registered shareholder of Yidian Technology, which is an onshore entity controlled through the Contractual Arrangements under the Disposal Group), to enter into a share transfer agreement to effectuate the transfer of the Onshore Sale Shares to a party designated by the Purchaser (the "**Purchaser's Designee**") within a reasonable period as notified by the Purchaser in writing and to perform and cooperate with the registration of the transfer of the Onshore Sale Shares or otherwise renounce the equity interest in Yidian Technology in manner mutually agreed by the Purchaser and PNM. Upon the completion of registration of the transfer of the Onshore Sale Shares, the Purchaser's Designee shall pay the Consideration in respect of the Onshore Sale Shares to an account designated by PNM or otherwise mutually designated by parties in writing.

Subsequent to the date of Completion and before the registration of transfer of the Onshore Sale Shares, PNM shall, within a reasonable period confirmed by the Purchaser or the Purchaser's Designee, procure WFOE to enter into a loan agreement in relation to provision of a loan in the amount of the Consideration in respect of the Onshore Sale Shares (the

“**Onshore Loan**”) to the Purchaser’s Designee, and procure WFOE to deliver to the Purchaser’s Designee a written waiver to discharge the liabilities of the Onshore Loan at applicable time. PNM shall fully indemnify the loss of the Purchaser or the Purchaser’s Designee (not exceeding the amount of the Onshore Loan), if WFOE does not deliver such written waiver which causes the Purchaser or the Purchaser’s Designee to bear the relevant repayment obligation. The Consideration in respect of the Onshore Sale Shares is to facilitate the replacement of the loan previously granted by WFOE to Mr. Chen as PNM’s nominee with the Onshore Loan after the Disposal, and will not be received by the Group as actual consideration in addition to the US\$448 million.

The Share Purchase Agreement became effective on 22 March 2019 with the binding effect on the successor, transferee and designee of the respective parties, subject to the prior consent from other party. Notwithstanding the above, the Purchaser shall have the right to transfer its rights and obligations under the Share Purchase Agreement to its designee by giving prior written notice to PNM, provided that the designee is not a connected person of the Company nor a competitor of the Disposal Group and shall enter into a written agreement as assignee of the Purchaser’s rights and obligations under the Share Purchase Agreement.

### **Transitional arrangements**

During the period from the date of the Share Purchase Agreement up to the date of the Completion or the termination of the Share Purchase Agreement, whichever is the earlier (the “**Transitional Period**”), PNM agreed to adopt, perform and complete the following transitional arrangements.

(a) Authorization of the shareholder and director rights of the Disposal Group

Subject to the fulfilment of the following conditions (i) to (iii) (the “**Authorization Conditions**”) during the Transitional Period:

- (i) the Purchaser shall only exercise the rights of shareholder and director to the extent necessary for the Completion and/or ensuring the normal operation and development of the Disposal Group;
- (ii) the Purchaser shall not dispose of all or substantially all of equity interest in or assets of the Disposal Group without the consent of PNM; and
- (ii) the Purchaser shall not take any action that may hinder or adversely affect the successful and timely Completion,

PNM agreed and undertook that it shall authorize or enable the following matters (the “**Authorization**”) from the date of signing the Share Purchase Agreement and deliver the Authorization within two (2) business days from the date of the Share Purchase Agreement:



- (1) authorizing the Purchaser to exercise all rights of PNM as shareholders (for the avoidance of doubt, excluding (i) any economic rights and (ii) rights to adjust the Shareholders Agreement and Cayman Company's Articles) of Cayman Company and Yidian Technology in accordance with relevant laws, articles of association or shareholders agreements of Cayman Company and Yidian Technology or legal documents (where applicable);
- (2) authorizing the Purchaser to exercise all rights of the directors in the Disposal Group (who are nominated by PNM) in accordance with relevant laws, articles of association, shareholders agreements or applicable legal documents; and
- (3) PNM shall use commercially reasonable efforts to perform and cooperate to the extent necessary for the Authorization.

