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If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Phoenix Media Investment (Holdings) Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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

(formerly known as “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)

**SUPPLEMENTAL CIRCULAR TO
THE CIRCULAR TO SHAREHOLDERS DATED 24 APRIL 2018
IN RELATION TO THE PROPOSED ADOPTION OF
NEW SHARE OPTION SCHEME BY A SUBSIDIARY
AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

This supplemental circular should be read together with the circular to Shareholders dated 24 April 2018 (the “**Circular**”) and the notice convening the annual general meeting of the Company (the “**AGM**”) to be held at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Wednesday, 6 June 2018 at 3:00 p.m. is set out on pages 12 to 16 of the Circular. A Second Proxy Form is enclosed with this supplemental circular for use at the AGM.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the enclosed Second Proxy Form in accordance with the instructions printed thereon as soon as possible, but in any event not later than 48 hours before the time appointed for the AGM or any adjourned meeting (as the case may be) to the office of the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. The completion and return of the Second Proxy Form will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meeting should you so wish.

21 May 2018

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DEFINITIONS

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

“2018 PNM Share Option Scheme”	the share option scheme proposed to be approved at the AGM, summary of the principal terms of which is set out in Appendix II to this supplemental circular;
“Adoption Date”	The date on which the 2018 PNM Share Option Scheme is conditionally approved by the Shareholders at the AGM;
“Affiliate”	any company which is (a) a holding company of PNM; or (b) a subsidiary of a holding company of PNM; or (c) a subsidiary of PNM; or (d) a controlling shareholder of PNM; or (e) a company controlled by a controlling shareholder of PNM; or (f) a company controlled by PNM; or (g) an associated company of a holding company of PNM; or (h) an associated company of PNM;
“Associate”	shall have the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“Auditors”	the auditors for the time being of PNM, or an independent financial adviser appointed by the PNM Board;
“AGM”	the annual general meeting of the Company to be held at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Wednesday, 6 June 2018 at 3:00 p.m.;
“Board”	the board of Directors of the Company;
“Circular”	the circular dated 24 April 2018 issued by the Company to the Shareholders in relation to, among other matters, the approval of the proposed general mandates to issue Shares and to buy-back Shares and the proposed re-election of retiring Directors as well as other matters;
“Close associate”	shall have the meaning ascribed to it under the Listing Rules;
“Company”	Phoenix Media Investment (Holdings) Limited (formerly known as “Phoenix Satellite Television Holdings Limited”), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Connected person”	shall have the meaning ascribed to it under the Listing Rules;

DEFINITIONS

“Core connected person”	shall have the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Eligible Person”	(a) any executive, employee or director of PNM or any Affiliate; and (b) any consultant, adviser, agent, business partner, joint venture partner, service provider, contractor who, as determined at the sole discretion of the PNM Board, has or may have contribution to PNM or any Affiliate;
“Existing PNM Share Option Scheme”	PNM’s share option scheme in the form approved by the Shareholders on 20 June 2008 or any amended form;
“First Proxy Form”	the proxy form which was despatched to the Shareholders on 24 April 2018 together with the Circular and the accompanying Notice of AGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	16 May 2018, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notice of AGM”	the notice dated 24 April 2018 convening the AGM as set out on pages 12 to 16 of the Circular;
“Offer”	an offer to grant an Option made in accordance with the 2018 PNM Share Option Scheme;
“Offer Date”	the date on which the Offer is made to an Eligible Person;
“Option”	an option to subscribe for PNM Shares granted pursuant to the 2018 PNM Share Option Scheme and for the time being subsisting which shall include a sale option, where applicable;
“Option Holder”	a person holding an Option

