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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, a 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 to the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02008)

**(1) CONTINUING CONNECTED TRANSACTIONS:
NEW MEDIA CCT WITH CMCC GROUP;
(2) PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES;
(3) PROPOSED APPOINTMENT OF DIRECTOR
AND
(4) NOTICE OF THE 2018 SECOND EXTRAORDINARY GENERAL
MEETING**

**Independent financial adviser
to the Independent Board Committee and the Independent Shareholders**



凱基金融亞洲有限公司 中華開發金控
KGI CAPITAL ASIA LIMITED CHINA DEVELOPMENT FINANCIAL

A letter from the Board is set out on pages 4 to 18 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 19 to 20 of this circular.

A letter from KGI Capital Asia Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 21 to 34 of this circular.

A notice convening an EGM to be held on Monday, 17 December 2018, at 3:00 p.m. (or any adjourned meeting thereof) at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong is set out on pages 45 to 47 of this circular.

Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM (or any adjourned meeting thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or at any adjourned meeting thereof).

23 November 2018

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DEFINITIONS

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

“Articles”	the articles of association of the Company, as amended from time to time
“Annual Caps”	the proposed annual cap amounts for the New Media CCT for the three years ending 31 December 2019, 2020 and 2021, as set out in the section headed “D. Historical Amounts and Annual Caps” in the “Letter from the Board” in this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“CMCC”	China Mobile Communications Group Co., Ltd., a state-owned company established under the laws of the PRC
“CMCC Group”	the group of companies comprising CMCC and its associates
“CMHKG”	China Mobile (Hong Kong) Group Limited, a company incorporated in Hong Kong with limited liability and is a subsidiary of CMCC
“Company”	Phoenix Media Investment (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the 2018 second extraordinary 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 Monday, 17 December 2018 at 3:00 p.m.
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	independent committee of the Board comprising four of the independent non-executive Directors, namely, Messrs. LEUNG Hok Lim, Thaddeus Thomas BECZAK, FANG Fenglei and HE Di
“Independent Shareholders”	Shareholders other than CMHKG and its associates
“Latest Practicable Date”	19 November 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“New Media CCT”	provision of website portal and value-added telecommunications services by and to the PNM Group to and by the CMCC Group, including but not limited to those Transactions described in the “Letter from the Board” in this circular
“normal commercial terms or better”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Phoenix New Media”	Phoenix New Media Limited, a company incorporated in the Cayman Islands with limited liability, an indirect non-wholly-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
“PNM Class A Share(s)”	the class A ordinary share(s) of US\$0.01 each (or such other amount as such ordinary shares may be sub-divided or consolidated or converted into) in the share capital of Phoenix New Media
“PNM Group”	Phoenix New Media and its subsidiaries
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China, and Taiwan
“Proposed Amendments”	proposed amendments to the Memorandum and Articles as set out in Appendix II to this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	New Media CCT on substantially similar terms as those set out in the section headed “A. New Media CCT” in the “Letter from the Board” in this circular for each of the three years from 1 January 2019 to 31 December 2021, and the Annual Caps

In this circular, unless otherwise specified, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.1162 as used in the Company’s announcement dated 16 November 2018. 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.

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02008)

Executive Directors:

LIU Changle (*Chairman*)
CHUI Keung
WANG Ji Yan

Non-executive Directors:

JIAN Qin
XIA Bing
GONG Jianzhong
SUN Yanjun

Independent non-executive Directors:

LEUNG Hok Lim
Thaddeus Thomas BECZAK
FANG Fenglei
HE Di

Alternate Director:

Mr. 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

23 November 2018

To the Shareholders

Dear Sir or Madam,

- (1) CONTINUING CONNECTED TRANSACTIONS:
NEW MEDIA CCT WITH CMCC GROUP;**
**(2) PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES;**
**(3) PROPOSED APPOINTMENT OF DIRECTOR
AND**
(4) NOTICE OF THE 2018 SECOND EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to the Company's announcement made on 16 November 2018 in relation to the Transactions and the announcement made on 16 November 2018 in relation to, amongst others, the Proposed Amendments and the proposed appointment of Director. The purpose of this circular is to provide you with additional information reasonably necessary to enable you to make an informed decision on whether to vote for or against each of the resolutions proposed at the EGM.