For the avoidance of doubt, PNM shall not take any action within the scope of the Authorization during the Transitional Period. The Authorization is not transferrable without the consent of PNM. The Authorization by PNM shall be automatically terminated in the following situations:

- (x) the breach of the Authorization Conditions above by the Purchaser; or
  - (y) the Purchaser fails to pay the entire Consideration in the manner set out under the heading "Consideration" above or within the period mutually agreed by the parties (if any) or the parties fail to agree on such period.
- (b) Contractual Arrangements

During the Transitional Period, upon the written request by the Purchaser, PNM shall use commercially reasonable efforts to cooperate with the Purchaser in communicating and preparing for the termination of the Contractual Arrangements under the Disposal Group. Without the prior written consent of PNM, no transaction documents shall be entered into regarding the termination of the Contractual Arrangements during the Transitional Period.

## **INFORMATION ON THE DISPOSAL GROUP**

The principal business activities of the Disposal Group are the operation of Yidian Zixun (「一點資訊」), or Yidian, a personalized news and life-style information application in China that allows users to define and explore desired content on their mobile devices. Cayman Company is an investment holding company incorporated in the Cayman Islands and indirectly holds the entire equity interest of WFOE. As of the date of this announcement, the issued share capital of Cayman Company comprised 624,582,842 shares. Yidian Technology is a limited company established in the PRC on 23 August 2013 and currently holds a license issued by the CAC for the operation of the Internet (PC and mobile) news information

services and the operation of Yidianhao (「一點號」), Yidian's we-media platform, in China. Under the Contractual Arrangements, WFOE has acquired effective control over the financial and operational management and results of Yidian Technology and has become entitled to all the economic benefits generated by the business operated by Yidian Technology and its subsidiaries.

## **FINANCIAL INFORMATION RELATING TO THE DISPOSAL GROUP**

The unaudited loss before and after taxation of the Disposal Group for the year ended 31 December 2017 was approximately RMB453,358,000 (approximately HK\$530,429,000) and RMB453,358,000 (approximately HK\$530,429,000), respectively. The unaudited loss before and after taxation of the Disposal Group for the year ended 31 December 2018 was approximately RMB487,886,000 (approximately HK\$570,827,000) and RMB487,886,000 (approximately HK\$570,827,000), respectively.

The unaudited carrying value of the investments in Cayman Company measured at fair value as at 30 June 2018 was approximately HK\$1,501,118,000, based on an independent valuation as at 30 June 2018.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television operator broadcasting in the PRC as well as worldwide. Apart from satellite television broadcasting, the Group now has a diversified business portfolio covering internet media, outdoor media, animated comics, games, digital technologies, creative cultural, cloud technology services, education, exhibitions and other fields.

The PNM Group is a leading new media company providing premium content on an integrated platform across Internet, mobile and TV channels in China. Having originated from a leading global Chinese language TV network based in Hong Kong, Phoenix TV, PNM enables consumers to access professional news and other quality information and share user-generated content on the Internet and through their mobile devices. PNM's platform includes its [ifeng.com](http://ifeng.com) channel, consisting of its [ifeng.com](http://ifeng.com) website and web-based game platform, its video channel, comprising its dedicated video vertical and mobile video services, and its mobile channel, including its mobile Internet website, mobile applications and mobile value-added services.

Considering the future development plan of Yidian Technology, the Group's investment in Yidian Technology (through Cayman Company) could be subject to the PRC regulatory restrictions on shareholding and the Disposal will provide a great exit opportunity for the Group. The Directors also consider that the Disposal will allow the Company to realize a considerable gain in its investment in Cayman Company hence strengthening the cash position for its own growth and expand its product line or content through strategic investment opportunities if and when attractive opportunities arise. In addition, the remaining

5.63% equity interest in Cayman Company (upon Completion) will allow the Group to participate in the further growth of Yidian Technology.

Accordingly, the Directors consider that the terms (including the Consideration) of the Share Purchase Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

The outstanding shares held by PNM in Cayman Company was previously recognized as “financial assets at fair value through profit or loss” with fair value of approximately HK\$1,501,118,000 as at 30 June 2018 (as at 31 December 2017: available-for-sale financial assets of approximately HK\$705,712,000 and conversion options for convertible redeemable preferred shares of approximately HK\$721,002,000). Upon Completion, the remaining 5.63% of the equity interest in Cayman Company held by PNM remains to be recorded as “financial assets at fair value through profit or loss”.

Subject to and upon the Completion, it is estimated that the Company will recognize an unaudited gain on the Disposal upon Completion (before tax and expenses) of approximately HK\$2,293 million for the year ending 31 December 2019, which was calculated with reference to the cost of the Offshore Sale Shares of approximately HK\$1,223,764,000 (which was calculated with reference to the carrying value of the Company’s investment in the Disposal Group as at 30 June 2018).

