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## **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)**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO LEASE AGREEMENTS**

#### **THE LEASE AGREEMENTS**

On 26 September 2022, Beijing Huibo (being a wholly-owned subsidiary of the Company) (as lessee) entered into the September Lease Agreement with Phoenix Oriental (as lessor), a connected subsidiary of the Company, in relation to the lease of a unit of Phoenix Centre with a GFA of approximately 180 sq. m for three months commencing from 1 October 2022 to 31 December 2022 at a total rental fee of approximately RMB66,000 (equivalent to approximately HK\$72,600). As all the applicable percentage ratios in respect of the rental fee and the Related Property Service Fees receivable by Phoenix Oriental under the September Lease Agreement are less than 0.1%, it was fully exempt under Chapter 14A of the Listing Rules.

On 1 November 2022, Beijing Huibo and Phoenix Metropolis Communication (being also a wholly-owned subsidiary of the Company) (each as lessee) entered into the November Lease Agreements with Phoenix Oriental (as lessor) respectively in relation to the lease of certain other units of Phoenix Centre with an aggregate GFA of approximately 13,320 sq. m for a term of two months commencing from 1 November 2022 to 31 December 2022 at an aggregate rental fee of approximately RMB5,700,000 (equivalent to approximately HK\$6,270,000).

In addition, it is contemplated that Beijing Huibo and/or Phoenix Metropolis Communication (as lessee) may enter into the Potential Lease Agreement with Phoenix Oriental (as lessor) in relation to the lease of additional units of Phoenix Centre with an aggregate GFA of up to approximately 2,340 sq. m at such time as Beijing Huibo and/or

Phoenix Metropolis Communication deem(s) fit for a term not exceeding 31 December 2022 at an aggregate rental fee of up to approximately RMB1,000,000 (equivalent to approximately HK\$1,100,000).

### **LISTING RULES IMPLICATIONS**

Phoenix Oriental is a non-wholly owned subsidiary of the Company which is owned as to 21% by Bauhinia Group, a company wholly owns Bauhinia Culture HK, being a substantial shareholder of the Company. As such, Phoenix Oriental is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules and the transactions contemplated under the Lease Agreements constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the aggregated rental fees and the Related Property Service Fees receivable by Phoenix Oriental under the November Lease Agreements and the Potential Lease Agreement (whether standalone or aggregated with the rental fee under the September Lease Agreement) were more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **LEASE AGREEMENTS**

On 26 September 2022, Beijing Huibo (being a wholly-owned subsidiary of the Company) (as lessee) entered into a lease agreement with Phoenix Oriental (as lessor), a connected subsidiary of the Company, in relation to the lease of a unit of Phoenix Centre with a GFA of approximately 180 sq. m for three months commencing from 1 October 2022 to 31 December 2022 at a total rental fee of approximately RMB66,000 (equivalent to approximately HK\$72,600) (“**September Lease Agreement**”). As all the applicable percentage ratios in respect of the rental fee and the Related Property Service Fees receivable by Phoenix Oriental under the September Lease Agreement were less than 0.1%, it was fully exempt under Chapter 14A of the Listing Rules.

On 1 November 2022, Beijing Huibo and Phoenix Metropolis Communication (being also a wholly-owned subsidiary of the Company) (each as lessee) entered into other lease agreements with Phoenix Oriental (as lessor) respectively in relation to the lease of certain other units of Phoenix Centre with an aggregate GFA of approximately 13,320 sq. m for a term of two months commencing from 1 November 2022 to 31 December 2022 at an aggregate rental fee of approximately RMB5,700,000 (equivalent to approximately HK\$6,270,000) (“**November Lease Agreements**”).

In addition, it is contemplated that Beijing Huibo and/or Phoenix Metropolis Communication (as lessee) may enter into further lease agreement(s) with Phoenix Oriental (as lessor) in relation to the lease of additional unit(s) of Phoenix Centre with an aggregate GFA of up to approximately 2,340 sq. m at such time as Beijing Huibo and/or Phoenix Metropolis Communication deem(s) fit for a term not exceeding 31 December 2022 at an aggregate rental fee of up to approximately RMB1,000,000 (equivalent to approximately

HK\$1,100,000)(“**Potential Lease Agreement**”, together with the September Lease Agreement and the November Lease Agreements, the “**Lease Agreements**”).

