

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



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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF ADDITIONAL INTEREST IN A NON-WHOLLY OWNED SUBSIDIARY

THE ACQUISITION

The Target Company is currently owned as to 45.5357% by the Purchaser and regarded as a non-wholly owned subsidiary of the Company. The Purchaser, which is a wholly owned subsidiary of the Company and the intermediate holding company of the Target Company, entered into the Agreement (as supplemented and amended by the Supplemental Agreement) on 23 December 2022 (after trading hours) with the Vendor in relation to the acquisition of additional 14.2857% equity interests in the Target Company from the Vendor.

LISTING RULES IMPLICATIONS

The Vendor is a substantial shareholder of the Target Company (which is a subsidiary of the Company), and therefore, a connected person of the Company at the subsidiary level. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 1% but all are less than 5% (other than the profits ratio which is over 5% but less than 25%), the Acquisition also constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' or independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 23 December 2022 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Agreement (as supplemented and amended by the Supplemental Agreement) in relation to the Acquisition.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are set out below:

- Date** : 23 December 2022
- Parties** : (i) The Purchaser; and
(ii) The Vendor
- Subject matter** : The Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Target Shares.
- Consideration** : The total consideration for the Acquisition (the “**Consideration**”) before adjustment below was RMB80,446,562.71 (equivalent to HK\$90,100,150.24), which was determined on normal commercial terms or better, after arm’s length negotiation between the parties, and with reference to the audited net assets value of the Target Company of approximately RMB563,125,939 (equivalent to approximately HK\$630,701,051.68) as at 31 December 2021 which was prepared in accordance with the accounting principles generally accepted in the PRC and the corresponding 14.2857% equity interests held by the Vendor in the Target Company represented by the Target Shares.

The Consideration shall automatically be adjusted downward to such amount by deducting the dividend received by the Vendor from the Target Company for the year ended 31 December 2021. On the same date of the Agreement, the Vendor and the Purchaser entered into the Supplemental Agreement and confirmed that the final Consideration after such adjustment shall be RMB62,846,562.71 (equivalent to HK\$70,388,150.24).

The Consideration shall be paid within five (5) working days after the Vendor having submitted materials to prove that all the Conditions are fulfilled to the satisfaction of the Purchaser and in no event later than 31 December 2022. A late penalty equivalent to 0.05% of the outstanding Consideration daily will be imposed on the Purchaser in case of late payment.

The Consideration will be funded partly by the dividend for the year ended 31 December 2021 distributed by the Target Company to the Purchaser and partly by internal resources of the Group.

- Completion conditions** : the Completion is conditional upon the fulfilment or waiver (save and except for paragraphs (ii) and (v) below which cannot be waived) granted by the Purchaser of the following conditions (the “**Conditions**”) and the Vendor shall ensure the satisfaction of the following Conditions (other than

paragraph (iii) below) on or before 23 December 2022:

- (i) the parties to the Agreement having executed and delivered the Agreement;
- (ii) the Vendor having obtained all approvals, consents and waivers required for the Acquisition;
- (iii) the Purchaser having obtained relevant internal approval for the Acquisition;
- (iv) the Vendor having duly performed and complied with all covenants, obligations and conditions contained in the Agreement that it is required to perform or comply with at or prior to the Completion (including but not limited to giving the representations and warranties in the Agreement in a true, accurate, complete and not misleading manner);
- (v) there having been no judgment, rulings or injunctions of any PRC law, court, arbitration institution or relevant governmental authorities which restricts, prohibits or cancels the Acquisition, nor is there any pending or potential litigation, arbitration, judgment, ruling or injunction which has or will have a material adverse effect on the Acquisition;
- (vi) Mr. Wang Gang (王剛) (“**Mr. Wang**”) having submitted a resignation letter to resign as a supervisor and chairman of the supervisory board of the Target Company and having confirmed that he has no claims against the Target Company;
- (vii) (if applicable) the parties to the Agreement having executed and delivered a supplemental agreement to the satisfaction of the Purchaser which confirms the adjusted amount of the Consideration in the event of an adjustment thereof (as mentioned above);
- (viii) the Vendor having issued a confirmation letter to the Purchaser confirming that all the above Conditions except for Condition (iii) having been fulfilled.

All the Conditions have been fulfilled as at the date of this announcement.

Completion : The Completion shall take place on the date on which the Conditions have been fulfilled (or waived by the Purchaser, as the case may be) and full payment of the Consideration has been made by the Purchaser. If the Purchaser fails to pay the Consideration to the Vendor on or before 31 December 2022, the Vendor is entitled, at its sole discretion, to terminate the Agreement by written notice or continue to complete the Acquisition.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is the audited consolidated financial information of the Target Group for the two years ended 31 December 2021 prepared in accordance with Hong Kong Financial Reporting Standards as extracted from the 2021 annual report of the Company.

	For the year ended 31 December	
	2020	2021
	(HK\$)	(HK\$)
	(audited)	(audited)
Net profit before taxation	12,359,000	202,752,000
Net profit after taxation	13,279,000	146,117,000

The original acquisition costs of the Target Shares by the Vendor was RMB96,000,000 (equivalent to HK\$107,520,000). The net assets value of the Target Group as at 31 December 2021 as extracted from the 2021 annual report of the Company was HK\$655,133,000. The Target Company will remain a subsidiary of the Company, with the Group's shareholding interest increasing from 45.5357% to approximately 59.8214% after Completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Considering that the outdoor media operated by the Target Group is one of the three major business segments of the Company and taking into account the optimistic financial positions and promising prospects of the Target Group, the Acquisition will increase the Group's shareholding in the Target Company which is conducive to the development of the Group and is expected to bring better returns to the Shareholders.