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“Option Period”	the period during which an Option may be exercised as notified by the PNM Board to an Eligible Person in the Offer, provided that such period shall not be longer than 10 years from the Offer Date, the Board may also impose restrictions on the exercise of an Option during the period an Option may be exercised;
“Option Price”	the price per Share payable on the exercise of an Option as determined by the PNM Board on a fair and reasonable basis, taking into consideration the prevailing market condition, performance of PNM and after having assessed the efforts, performance and/or future potential contribution of the Eligible Person to the success of the business and operations of PNM (and the Affiliates from time to time), which shall be no less than the nominal value of the PNM Shares on the Offer Date;
“PNM”	Phoenix New Media Limited, a company incorporated in the Cayman Islands and an indirect non-wholly-owned subsidiary of the Company as at the Latest Practicable Date, the shares of which are listed by way of American Depositary Shares on the New York Stock Exchange in the United States;
“PNM Board”	the board of directors of PNM for the time being or a duly authorized committee thereof;
“PNM Shareholder”	a registered holder of issued PNM Shares from time to time;
“PNM Shares”	shares of PNM, and for the purposes of the description of shares of PNM issued or issuable under the 2018 PNM Share Option Scheme in this supplemental circular, means the class A ordinary shares of US\$0.01 each (or such other amount as such ordinary shares may be divided or consolidated or converted into) in the share capital of PNM;
“PRC”	the People’s Republic of China, which shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;
“Relevant Event”	any variation in the share capital of PNM arising from any reduction, sub-division or consolidation of share capital, any rights issue or the issue of any share capital (including any securities convertible into share capital or warrants or options to subscribe for any share capital but excluding any Option granted pursuant to the 2018 PNM Share Option Scheme or other share option schemes of PNM) by way of capitalisation of profits or reserves or in connection with an offer made pro rata to the PNM Shareholders except where share capital is issued as consideration or part consideration in a transaction;

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“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) of the Company;
“Second Proxy Form”	the new proxy form enclosed with this supplemental circular;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes;
“Supplemental Notice of AGM”	the supplemental notice dated 21 May 2018 convening the AGM as set out on pages 19 and 20 of this supplemental circular;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

LETTER FROM THE BOARD



鳳凰衛視

PHOENIX MEDIA INVESTMENT (HOLDINGS) LIMITED 鳳凰衛視投資(控股)有限公司

(formerly known as “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)

Executive Directors:

LIU Changle (Chairman)
CHUI Keung
WANG Ji Yan

Non-executive Directors:

SHA Yuejia
XIA Bing
GONG Jianzhong
SUN Yanjun

Independent Non-executive Directors:

LEUNG Hok Lim
Thaddeus Thomas BECZAK
FANG Fenglei
HE Di

Alternate Director:

LAU Wai Kei, Ricky

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business:

No. 2-6 Dai King Street
Tai Po Industrial Estate
Tai Po
New Territories
Hong Kong

21 May 2018

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO
THE CIRCULAR TO SHAREHOLDERS DATED 24 APRIL 2018
IN RELATION TO THE PROPOSED ADOPTION OF
NEW SHARE OPTION SCHEME BY A SUBSIDIARY
AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

This supplemental circular should be read together with the Circular of the Company which contains, inter alia, (1) the general mandates to allot, issue and deal with additional Shares and to buy-back Shares; and (2) the re-election of retiring Directors.

LETTER FROM THE BOARD

The purpose of this supplemental circular is to provide you with information of additional resolution to be proposed at the AGM relating to the proposed adoption of a new share option scheme by a subsidiary, and to give you a Supplemental Notice of AGM and the Second Proxy Form.

2. PROPOSED ADOPTION OF THE 2018 PNM SHARE OPTION SCHEME

The Existing PNM Share Option Scheme

The Existing PNM Share Option Scheme was approved and adopted by the Shareholders at the extraordinary general meeting of the Company held on 20 June 2008. The purpose of the Existing PNM Share Option Scheme is to enable PNM to provide incentives or rewards to the Eligible Persons for their contribution or potential contribution to PNM and/or the Affiliates. The Existing PNM Share Option Scheme will expire on 20 June 2018, being the tenth anniversary after the adoption date of the Existing PNM Share Option Scheme. Other than the Existing PNM Share Option Scheme, PNM currently does not maintain any other share option schemes.

Upon expiry of the Existing PNM Share Option Scheme on 20 June 2018, no further options will be granted thereunder, but in all other respects, subject to the provisions under Chapter 17 of the Listing Rules, the Existing PNM Share Option Scheme shall remain in full force and effect, and the options granted thereunder may continue to be exercisable in accordance with the terms of issue thereof.

The Directors now propose the adoption of the 2018 PNM Share Option Scheme for approval by the Shareholders at the AGM. The purpose of the 2018 PNM Share Option Scheme is to provide incentive and rewards to the Eligible Persons for their contribution to PNM and/or the Affiliates. The 2018 PNM Share Option Scheme is intended to (a) motivate the Eligible Persons to enhance their performance; and (b) attract and retain the Eligible Persons whose contributions are important to the long-term growth and profitability of PNM and/or the Affiliates.