The actual gain (or loss) as a result of the Disposal to be recorded by the Company is subject to audit and will be assessed after the Completion.

### **INTENDED USE OF PROCEEDS FROM THE DISPOSAL**

The estimated net proceeds of US\$409 million (which was calculated based on the difference between the Consideration and the estimated transaction costs and the relevant income tax payable for the gain on the Disposal) derived from the Disposal will be held in cash, deposits or short-term investments, subject to the ongoing assessment of PNM’s business development and funding requirements from time to time for future allocation of all or part of the proceeds including any dividend payment.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceeds 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and Shareholders’ approval requirements under the Listing Rules.

As more time is needed to prepare and finalize the relevant financial and other information to be included in the circular in accordance with the relevant requirements of the Listing Rules, a circular containing, among other things, further details of the Disposal, a fairness opinion on the Disposal and a notice convening the EGM to approve the Share Purchase Agreement and the transactions contemplated thereunder or incidental thereto is expected to be despatched to the Shareholders on or before 1 May 2019.

To the best of the directors' knowledge, none of the Shareholders and their respective associates has a materially different interest in the Disposal contemplated under the Share Purchase Agreement expected to be entered into by the parties. No Shareholder is required to abstain from voting in respect of the resolution(s) approving the Share Purchase Agreement and the transactions contemplated thereunder or incidental thereto at the EGM.

**Completion of the transactions contemplated under the Share Purchase Agreement is subject to the satisfaction of the Conditions disclosed in this announcement and may or may not materialize. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Beijing Subsidiary B”	Beijing Yidian Wanju Interaction Technology Co., Ltd.* (北京一點網聚互動科技有限公司), a limited company established in the PRC on 5 May 2017 and a member of the Disposal Group
“Beijing Subsidiary C”	Beijing Yidian Shuyu Technology Co., Ltd.* (北京一點數娛科技有限公司), a limited company established in the PRC on 1 December 2017 and a member of the Disposal Group
“Cayman Company”	Particle Inc., an exempted company incorporated in the Cayman Islands on 22 July 2013 and a member of the Disposal Group
“Completion”	the completion of the transfer of the Offshore Sale Shares under the Share Purchase Agreement as summarized under the heading “Completion” in this announcement
“Condition(s)”	the condition(s) precedent to parties' obligations in respect of the Offshore Sale Shares under the Share Purchase Agreement as summarized under the heading “Conditions precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the consideration for the sale and purchase of the Sale Shares payable by the Purchaser to PNM under the Share Purchase Agreement, comprising of (i) US\$448 million (approximately HK\$3,494.4 million) in respect of the Offshore Sale Shares and (ii) RMB3,719,167 (approximately HK\$4,351,000) in respect of the Onshore Sale Shares
“Contractual Arrangements”	a series of contractual arrangements entered into on 2 August 2016 that were designed to provide Beijing Subsidiary A with effective control over the financial and operational policies of Yidian Technology (to the extent permitted by PRC laws and regulations), i.e. the exclusive option agreement, the power of attorney and the share pledge agreement for the purpose of the operation of Yidian Zixun, a personalized news and life-style information application, under the Disposal Group
“Disposal”	the disposal by PNM of the Sale Shares to the Purchaser pursuant to the terms and conditions of the Share Purchase Agreement
“Disposal Group”	Cayman Company and its subsidiaries and entities controlled through the Contractual Arrangements (including US Subsidiary, HK Subsidiary, Beijing Subsidiary A, Beijing Subsidiary B, Beijing Subsidiary C, Yidian Technology, Tianjin Subsidiary and Shandong Subsidiary)
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Purchase Agreement and the transactions contemplated thereunder or incidental thereto
“HK Subsidiary”	Particle (HK) Limited, a limited company incorporated in Hong Kong on 30 July 2013 and a member of the Disposal Group
“Letter of Intent”	the binding letter of intent entered into between PNM and the Purchaser regarding the proposed disposal of the Offshore Sale Shares in Cayman Company, which was superseded by the Share Purchase Agreement
“Material Adverse Event(s)”	the material adverse event(s) relating to the Disposal Group’s licenses, regulatory investigation or penalty as defined in the Share Purchase Agreement