LETTER FROM THE BOARD

II. THE TRANSACTIONS

A. NEW MEDIA CCT

Background Information

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 CMCC Group is a leading mobile telecommunications services provider in the PRC, providing mobile telecommunications and related services in all 31 provinces, autonomous regions and directly-administered municipalities in the PRC and in Hong Kong. CMHKG, a wholly-owned subsidiary of CMCC, is the substantial shareholder of China Mobile Limited, the ordinary shares of which are listed on the Stock Exchange and its American depositary shares are listed on the New York Stock Exchange. The Group has been conducting business with the CMCC Group for several years.

CMHKG is a substantial shareholder of the Company holding approximately 19.69% of the issued share capital of the Company through CMHKG's wholly-owned subsidiary Extra Step Investments Limited as at the Latest Practicable Date. Members of the CMCC Group are therefore connected persons of the Company under the Listing Rules.

As China Mobile Limited is a leading mobile telecommunications services provider in the PRC, and the PNM Group provides value-added telecommunications services in the PRC, members of the PNM Group have been entering into the New Media CCT with members of the CMCC Group in the ordinary and usual course of business in the past, and the Company expects that the PNM Group will, in the ordinary and usual course of business in the foreseeable future, continue to engage in the New Media CCT with members of the CMCC Group. With the growth of the telecommunications industry and the new business model to be developed between the PNM Group and the CMCC Group upon the introduction of an application store by the CMCC Group in the future, the new media businesses and, correspondingly, the New Media CCT, are expected to grow in the three years from 1 January 2019 to 31 December 2021. Such New Media CCT would constitute non-exempt continuing connected transactions of the Company under the Listing Rules.

LETTER FROM THE BOARD

Due to the diverse nature of the transactions involved, the huge number of companies in the CMCC Group, the common market practice in the PRC value-added telecommunications services industry for a separate contract to be negotiated and entered into for each particular product or service and upon consultation with the CMCC Group, the Company considered that it was not feasible for the Company to comply strictly with the requirement of Rule 14A.35(1) (as then in force) of the Listing Rules to enter into a written framework agreement at the outset in 2015 to cover all New Media CCT with the CMCC Group.

The Company therefore applied for a waiver, which was granted by the Stock Exchange on 30 October 2015, from strict compliance with the requirement under Rule 14A.35(1) (as then in force) of the Listing Rules to enter into a framework agreement with the CMCC Group at the outset covering all of the expected New Media CCT for the three years ended 31 December 2016, 2017 and 2018, subject to the conditions disclosed in the Company's announcement dated 6 November 2015. The Shareholders approved the New Media CCT between the PNM Group and the CMCC Group and the relevant annual caps for the three years from 1 January 2016 to 31 December 2018, at the extraordinary general meeting of the Company held on 4 December 2015.

For the above reasons, the Company proposes to renew this streamlined approach to the New Media CCT. In this connection, the Company has applied for a waiver, which the Stock Exchange has granted, from strict compliance with the requirement under Rule 14A.34 and Rule 14A.51 of the Listing Rules to enter into a framework agreement with the CMCC Group at the outset covering all New Media CCT for the three years from 1 January 2019 to 31 December 2021. The Company proposes to seek Independent Shareholders' approval of the Transactions at the EGM.

Subject matter and nature of transactions

The New Media CCT for the three years ended 31 December 2016, 2017 and 2018 were approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 4 December 2015. Depending on the nature of the transaction, the Company has re-categorised the New Media CCT into the following six categories:

1. rental of IDC (Internet Data Center) facilities from the CMCC Group;
2. provision by the CMCC Group of fee calculation and collection services in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's value-added content platforms, such as short messaging contents, multi-media contents, IVR (Interactive Voice Response) products;

LETTER FROM THE BOARD

3. purchase by the CMCC Group of value-added telecommunications contents provided by the PNM Group, such as mobile newspapers, club magazines, news information, videos, novels, comics, programs, music, seminars and other promotional activities conducted by presenters;
4. provision by the PNM Group of marketing or advertising services for the promotion of the CMCC Group brand, products or mobile platforms using the PNM Group's web-based or mobile platforms;
5. purchase by the PNM Group of mobile data services provided by the CMCC Group; and
6. other products and/or services in connection with or in respect of the provision of website portal, value-added telecommunications, promotional and ancillary services by and to members of the PNM Group to and by members of the CMCC Group.