The 2018 PNM Share Option Scheme

For the reasons set out in the section headed “Reasons for adopting the 2018 PNM Share Option Scheme” below, the Company proposes to seek approval of the Shareholders to adopt the 2018 PNM Share Option Scheme in the AGM, the provisions of which will comply with the requirements of Chapter 17 of the Listing Rules. A summary of the principal terms of the 2018 PNM Share Option Scheme is set out in Appendix II to this supplemental circular.

The 2018 PNM Share Option Scheme will enable PNM to grant Options to the selected Eligible Persons in order to retain and provide incentive to the employees of PNM to achieve its business objectives.

The adoption of the 2018 PNM Share Option Scheme is conditional upon the passing of the ordinary resolution to adopt the 2018 PNM Share Option Scheme by the Shareholders.

LETTER FROM THE BOARD

Under the 2018 PNM Share Option Scheme, the total number of PNM Shares which may be issued upon exercise of all Options to be granted under the 2018 PNM Share Option Scheme and any other share option scheme(s) of PNM shall not in aggregate exceed 10% of the PNM Shares in issue as at the Adoption Date. As at the Latest Practicable Date, the issued share capital of PNM comprised a total of 264,335,266 PNM Shares. On the basis that no further PNM Shares are issued or repurchased between the Latest Practicable Date and the Adoption Date, such 10% shall represent 26,433,526 PNM Shares as at the Adoption Date.

Reasons for adopting the 2018 PNM Share Option Scheme

The purpose of the 2018 PNM Share Option Scheme is to enable PNM to grant Options to selected Eligible Persons as incentives or rewards for their contribution to PNM and/or the Affiliates.

The 2018 PNM Share Option Scheme expressly provides that the PNM Board may require a particular Option Holder to achieve certain performance targets specified at the time of Offer before any Option granted under the scheme can be exercised. It also provides that the PNM Board may determine the exercise price on a fair and reasonable basis, taking into consideration the prevailing market condition, performance of PNM and after having assessed the efforts, performance and/or future potential contribution of the Eligible Person to the success of the business and operations of PNM (and the Affiliates from time to time), which shall be no less than the nominal value of the PNM Shares on the Offer Date. The PNM Board also has the absolute discretion to impose any vesting period in making an Offer. In view of the terms of the 2018 PNM Share Option Scheme (in particular the above terms), the Directors believe that the 2018 PNM Share Option Scheme will accord the PNM Board flexibility in determining specific targets, parameters and conditions to which the specific grant of Options may be subject on a case-by-case basis, and thereby will better enable PNM to attract people who are valuable to the development of PNM.

Value of the Options

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the 2018 PNM Share Options Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but are not limited to the Option Price, exercise period and the conditions that an Option is subject to. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

Others

There is no trustee in relation to the 2018 PNM Share Option Scheme. With respect to the operation of the 2018 PNM Share Option Scheme, the Company and PNM will comply with the relevant requirements under Chapter 17 of the Listing Rules. A copy of the 2018 PNM Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong from the date of this supplemental circular up to the date of the AGM.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution approving the 2018 PNM Share Option Scheme.

3. SUPPLEMENTAL NOTICE OF AGM AND SECOND PROXY FORM

As a result of the additional resolution to be proposed at the AGM subsequent to the despatch of the Circular (containing Notice of AGM and First Proxy Form), a Supplemental Notice of AGM is set out on pages 19 and 20 of this supplemental circular and the Second Proxy Form is enclosed with this supplemental circular.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the enclosed Second Proxy Form in accordance with the instructions printed thereon as soon as possible, but in any event not later than 48 hours before the time appointed for the AGM or any adjourned meeting (as the case may be) ("**Closing Time**") to the office of the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited ("**Share Registrar**") at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The completion and return of the Second Proxy Form will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meeting should you so wish.

4. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution set out in the Supplemental Notice of the AGM will be put to the vote by way of a poll. An announcement on the poll vote results will be published by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

5. RECOMMENDATION

In addition to the recommendations contained in the Circular, the Directors are of the opinion that the proposed adoption of new share option scheme by PNM as set out in this supplemental circular is in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the AGM.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

Yours faithfully,
On behalf of the Board
Phoenix Media Investment (Holdings) Limited
LIU Changle
Chairman

APPENDIX I SPECIAL ARRANGEMENTS ABOUT COMPLETION AND SUBMISSION OF THE SECOND PROXY FORM

A Shareholder who has not yet lodged the First Proxy Form with the Share Registrar is requested to lodge the Second Proxy Form with the instructions printed thereon if the Shareholder wishes to appoint proxy/proxies to attend the AGM or any adjournment thereof (as the case may be) on its/his/her behalf. In this case, the First Proxy Form should not be lodged with the Share Registrar.