The principal terms of the Lease Agreements are summarised below:

**Lessor:** Phoenix Oriental

	<b>Date of Lease Agreement</b>	<b>Term of Lease Agreement</b>	<b>Subsidiary Lessee</b>	<b>GFA (approximate)</b>	<b>Total rent under the respective Lease Agreements (approximate)</b>
(i)	26 September 2022	1 October 2022 to 31 December 2022	Beijing Huibo	Office unit with a GFA of 180 sq. m	RMB66,000 (equivalent to approximately HK\$72,600)
(ii)	1 November 2022	1 November 2022 to 31 December 2022	Beijing Huibo	Office units with a GFA of 12,050 sq. m	RMB5,150,000 (equivalent to approximately HK\$5,665,000)
(iii)	1 November 2022	1 November 2022 to 31 December 2022	Phoenix Metropolis Communication	Office units with a GFA of 1,270 sq. m	RMB550,000 (equivalent to approximately HK\$605,000)
(iv)	Upon such time as deemed fit by Beijing Huibo and/or Phoenix Metropolis Communication	From the date of the Potential Lease Agreement (if signed) to 31 December 2022	Beijing Huibo and/or Phoenix Metropolis Communication	Office unit(s) with a GFA of up to 2,340 sq. m	Up to RMB1,000,000 (equivalent to approximately HK\$1,100,000)

**Rent:** The rental fees under the November Lease Agreements were determined (and the rental fees under the Potential Lease Agreement will also be) based on RMB7 per sq. m per day (while the rental fee under the September Lease Agreement was determined based on RMB4 per sq. m per day as the relevant unit is a low-floor unit without windows). The rental fees under the Lease Agreements are payable by the relevant Subsidiary Lessee within 3 business days after the execution of the respective Lease Agreements. In the event of late payment of rental fees, the Subsidiary Lessee shall pay a late penalty to Phoenix Oriental daily equivalent to 0.3% of the outstanding rental fees for the current term from the due date until the date of actual payment.

**Related Property Service Fees:** In addition to the rental fees, the Subsidiary Lessees shall also bear the Related Property Service Fees. Certain of the Related Property Service Fees such as parking space rentals, regular (and if applicable, overtime) air-conditioning fees, Internet phone and television charges, access control system fees are receivable by Phoenix Oriental (as lessor/service provider) and are estimated to be approximately RMB300,000 (equivalent to approximately HK\$330,000) for the entire term of the leases. Rental fees under the Lease

Agreements together with the Related Property Service Fees shall be satisfied by the internal resources of the Group.

**Security Deposits:** Given the nature of the short term lease, no security deposits are required to be paid to Phoenix Oriental under the Lease Agreements.

**Renewal:** The Subsidiary Lessees shall be entitled to renew the respective Lease Agreements by giving Phoenix Oriental prior written notice and the rental fees for the renewed term shall be determined by the parties according to the then market price.

The terms of the Lease Agreements (including the rental fees and the Related Property Service Fees payable by the Subsidiary Lessees) were arrived at after arm's length negotiations among the parties to the Lease Agreements, with the relevant rental fees and the Related Property Service Fees determined with reference to the market price and rents/ relevant fees payable by other tenants to Phoenix Oriental for lease of other units within Phoenix Centre (which are consistent with the basis of the rental fees paid by other members of the Group in respect of lease of certain units of Phoenix Centre under the Announced Lease Agreements) and on terms no less favorable to the Subsidiary Lessees than those that may be offered by independent third party landlords for leases of similar GFA in similar location in Beijing (collectively "**Market and No Less Favorable Terms**").

## **REASONS FOR AND BENEFITS OF THE LEASE AGREEMENTS**

Members of the Group have been leasing various units in Phoenix Centre from Phoenix Oriental for their respective business operations since 2018. Given that Phoenix Oriental is a non-wholly owned subsidiary of the Company and the rental fees/ relevant fees payable under the respective Lease Agreements were determined with reference to the Market and No Less Favorable Terms, the Directors (including the independent non-executive Directors) believe that it is beneficial for the Group to lease the relevant units from Phoenix Oriental under the Lease Agreements.

Based on the above, the Directors (including independent non-executive Directors) are of the view that the Lease Agreements are entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that the terms of the Lease Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save for Mr. SUN Guangqi, a non-executive Director who is also a deputy general manager of Bauhinia Group and Bauhinia Culture HK, and who has abstained from voting on the Board resolutions approving the entering into of the Lease Agreements, none of the other Directors has a material interest in or is required to abstain from voting on such Board resolutions.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Group is a satellite television operator and, through the subsidiaries, is a leading satellite television operator broadcasting in the PRC as well as worldwide. Apart from satellite television broadcasting, the Group has a diversified business portfolio covering internet media, outdoor

media, magazines, digital technologies, creative cultural, cloud technology services, education, exhibitions and other fields. Beijing Huibo and Phoenix Metropolis Communication are principally engaged in television programme production business and outdoor media business in the PRC respectively.