Parties

Each existing New Media CCT is governed by a separate written contract and entered into by the relevant member(s) of the PNM Group with the relevant member(s) of the CMCC Group, depending on the nature of the transaction and geographical location.

So far as the Company is aware, each of the existing contracts for the New Media CCT was separately negotiated on an arm's length basis with the relevant member of the CMCC Group.

Pricing bases

The pricing bases for the New Media CCT for the three years from 1 January 2019 to 31 December 2021 (the "Next Three-Year Period") can be summarised as follows:

Description of transaction	Pricing basis
1. Rental of IDC (Internet Data Center) facilities from the CMCC Group	For a fixed fee to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price with a discount negotiated on an arm's length basis having regard to, among other things, the scope, scale, levels and features of products and/or services required by the PNM Group

LETTER FROM THE BOARD

Description of transaction	Pricing basis
2. Fee calculation and collection services provided by the CMCC Group in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's platforms	<p data-bbox="876 325 1407 725">(i) For payment via mobile service, the CMCC Group is entitled to percentages to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price negotiated on an arm's length basis, of the amounts paid in cash and by mobile fee recharge card by subscribers via such service</p> <p data-bbox="876 772 1407 1551">(ii) For short messaging, WAP, IVR, multimedia messaging, reading, video, game, animation and comics and music contents, the CMCC Group is entitled to percentages to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price negotiated on an arm's length basis; for short messaging and multimedia messaging contents, the CMCC Group also charges the PNM Group an "information flow imbalance" fee based on the difference between the number of short or multimedia messages the PNM Group sends to subscribers and the number of short or multimedia messages subscribers send to the PNM Group</p>

LETTER FROM THE BOARD

Description of transaction	Pricing basis
3. Provision by the PNM Group of value-added telecommunications contents, such as mobile newspapers, club magazines, news information, videos, novels, comics, programs, music, seminars and other promotional activities conducted by presenters	For a fixed fee or a revenue-sharing or a combination of fixed fee and revenue-sharing basis to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to market price negotiated on an arm's length basis taking into account the substantial subscriber base of the CMCC Group on the one hand, and the unique contents provided by the PNM Group on the other hand
4. Provision by the PNM Group of marketing or advertising services for the promotion of the CMCC Group brand, products or mobile platforms using the PNM Group's web-based or mobile platforms	For a fixed fee to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price (after relevant discount, as necessary) negotiated on an arm's length basis, taking into account factors such as the scale, levels and features of products and/or services required by the CMCC Group
5. Provision by the CMCC Group of mobile data services	At market price (after relevant discount or other concessional terms, as necessary) to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period having regard to, among other things, the product feature, scope, scale and levels required by the PNM Group, or where there are no comparable market price, on terms no less favourable than those that may be offered to or by independent third parties

LETTER FROM THE BOARD

Description of transaction	Pricing basis
6. (i) Other products and/or services in connection with or in respect of the provision of website portal, value-added telecommunications, promotional and ancillary services provided by members of the PNM Group to members of the CMCC Group	(i) At market price (after relevant discount or other concessional terms, as necessary) to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period having regard to, among other things, the product feature, scale and levels required by the CMCC Group, or where there are no comparable market price, on terms no less favourable than those that may be offered to or by independent third parties
(ii) Other products and/or services in connection with or in respect of the provision of website portal, value-added telecommunications, advertisement, promotional and ancillary services provided by members of the CMCC Group to members of the PNM Group, such as (i) provision by the CMCC Group of marketing services for products of the PNM Group and (ii) the various agreements to be entered into with different companies in the CMCC Group in relation to the purchasing of a variety of businesses	(ii) At market price (after relevant discount or other concessional terms, as necessary) to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period having regard to, among other things, the product feature, scale and levels required by the PNM Group, or where there are no comparable market price, on terms no less favourable than those that may be offered to or by independent third parties