A Shareholder who has already lodged the First Proxy Form with the Share Registrar should note that:

- (i) If no Second Proxy Form is lodged with the Share Registrar, the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder. The proxy so appointed by the Shareholder will be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the AGM, including the additional/revised proposed resolution set out in the Supplemental Notice of AGM.
- (ii) If the Second Proxy Form is lodged with the Share Registrar before the Closing Time, the Second Proxy Form, if correctly completed, will revoke and supersede the First Proxy Form previously lodged by it/him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the Shareholder.
- (iii) If the Second Proxy Form is lodged with the Share Registrar after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Second Proxy Form will be invalid. The proxy so appointed by the Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged with the Share Registrar. Accordingly, Shareholders are advised to complete the Second Proxy Form carefully and lodge the Second Proxy Form with the Share Registrar before the Closing Time.

Shareholders are reminded that completion and submission of the First Proxy Form and/or the Second Proxy Form shall not preclude Shareholders from attending the AGM or any adjournment thereof (as the case may be) and voting in person should they so wish.

If you are a non-registered Shareholder (i.e. your Shares are held through an intermediary, for example, a bank, custodian or securities broker) or registered in the name of your nominee, you will not receive the Second Proxy Form directly from the Company, and you will need to give instructions to your intermediary/nominee to vote on your behalf. If you wish to attend and vote at the AGM, you should seek authorisation to do so from your intermediary/nominee directly.

The following is a summary of the principal terms of the 2018 PNM Share Option Scheme proposed to be approved by the Shareholders at the AGM.

1. PURPOSE OF THE 2018 PNM SHARE OPTION SCHEME

The purpose of the 2018 PNM Share Option Scheme is to enable PNM to grant Options to selected Eligible Persons as incentives or rewards for their contribution to PNM and/or the Affiliates.

2. ADMINISTRATION OF THE 2018 PNM SHARE OPTION SCHEME

The 2018 PNM Share Option Scheme shall be administered by the PNM Board whose decisions shall be final and binding on all persons who may be affected thereby. The PNM Board may delegate some or all of its authority under the 2018 PNM Share Option Scheme to an individual or individuals who may either be one or more of the members of the PNM Board or one or more of the officers of PNM or its subsidiaries.

3. CONDITIONS

The 2018 PNM Share Option Scheme is conditional on the Shareholders approving the adoption of the 2018 PNM Share Option Scheme at the AGM.

4. ELIGIBLE PERSONS

Subject to the terms of the 2018 PNM Share Option Scheme and for so long as PNM remains a subsidiary of the Company, subject also to the Listing Rules, the PNM Board may, at its absolute discretion (subject to any terms and conditions as it may think fit) during the Scheme Period (as defined below), make Offers to any Eligible Persons to take up Options. The eligibility of the Eligible Persons is determined by the PNM Board with reference to the Eligible Persons' past and expected commitment and contribution to PNM and/or the Affiliates.

Offers may be accepted by returning a duly signed copy of the Offer document or other instrument in writing to PNM by 5:00 p.m. on the date specified in the Offer as the latest date for acceptance, together with remittance of HK\$1.00 (or foreign currency equivalent) by way of consideration for the grant thereof.

All Offers and Options shall be personal to the person to whom it was made or granted and shall not be transferable or assignable.

5. OPTION PRICE AND OPTION PERIOD

The Option Price shall be determined by the PNM Board on a fair and reasonable basis, taking into consideration the prevailing market condition, performance of PNM and after having assessed the efforts, performance and/or future potential contribution of the Eligible Person to the success of the business and operations of PNM (and the Affiliates from time to time), which shall be no less than the nominal value of the PNM Share on the Offer Date.

The exercise price of any Option granted during such period shall be adjusted to a price not lower than the new issue price as the PNM Board may deem appropriate; or (where applicable) such price as from time to time adjusted pursuant to the 2018 PNM Share Option Scheme.

The Option Period will be notified by the PNM Board to an Eligible Person in the Offer, which shall not be longer than 10 years from the Offer Date.