Based on the above, the Directors (including independent non-executive Directors) are of the view that the Agreement is 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 Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in or is required to abstain from voting on the relevant resolutions of the Board approving the Acquisition.

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, education, exhibitions and other fields. The Purchaser is a wholly owned subsidiary of the Company and is an investment holding company.

The Target Company has been focusing on outdoor LED media, selling advertising airtime on the outdoor LED panels for years, and providing the PRC and overseas well-known brand customers with

professional services that are characterised by comprehensive, reliable and creative services with sufficient technical support.

As at the date of the this announcement, the Target Company is owned as to 45.5357% equity interests by the Purchaser, 14.2857% by the Vendor, 9.1071% by Wang Yanjun (王彥軍), 7.1429% by Shanghai Minghui Equity Investment Partnership L.P. (上海明輝股權投資合夥企業 (有限合夥)) (“**Shanghai Minghui**”), 7.1429% by Liu Yanguo (劉豔國), 6.0714% by Li Bin (李彬) and 4.6438% by Liu Zuogeng (劉作庚). Each of Wang Yanjun and Li Bin is a director of certain subsidiaries of the Company and Liu Zuogeng is a director of certain subsidiaries of the Company and an employee of the Group. The remaining 6.0705% of the Target Company is held by 26 other individuals who are either former or current directors of certain subsidiaries of the Company and/or employees of the Group with none of them holding more than 1.8%. Shanghai Minghui is held as to 18.5072% limited partnership interests (“**LP interests**”) by Chen Zhifan (陳治帆), 11.7647% LP interests by a company owned as to 50% by each of Chen Zhonglan (陳忠蘭) and Chen Beibei (陳蓓蓓), 10.2181% by Xu Chuanteng (許傳騰) and remaining 59.51% LP interests by other partners, each of whom holds less than 10% LP interests in Shanghai Minghui. Save as disclosed herein, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, each of the other shareholders of the Target Company is independent third party to the Company.

The Vendor

The Vendor is principally engaged in equity investments in private companies. The general partner of the Vendor is Envision Jiehong (Tianjin) Equity Investment Fund Management Partnership (L.P.) (維思捷宏 (天津) 股權投資基金管理合夥企業 (有限合夥)) (“**Envision Jiehong**”) which holds approximately 4.2% LP interests in the Vendor. Envision Jiehong is ultimately controlled by Mr. Wang with 80% LP interests therein. All the other partners of Envision Jiehong are, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, independent third parties to the Company. The Vendor is also held by Envision Jiebao (Tianjin) Equity Investment Fund Partnership (L.P.) (維思捷寶 (天津) 股權投資基金合夥企業 (有限合夥)) (“**Envision Jiebao**”) as to 74.99% LP interests therein as a limited partner. Each of the partners of Envision Jiebao holds less than 10% LP interests therein and is independent third party to the Company. The Vendor is further held by Changzhou Investment Group Co., Ltd. (常州投資集團有限公司), a state-owned entity, as to approximately 8.1% LP interests, Xue Fei (薛非) as to approximately 8.1% LP interests and Zhao Guiting (趙貴廷) as to approximately 2.49% LP interests, all of whom are to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, independent third parties to the Company. Apart from the above, each of the remaining partners of the Vendor holds less than 1% LP interests of the Vendor and is independent third party to the Company.

LISTING RULES IMPLICATIONS

The Vendor is a substantial shareholder of the Target Company (which is a subsidiary of the Company), and therefore, a connected person of the Company at the subsidiary level. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 1% but all are less than 5% (other than the profits ratio which is over 5% but less than 25%), the Acquisition also constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the shareholders’ or independent shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition by the Purchaser of the Target Shares from the Vendor pursuant to the terms of the Agreement;
“Agreement”	the sale and purchase agreement dated 23 December 2022 entered into between the Purchaser and the Vendor in relation to the Acquisition (as supplemented and amended by the Supplemental Agreement);
“Board”	the board of Directors of the Company;
“China” or “PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“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;
“Completion”	completion of the Acquisition;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	third party(ies) who/which is/are not connected person(s) of the Group;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules;
“Purchaser”	Phoenix Metropolis Communication (Beijing) Co., Ltd.* (鳳凰都市文化傳播(北京)有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Shares”	ordinary shares of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Supplemental Agreement”	the supplemental agreement dated 23 December 2022 entered into between the Purchaser and the Vendor to supplement and amend the Agreement;
“Target Company”	Phoenix Metropolis Media Technology Company Limited* (鳳凰都市傳媒科技股份有限公司), a company incorporated in the PRC with limited liability and is a non-wholly owned subsidiary of the Company with 45.5357% equity interests as at the date of this announcement. As the Group has de-facto control, the Target Company is regarded as a subsidiary of the Company;
“Target Group”	Target Company and its subsidiaries;
“Target Shares”	22,000,000 shares of the Target Company owned by the Vendor, representing 14.2857% equity interests in the Target Company; and
“Vendor”	Tianjin Weidao Asset Management Partnership (Limited Partnership)* (天津維道資產管理合夥企業(有限合夥)), a limited partnership established in the PRC.

* 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\$1.12. 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, 23 December 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