LETTER FROM THE BOARD

In relation to each category of the New Media CCT mentioned above, “market price” is to be determined by ascertaining the prevailing prices at which the same or similar type of products or services are provided by or to or between independent third parties under normal commercial terms in the ordinary course of business in each case taking into account the applicable circumstances including but not limited to costs, profit margin, resources, experience, quality and technology of the relevant products, services and counterparty. When determining whether the transaction price for any transaction under the New Media CCT represents market prices, to the extent practicable, the sales and marketing team of members of the PNM Group would (i) compare the pricing of the relevant products or services demanded by and offered to/by independent third party customers/supplier on similar transactions (as the case may be); (ii) obtain market data and industry information from time to time including the pricing of competitors through market research, industry websites and public information available; and (iii) keep regular contact with established customers/suppliers to better understand the market price trend (as the case may be). The pricing terms for the New Media CCT cannot be fixed in advance because it is industry and market practice that each New Media CCT is subject to negotiation and prevailing market conditions at the time that it is entered into and there is no government regulated fixed pricing for the transactions concerned.

Term

The contract for rental of the IDC (Internet Data Center) facilities by Beijing Tianying Jiuzhou Network Technology Co. Ltd. (“**Tianying**”), an indirect subsidiary of the Company, from the CMCC Group with an indefinite term from 1 July 2008 is no longer applicable (and Tianying subsequently entered into short term contracts with the CMCC Group on as-need basis for rental of the IDC (Internet Data Center) facilities since 2013), and each of the New Media CCT to be entered into by the PNM Group up to 31 December 2021 shall be for a term not exceeding three years, in accordance with the waiver granted on 4 October 2018 and in compliance with Rule 14A.52 of the Listing Rules.

Internal control policy and procedures

The Company and the PNM Group have an established internal controls system for connected transactions which applies to itself as well as the PNM Group to monitor the execution and implementation of connected transactions, including a specific internal control policy regarding control over the terms of and annual caps for the New Media CCT. The Company’s connected transaction policy has been circulated to the relevant staff in the PNM Group and each subsidiary thereof has been required to have in place a system to give effect to the policy.

LETTER FROM THE BOARD

The principal features of this system in respect of the New Media CCT are as follows:

1. In respect of each New Media CCT, to ensure that the terms (including pricing basis) of each of the New Media CCT are fair and reasonable and are on normal commercial terms or better so far as the PNM Group is concerned, the relevant contract is subject to review by Phoenix New Media, and cannot be entered into prior to the approval being given by Phoenix New Media. The finance team and legal team of Phoenix New Media will conduct a preliminary review on the commercial and legal terms of the relevant contract. The compliance manager of Phoenix New Media will then review the terms (including pricing basis) of each of the New Media CCT, making reference to publicly available information such as announcements and supporting materials reflecting prevailing prices and terms from not less than two independent third parties on recent similar transactions for the relevant year, to ensure that the terms are no more favourable than those offered to independent third parties. Phoenix New Media will conclude whether the relevant contract is in compliance with the Listing Rules and the terms as approved by the Shareholders as well as the conditions of the waiver granted by the Stock Exchange in relation to Rule 14A.34 and Rule 14A.51 of the Listing Rules.
2. For the New Media CCT, Phoenix New Media will provide their external auditors full access to all relevant contracts and supporting materials for review. The external auditors will review and advise whether they agree with the view of Phoenix New Media that the relevant contract is in compliance with the Listing Rules and provide the annual confirmation to the Board in accordance with Listing Rule 14A.56.
3. In order to ensure the pricing basis of each New Media CCT will be strictly followed:
 - (i) where the PNM Group is purchasing products or services, Phoenix New Media will obtain a number of quotations (not less than two), for or ascertain, through publicly available information from sources such as websites, the prevailing prices offered by independent third parties or the CMCC Group to independent third party customers for such products or services, and ensure that the relevant terms offered by the CMCC Group to the PNM Group will not be less favourable to the PNM Group than comparable terms offered by independent third parties to the PNM Group; and

LETTER FROM THE BOARD

- (ii) where the PNM Group is selling products or providing services, Phoenix New Media will have regard to (a) the prevailing prices (not less than two) offered by the PNM Group to independent third parties, and (b) the prevailing prices (not less than two) offered by independent third parties for such products or services as ascertained through publicly available information from sources such as websites, to ensure that the relevant terms offered by the PNM Group to the CMCC Group will not be more favourable to the CMCC Group than comparable terms offered by the PNM Group to independent third parties.
- 4. Phoenix New Media monitors the value of each New Media CCT and the accrued value for such transactions over the course of each relevant year, and produces internal monthly information for this every month. Such information is consolidated for reporting to the Board on a regular basis.
 - 5. In addition, Phoenix New Media has established a “warning” system whereby once the accrued value of the New Media CCT in any relevant year reaches 80% of the relevant annual cap, Phoenix New Media will notify the Board with a view to avoiding the carrying on of the transactions in excess of the annual cap.