6. MAXIMUM NUMBER OF PNM SHARES IN RESPECT OF WHICH OPTIONS MAY BE GRANTED

For so long as PNM remains a subsidiary of the Company:

- (a) The total number of PNM Shares which may be issued upon exercise of all Options to be granted under the 2018 PNM Share Option Scheme and any other share option schemes of PNM shall not in aggregate exceed 10% of the PNM Shares in issue on the Adoption Date (the “Limit”), unless further approval of the Shareholders have been obtained pursuant to (b) and (c) below, provided that Options lapsed in accordance with the terms of the 2018 PNM Share Option Scheme will not be counted for the purpose of calculating the Limit.
- (b) The Company may, after issuing a circular to its Shareholders in accordance with the Listing Rules, seek approval of the Shareholders in general meeting to refresh the Limit provided that the Limit as refreshed shall not exceed 10% of the PNM Shares in issue as at the date of approval from the Shareholders of the refreshed Limit. Options previously granted (including those outstanding, cancelled, lapsed or exercised in accordance with the 2018 PNM Share Option Scheme and any other share option schemes of PNM) will not be counted for the purpose of calculating the Limit as refreshed.
- (c) The Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the Limit or the refreshed Limit provided that the Options in excess of the Limit or refreshed Limit are granted only to such Eligible Persons specifically identified by PNM before such approval is sought, and a circular containing a generic description of the specified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Persons and how these Options serve such purpose shall be despatched to the Shareholders together with the notice of the relevant general meeting.
- (d) The total number of PNM Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2018 PNM Share Option Scheme and any other share option schemes of PNM shall not in any event exceed 30% of the PNM Shares in issue from time to time.
- (e) Unless approved by the Shareholders in the manner set out in the rest of this paragraph, the total number of PNM Shares issued and to be issued upon the exercise of the Options granted and to be granted to any Eligible Person (including both exercised and outstanding Options) in any 12-month period up to and including the Offer Date shall not exceed 1% of

the PNM Shares in issue as at the Offer Date. Where any further grant of Options to an Eligible Person would result in this limit being exceeded, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if the Eligible Person is a connected person) abstaining from voting. The Company must also send a circular to Shareholders disclosing, inter alia, the identity of such Eligible Person, the number and terms of the Options to be granted (and Options previously granted to such Eligible Person). The number and terms (including the exercise price) of Options to be granted must be fixed before Shareholders' approval and the date of the meeting of the PNM Board for proposing such further grant should be taken as the Offer Date for the purpose of calculating the minimum Option Price.

7. RESTRICTIONS ON GRANT OF OPTIONS

For so long as PNM remains a subsidiary of the Company:

- (a) An Offer must not be made after inside information of PNM or the Company has come to their knowledge until the Company has announced the information, in particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with Rule 13.43 of the Listing Rules) for the approval of any quarterly, interim or annual results; and (ii) the deadline for the Company to publish any quarterly, interim or annual results announcement under the Listing Rules, and ending on the date of the relevant results announcement of the Company, no Option shall be granted.
- (b) Any proposed grant of Options to a Director, chief executive, management shareholder (if applicable) or substantial shareholder (as such terms are defined in the Listing Rules) of the Company or any of their respective associates, must be approved by independent non-executive Directors (excluding any independent non-executive Director who is proposed to be a grantee of such Options).
- (c) Where any proposed grant of Options to a substantial shareholder (as such term is defined in the Listing Rules) of the Company, or an independent non-executive Director or any of their respective associates, will result in the total number of PNM Shares issued and to be issued upon exercise of Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the Offer Date:
 - (i) representing in aggregate over 0.1% of the PNM Shares in issue; and
 - (ii) having an aggregate value, based on the market price of the PNM Shares (calculated based on the closing price of the American depositary shares representing the PNM Shares on the relevant exchange) at the date of each grant, in excess of HK\$5 million,

such further grant of Options, and any change in the terms of Options granted, shall be subject to the issue of a circular in compliance with Rule 17.04 of the Listing Rules by the Company to the Shareholders and the approval (by way of voting by poll) of the Company

in general meeting at which all core connected persons of the Company must abstain from voting, except that any core connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. The date of the meeting of the PNM Board proposing such further grant shall be taken as the Offer Date for the purpose of calculating the minimum Option Price.