## **Phoenix Oriental**

Phoenix Oriental is a Sino-foreign joint venture company established in the PRC owned as to 70% by Phoenix Pictures Limited (a wholly-owned subsidiary of the Company), 21% by Bauhinia Group and 9% by Shenzhou Television Company Limited\* (神州電視有限公司), an independent third party. Phoenix Oriental is principally engaged in the development, construction, leasing and management of Phoenix Centre, a building with a total GFA of approximately 72,800 sq. m containing offices and television programme production studios in the South-Western corner of Chaoyang Park, Chaoyang District, Beijing, the PRC.

## **LISTING RULES IMPLICATIONS**

Phoenix Oriental is a non-wholly owned subsidiary of the Company which is owned as to 21% by Bauhinia Group, a company wholly owns Bauhinia Culture HK, being a substantial shareholder of the Company. As such, Phoenix Oriental is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules and the transactions contemplated under the Lease Agreements constitute continuing connected transactions of the Company.

As all the applicable percentage ratios in respect of the rental fee and the Related Property Service Fees receivable by Phoenix Oriental under the September Lease Agreement were less than 0.1%, it was fully exempt under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the aggregated rental fees and the Related Property Service Fees receivable by Phoenix Oriental under the November Lease Agreements and the Potential Lease Agreement (whether standalone or aggregated with the rental fee under the September Lease Agreement) were more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

“Announced Lease Agreements”	Lease	existing lease agreements entered into between Phoenix Oriental (as lessor) and other subsidiaries of the Company (as lessees) in respect of certain units of Phoenix Centre, the particulars of which were set out in the announcement of the Company dated 29 July 2022
“Bauhinia HK”	Culture	Bauhinia Culture (Hong Kong) Holdings Limited (紫荊文化(香港)集團有限公司), a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company

“Bauhinia Group”	Bauhinia Culture Group Corporation Limited (紫荊文化集團有限公司), a company established in the PRC with limited liability and wholly owns Bauhinia Culture HK
“Beijing Huibo”	Beijing Huibo Advertisement and Media Company Limited* (北京滙播廣告傳媒有限公司), company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Phoenix Media Investment (Holdings) Limited (鳳凰衛視投資(控股)有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected subsidiary”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“GFA”	gross floor area
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Phoenix Centre”	Phoenix International Media Centre
“Phoenix Metropolis Communication”	Phoenix Metropolis Communication (Beijing) Co., Ltd* (鳳凰都市文化傳播(北京)有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Phoenix Oriental”	Phoenix Oriental (Beijing) Properties Company Limited* (鳳凰東方(北京)置業有限公司), a company established in the PRC with limited liability, and a non-wholly owned subsidiary of the Company

“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Related Property Service Fees”	various outgoing expenses of the relevant units (including but not limited to the property management fees, parking space rentals, car-park management fees, electricity, regular (and if applicable, overtime) air-conditioning fees, heating fees, Internet phone and television charges, access control system fees etc.) that shall be separately borne by the relevant Subsidiary Lessees in respect of the individual Lease Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Lessees”	Phoenix Metropolis Communication and Beijing Huibo and each a “Subsidiary Lessee”
“sq. m”	square meters
“%”	per cent

\* *For identification purpose only*

*For the purpose of this announcement, unless otherwise specified, the conversions of RMB into HK\$ are based on the exchange rate of RMB1.00 to HK\$1.10. Such exchange rate has been used, where applicable, for illustration purpose only and does not constitute a representation that any amounts are or will be exchanged at this or any other rates or at all.*

By Order of the Board  
**Phoenix Media Investment (Holdings) Limited**  
**YEUNG Ka Keung**  
*Company Secretary*

Hong Kong, 1 November 2022

*As at the date of this announcement, the Board comprises:*

***Executive Directors***

*Mr. XU Wei (Chairman and Chief Executive Officer) and Mr. SUN Yusheng (Deputy Chief Executive Officer and Editor-in-Chief)*

***Non-executive Directors***

*Ms. HO Chiu King, Pansy Catilina (Vice-chairman), Mr. SUN Guangqi, Mr. JIAN Qin and Ms. WANG Haixia*

***Independent Non-executive Directors***

*Mr. LEUNG Hok Lim, Mr. Thaddeus Thomas BECZAK, Mr. FANG Fenglei and Mr. ZHOU Longshan*