“Material Breach”

the event(s) of material breach or non-performance on the part of PNM or its onshore nominee set out under the Share Purchase Agreement, including (i) the express refusal by PNM or its onshore nominee to enter into the share transfer agreement in respect of the transfer of the Onshore Sale Shares in accordance with the terms under the Share Purchase Agreement or to perform or cooperate with the registration regarding the transfer of the Onshore Sale Shares, resulting in the failure to transfer of the Onshore Sale Shares within two months from the date of the Purchaser’s written request; (ii) subject to the strict compliance with the Authorization Conditions by the Purchaser set out under the heading “Transitional arrangements” above, PNM does not performed the Authorization, unless otherwise waiving in writing by the Purchaser from such performance; (iii) failure to satisfy Condition (a), (b), (c) or (g) as a result of the default of PNM or its related party within four months from the date of the Share Purchase Agreement or within the period mutually agreed by the parties; (iv) the express refusal by PNM to use commercially reasonable efforts to notify Cayman Company of the resignation or change of directors and to procure the PNM-appointed director(s) to complete the appointment of the nominee referred by the Purchaser or (v) the material breach of the representations and warranties given by PNM (excluding any breach due to any injunction, judgment, order, ruling or law preventing or restricting the Disposal or the Disposal Group from carrying out its main business) under the Share Purchase Agreement

“Mr. Chen”

Mr. Chen Ming (陳明), a nominee to hold approximately 43.75% of the entire equity interest in Yidian Technology (representing RMB4,378,000 of the registered share capital in Yidian Technology) according to the Contractual Arrangements as of the date of signing the Share Purchase Agreement. Mr. Chen is a director of Beijing Youjiuzhou Technology Co., Ltd.\* (北京遊九州技術有限公司) and Beijing Fengming Jiutian Network Technology Co. Ltd.\* (北京鳳鳴九天網路技術有限公司), each a subsidiary of the Group. Based on such companies’ latest financials, they are insignificant subsidiaries of the Company on an aggregated basis for the purposes of Rule 14A.09 of the Listing Rules and Mr. Chen is therefore not a connected person of the Company

“Offshore Sale Shares”	32% of the equity interest on an as-if converted basis held by PNM in Cayman Company
“Onshore Sale Shares”	approximately 37.169% of the equity interest held by Mr. Chen in Yidian Technology, representing the registered share capital of RMB3,719,167 in Yidian Technology
“PNM”	Phoenix New Media Limited, a company incorporated in the Cayman Islands with limited liability, an indirectly-owned subsidiary of the Company whose shares are listed by way of American depositary shares on the New York Stock Exchange in the United States
“Sale Shares”	the Offshore Sale Shares and the Onshore Sale Shares
“Share Purchase Agreement”	the share purchase agreement entered into between PNM and the Purchaser regarding the Disposal dated 22 March 2019, which supersedes the Letter of Intent
“Shandong Subsidiary”	Shandong Yidian Zhiyue Information Technology Co., Ltd.* (山東一點智越信息科技有限公司), a limited company established in the PRC on 20 December 2017 and a member of the Disposal Group
“Shareholder(s)”	holder(s) of ordinary share(s) of HK\$0.10 each in the Company
“Tianjin Subsidiary”	Tianjin Yidian Xintong Technology Co., Ltd.* (天津一點信通科技有限公司), a limited company established in the PRC on 28 April 2018 and a member of the Disposal Group
“US Subsidiary”	Particle Media Inc., a limited company incorporated in the State of Delaware on 2 September 2016 and a member of the Disposal Group
“WFOE” or “Beijing Subsidiary A”	Beijing Particle Information Technology Co., Ltd.* (北京一點網聚信息技術有限公司), a limited company established in the PRC on 24 December 2013 and a member of the Disposal Group
“Yidian Technology”	Beijing Yidianwanju Technology Co. Ltd.* (北京一點網聚科技有限公司), a limited company established in the PRC on 23 August 2013 and a member of the Disposal Group

*\* for identification purpose only*

*For the purpose of this announcement, unless otherwise specified, (i) conversions of RMB into Hong Kong dollars are based on the approximate exchange rates of RMB1.00 to HK\$1.17 and (ii) conversions of the US dollars into Hong Kong dollars are based on the approximate exchange rates of US\$1.00 to HK\$7.8. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

By Order of the Board  
**Phoenix Media Investment (Holdings) Limited**  
**LIU Changle**  
*Chairman*

Hong Kong, 25 March 2019

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. JIAN Qin, 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)*