8. EXERCISE OF OPTIONS

Subject to paragraph 10, Options may be exercised in accordance with the terms of the 2018 PNM Share Option Scheme at any time during the Option Period provided that the PNM Board may determine the period during which an Option may be exercised. The PNM Board has the discretion to fix any minimum period(s) for which an Option or any part thereof has to be held before the exercise of the subscription rights attaching thereto. An Option Holder shall not be treated as a PNM Shareholder until the registration of the Option Holder as the holder of the PNM Shares. PNM Shares allotted upon the exercise of an Option shall rank pari passu in all respects with the PNM Shares in issue on the date of the exercise.

The Board has the discretion to require a particular Option Holder to achieve certain performance targets specified at the time of Offer before any Option granted under the 2018 PNM Share Option Scheme can be exercised.

9. TAKEOVER OFFERS, LIQUIDATION AND RECONSTRUCTION

- (a) If a general offer (other than by way of scheme of arrangement pursuant to sub-paragraph (b) below) is made to all PNM Shareholders or, for so long as PNM remains a subsidiary of the Company, to all Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), PNM shall forthwith give notice thereof (the “**Notice of General Offer**”) to all Option Holders who may at any time after such offer becomes or is declared unconditional during the Option Period of the relevant Option, be entitled to exercise the Option in full or in part regardless of any vesting period requirements (if any) at any time thereafter and up to the close of such offer (or any revised offer). All outstanding Offers and unexercised Options shall lapse upon the close of such offer (or any revised offer) unless PNM has specified in the Notice of General Offer that all outstanding Offers and unexercised Options shall remain valid notwithstanding the general offer. Any outstanding Offer or unexercised Option surviving such general offer (or revised offer) shall continue to be bound by the terms of the relevant Offer and the 2018 PNM Share Option Scheme.
- (b) If a general offer by way of scheme of arrangement is made to all PNM Shareholders or, for so long as PNM remains a subsidiary of the Company, to all Shareholders, and has been approved by the necessary number of Shareholders (as the case may be) at the requisite meetings, PNM shall forthwith give notice thereof (the “**Notice of Scheme of Arrangement**”) to all Option Holders who may at any time thereafter and until such time as specified by PNM in such notice exercise their unexercised Options to its full extent regardless of any vesting period requirements (if any) or to the extent notified by PNM. All

outstanding Offers and unexercised Options shall lapse upon expiry of the period specified by PNM in the Notice of Scheme of Arrangement unless PNM has specified in such notice that all outstanding Offers and unexercised Options shall remain valid notwithstanding the scheme of arrangement. Any outstanding Offer or unexercised Option surviving such scheme of arrangement shall continue to be bound by the terms of the relevant Offer and the 2018 PNM Share Option Scheme.

- (c) If notice is duly given by PNM to all PNM Shareholders to convene a general meeting at which a resolution will be proposed to voluntarily wind up PNM, PNM shall give notice thereof to all Option Holders on the same date (containing an extract of this provision) as it despatches such notice to each PNM Shareholder, and thereupon each Option Holder or his personal representative(s) shall be entitled to exercise all or any of his unexercised Options either to its full extent regardless of any vesting period requirements (if any) or to the extent specified in such notice at any time not later than two business days prior to the proposed general meeting of PNM. If the resolution to wind up PNM is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine and all outstanding Offers shall lapse.
- (d) If under the Companies Law a compromise or arrangement between PNM and the PNM Shareholders or between PNM and its creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of PNM or its amalgamation with any other company or companies, PNM shall give notice thereof to all Option Holders on the same date as it despatches the notice which is sent to each PNM Shareholder or creditor of PNM summoning the meeting to consider the compromise or arrangement, and thereupon each Option Holder (or where permitted his personal representative(s)) shall be entitled to exercise all or any of his unexercised Options either to its full extent regardless of any vesting period requirements (if any) or to the extent specified in such notice at any time not later than two business days prior to the proposed general meeting of PNM. All outstanding Offers and unexercised Options shall lapse upon the compromise or arrangement becoming effective unless PNM has specified in such notice that all outstanding Offers and unexercised Options shall remain valid notwithstanding the compromise or arrangement. Any outstanding Offer or unexercised Option surviving such compromise or arrangement shall continue to be bound by the terms of the relevant Offer and the 2018 PNM Share Option Scheme.
- (e) Subject to sub-paragraphs (a) to (d) above, all outstanding Offers and unexercised Options shall lapse on the date of commencement of winding up of PNM.
- (f) In no circumstances shall the lapse of Offers or Options under the terms of the 2018 PNM Share Option Scheme entitle an Eligible Person or an Option Holder to any compensation for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under any Options then held by him or any Offer or otherwise in connection with the 2018 PNM Share Option Scheme.