B. REASONS FOR ENTERING INTO NEW MEDIA CCT

As described above, China Mobile Limited is a leading mobile telecommunications services provider in the PRC, and the PNM Group provides value-added telecommunications services in the PRC. The Company therefore expects that members of the PNM Group will, in the ordinary and usual course of business in the foreseeable future, continue to engage in the New Media CCT with members of the CMCC Group. With the breakthrough innovations in the telecommunications industry, data services have become increasingly important for mobile phone users and will be a major focus of the CMCC Group’s future development. There has been higher user acceptance of different mobile phone applications and increasing revenue generated from such applications. As such, the telecommunications industry is expected to continue its rapid growth. In addition, a new business model is expected to be developed between the PNM Group and the CMCC Group upon the introduction of an application store by the CMCC Group in the future. Considering the abovementioned factors, the new media businesses and, correspondingly, the New Media CCT, are expected to grow in the three years from 1 January 2019 to 31 December 2021. Such New Media CCT would constitute non-exempt continuing connected transactions of the Company under the Listing Rules. The New Media CCT are therefore expected to be entered into in the ordinary and usual course of business of the Group on arm’s length terms and on substantially similar terms with members of the CMCC Group. The Company proposes to renew the streamlined approach to the New Media CCT of seeking Independent Shareholders’ approval of the Transactions at the EGM.

LETTER FROM THE BOARD

C. LISTING RULE IMPLICATIONS

As described above, the Company expects that members of the PNM Group will, in the ordinary and usual course of business in the foreseeable future, continue to enter into the New Media CCT, which will constitute non-exempt continuing connected transactions of the Company.

Rule 14A.34 and Rule 14A.51 of the Listing Rules require that the Company enter into written agreement(s) with the CMCC Group beforehand, setting out the basis of the calculation of the payments to be made. However, due to the diverse nature of the transactions involved, the huge number of companies in the CMCC Group, the common market practice in the PRC value-added telecommunications services industry for a separate contract to be negotiated and entered into for each particular product or service and upon consultation with the CMCC Group, the Company considered that it is not feasible for the Company to comply strictly with the requirement of Rule 14A.34 and Rule 14A.51 of the Listing Rules to enter into a written framework agreement at the outset to cover all future New Media CCT with the CMCC Group.

Accordingly, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 14A.34 and Rule 14A.51 of the Listing Rules to enter into a framework agreement with the CMCC Group at the outset covering all of the expected future New Media CCT for the three years from 1 January 2019 to 31 December 2021, subject to the following conditions:

1. the waiver will only apply to the New Media CCT;
2. a separate written agreement will be entered into for each such transaction, for a term not exceeding three years;
3. each such transaction will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and which are fair and reasonable and in the interests of the Shareholders as a whole;
4. the pricing basis will be the same (or on better terms for the Group) as those set out under the column headed “Pricing basis” in the section headed “Pricing bases” of this letter;
5. Independent Shareholders’ approval will be sought for the Transactions; and
6. all other applicable disclosure, reporting and shareholders’ approval requirements under Chapter 14A of the Listing Rules will be complied with.

The Company will comply with the requirements under Chapter 14A of the Listing Rules for any specific transaction entered into between any member of the PNM Group and the CMCC Group under terms that are outside the scope of, or pricing bases for, the New Media CCT approved by the Shareholders pursuant to the EGM.

LETTER FROM THE BOARD

D. HISTORICAL AMOUNTS AND ANNUAL CAPS

The annual caps approved by the Shareholders for the aggregate service charges paid/payable by the PNM Group to the CMCC Group, and by the CMCC Group to the PNM Group in respect of the New Media CCT for the three years ended 31 December 2016, 2017 and 2018 were RMB260,000,000 (approximately HK\$316,758,000), RMB286,000,000 (approximately HK\$348,433,800), and RMB315,000,000 (approximately HK\$383,764,500) respectively (based on the rate of RMB1 to HK\$1.2183, as used in the Company's announcement dated 6 November 2015).