10. LAPSE OF OPTIONS

An Option shall lapse (to the extent not already exercised) automatically on the earliest of:

- (a) expiry of the Option Period;
- (b) the date of termination of employment by the Option Holder's employing company for serious misconduct or in accordance with the termination provisions of his contract of employment (otherwise than by reason of redundancy);
- (c) expiry of the 30-day period from the date of voluntary resignation of the Option Holder other than by reason of the circumstances set out in sub-paragraph (d) hereof;
- (d) the date of termination of such other contract or agreement constituting the Option Holder an Eligible Person for his breach of the terms thereof or in accordance with the termination provisions of such contract or agreement by any contracting party;
- (e) expiry of the six-month period following the occurrence of an event which causes the Option Holder to cease to be an Eligible Person, including ill-health, injury, disability, death or retirement (including expiration of term of directorship);
- (f) expiry of the periods referred to in paragraphs 9(a) and 9(b) above;
- (g) the date on which the resolution to voluntarily wind up PNM is passed; and
- (h) save as otherwise provided in the above paragraph 9, the date of the commencement of winding up of PNM.

11. IF EXERCISE OF AN OPTION IS UNLAWFUL

If at the time an Option Holder wishes to exercise an Option, the exercise of the Option in respect of the PNM Shares or the consequences of such exercise is not permitted by the applicable laws, the Option shall not entitle the Option Holder to subscribe for the PNM Shares, but shall entitle the Option Holder to receive the amount by which the net proceeds of sale of the PNM Shares, the subject of the Option shall exceed the subscription price for such PNM Shares, the PNM Shares shall be sold in the market by PNM, and the subscription price for such PNM Shares shall be credited to PNM's share capital and capital reserves.

12. CANCELLATION OF OPTIONS

Any Options granted but not exercised may be cancelled if the Option Holder agrees in writing. Issuance of new Options to the same Option Holder may only be made if there are unissued Options available under the 2018 PNM Share Option Scheme (excluding the cancelled Options) and in compliance with the terms of the 2018 PNM Share Option Scheme in force from time to time.

13. VOTING AND DIVIDEND RIGHTS

PNM Shares issued upon the exercise of an Option shall not carry voting rights until such PNM Shares are entered in the register of members of PNM. The PNM Shares to be allotted and issued upon the exercise of an Option will rank *pari passu* with the fully paid PNM Shares in issue and accordingly will entitle the Option Holder to participate in all dividend or other distributions paid or made on or after the date when such PNM Shares are entered in the register of members of PNM other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date when such PNM Shares are entered in the register of members of PNM, provided always that when the date of exercise of the Option falls on a date upon which the register of members of PNM is closed then the exercise of the Option shall become effective on the first business day in Hong Kong on which the register of members of PNM is re-opened.

14. ALTERATIONS TO CAPITAL

Upon the occurrence of any Relevant Event, the number or nominal amount of PNM Shares comprised in each Option and/or the Option Price thereunder and/or the Limit (as refreshed from time to time) may be adjusted in any manner as the PNM Board (having received a confirmation in writing from the Auditors, acting as experts and not as arbitrators, that in their opinion the proposed adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the Supplementary Guidance for so long as PNM remains a subsidiary of the Company) may deem appropriate provided always that:

- (a) any adjustments should give an Option Holder the same proportion of the share capital of PNM (as interpreted in accordance with the Supplementary Guidance) as that to which he was previously entitled prior to such adjustment;
- (b) no adjustments shall be made which will enable a PNM Share to be issued at less than its nominal value;
- (c) any adjustment so made shall be in compliance with the Companies Law, the Listing Rules, such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the Supplementary Guidance) and the rules of the relevant stock exchange on which the PNM Shares are listed; and
- (d) where the Relevant Event arises from an issue of PNM Shares, reference to Options shall include references to Options that have been exercised prior to the date of the adjustment in respect of PNM Shares which otherwise do not rank and are not entitled to participate in the issue by reason of the Option Holder not having been then registered as the holder of the relevant PNM Shares.

15. ALTERATION OF THE TERMS OF THE 2018 PNM SHARE OPTION SCHEME

No amendments to the 2018 PNM Share Option Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Option Holders except with any consent on their part as would be required under the provisions of PNM's constitutional documents as if the Options constituted a separate class of share capital and as if the relevant provisions are applied mutatis mutandis.

Subject to the above, the PNM Board may from time to time in its absolute discretion waive or amend any of the rules of the 2018 PNM Share Option Scheme as it deems desirable, provided that, except with the prior sanction of the Company in general meeting:

- (a) no alteration to any of the matters set out in Rule 17.03 of the Listing Rules shall be made to the advantage of Option Holders or Eligible Persons;
- (b) no alteration to the definition of "Eligible Person"; and
- (c) no alteration to the terms and conditions of the 2018 PNM Share Option Scheme which are of a material nature or any change to the terms of Options granted may be made, except where the alterations take effect automatically under the existing terms of the 2018 PNM Share Option Scheme,

provided that for so long as PNM remains a subsidiary of the Company, the amended terms must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the PNM Board in relation to any alteration to the terms of the 2018 PNM Share Option Scheme must be approved by the Shareholders (for so long as PNM remains a subsidiary of the Company) in general meeting.

16. TERMINATION OF THE 2018 PNM SHARE OPTION SCHEME

Subject to earlier termination by an ordinary resolution of the Shareholders (so long as PNM remains a subsidiary of the Company) in general meeting, the 2018 PNM Share Option Scheme shall be valid for the period commencing on the date of approval by an ordinary resolution at a general meeting of the Company and expiring on the business day immediately preceding the 10th anniversary thereof (the "**Scheme Period**"). Upon the termination of the 2018 PNM Share Option Scheme no further Offers will be made but Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2018 PNM Share Option Scheme.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING



鳳凰衛視

PHOENIX MEDIA INVESTMENT (HOLDINGS) LIMITED 鳳凰衛視投資(控股)有限公司

(formerly known as “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)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

THIS NOTICE is supplemental to the notice of the annual general meeting (the “**Notice of AGM**”) dated 24 April 2018 issued by Phoenix Media Investment (Holdings) Limited (the “**Company**”) to convene the annual general meeting of the Company (the “**AGM**”) at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Wednesday, 6 June 2018 at 3:00 p.m.

Details of the proposed resolutions to be considered at the AGM are set out in the Notice of AGM. Unless otherwise stated, terms defined herein shall have the same meanings as those defined in the circular of the Company dated 24 April 2018.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Wednesday, 6 June 2018 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution in addition to the resolutions set out in the Notice of AGM:

ORDINARY RESOLUTION

“**THAT:**

- (a) the new share option scheme (the “**2018 PNM Share Option Scheme**”) of Phoenix New Media Limited (the “**PNM**”), an indirect non-wholly owned subsidiary of the Company, the rules of which are set out in the document marked “A” which has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, be and is hereby approved by the Company;
- (b) the directors of PNM be and are hereby authorised:
 - i. to administer the 2018 PNM Share Option Scheme at their absolute discretion and to grant options to subscribe for Shares of PNM (the “**PNM Shares**”) in accordance with the rules of the 2018 PNM Share Option Scheme;
 - ii. to modify and/or amend the 2018 PNM Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2018 PNM Share Option Scheme relating to modification and/or amendment and the requirements of the Listing Rules;

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

- iii. to allot, issue and deal with any PNM Shares pursuant to the exercise of the subscription rights under any options which may be granted from time to time in accordance with the terms of the 2018 PNM Share Option Scheme; and
 - iv. to do all such acts as they may in their absolute discretion consider necessary, desirable or expedient in order to give full effect to the 2018 PNM Share Option Scheme;
- (c) the directors of the Company be and are hereby authorised to execute all such documents and take all such steps as they may deem necessary, desirable or expedient to effect the adoption of the 2018 PNM Share Option Scheme by PNM.”

By Order of the Board
Yeung Ka Keung
Company Secretary

Hong Kong, 21 May 2018

Notes:

1. A second form of proxy (the “**Second Proxy Form**”) is enclosed with the supplemental circular of the Company dated 21 May 2018 (the “**Supplemental Circular**”). Please refer to page 10 of the Supplemental Circular for special arrangements about completion and submission of the Second Proxy Form.
2. Please refer to the Notice of AGM for details of the other ordinary resolutions to be passed at the AGM, closure of the register of members of the Company and eligibility for attending the AGM, proxy and other relevant matters.