Based on the respective published, audited and consolidated annual financial statements of the Group for the year ended 31 December 2016 and the year ended 31 December 2017, the historical values for New Media CCT were RMB114,420,000 (approximately HK\$127,715,604) for 2016 and RMB159,600,867 (approximately HK\$178,146,488) for 2017. The value of the New Media CCT for the six months ended 30 June 2018 was approximately RMB83,100,000 (approximately HK\$92,756,220). The aforementioned are based on the rate of RMB1 to HK\$1.1162, as used in the Company's announcement dated 16 November 2018.

Having regard to these historical amounts, the Company proposes the Annual Caps for the three years ending 31 December 2019, 2020 and 2021 as following:

	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021
Annual cap	RMB181,000,000 (approximately HK\$202,032,200)	RMB200,000,000 (approximately HK\$223,240,000)	RMB216,000,000 (approximately HK\$241,099,200)
Year-on-year change (approximately)	13.4% ⁽¹⁾	10.5%	8.0%

Note:

- (1) Compounded annual growth rate of approximately 13.4% with the actual transaction amount for the year ended 31 December 2017 (being the last financial year) as the base figure.

The calculation of the Annual Caps is also based on the following reasons:

1. taking into account (i) the historical amount in the past three years, (ii) the business plan of the PNM Group to continue developing its new media businesses and (iii) the estimation of business growth over the next three years, the New Media CCT (in areas such as the mobile entertainment applications, seminars and other promotional activities conducted by the PNM Group's presenters and marketing services using multimedia messaging service or similar) will result in further transactions with the CMCC Group over the next three years. As such, the business department of the PNM Group collected and compiled the historical amount based on individual contracts entered into in the past three years for the purpose of arriving the Annual Caps;

LETTER FROM THE BOARD

2. the new media businesses of the CMCC Group will continue to grow steadily in the near future, including in the New Media CCT such as mobile audiovisual, music, animation, games and print publication content and will therefore engage the PNM Group further in respect of the New Media CCT, while also taking into account of the removal of roaming charges in China effective from 1 September 2017 and prevalence of wireless and Wi-Fi coverage in China, which could result in the lesser demand in mobile data services; and
3. with the website operated by the PNM Group becoming more established, and with the increased cooperation between the CMCC Group and the PNM Group in respect of the New Media CCT, the PNM Group expects that the CMCC Group will increase its budget for engaging the PNM Group for the provision of marketing and advertising services.

III. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES

The Directors propose to seek approval from the Shareholders at the EGM for the proposed amendments to the Memorandum and Articles, the provisions of which will principally reflect the change of Company name which came into effect on 7 March 2018, the update of the address of the registered office of the Company and the revision of the relevant provision relating to rotation requirements of the Directors.

Details of the Proposed Amendments are set out in Appendix II to this circular. Save for the Proposed Amendments, the other provision of the Memorandum and Articles shall remain unchanged. The Proposed Amendments will become effective upon the approval by the Shareholders at the EGM.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and are not in conflict with the laws and regulations in Hong Kong and the Cayman Islands respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments.

IV. PROPOSED APPOINTMENT OF DIRECTOR

Reference is made to the announcement of the Company dated 16 November 2018 in relation to, among others, the appointment of Mr. JIAN Qin as a non-executive Director of the Company. In accordance with article 86(3) of the Articles, Mr. JIAN, shall hold office only until the EGM. Mr. JIAN being eligible, will offer himself for re-election at the EGM.

Particulars of Mr. JIAN are set out in Appendix III to this circular.

LETTER FROM THE BOARD

V. THE 2018 SECOND EXTRAORDINARY GENERAL MEETING

The EGM will be held on Monday, 17 December 2018, at 3:00 p.m. (or any adjourned meeting thereof) at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong, during which (i) ordinary resolutions will be proposed to the Shareholders to approve the Transactions and the appointment of Director; and (ii) special resolutions will be proposed to amend the existing Memorandum and Articles and adopt the amended and restated Memorandum and Articles.

As required by the Listing Rules, CMHKG and its associates will abstain from voting at the EGM in relation to the Transactions. As such, Extra Step Investments Limited, which held approximately 19.69% of the Company's issued share capital as at the Latest Practicable Date, will abstain from voting on the resolution to approve the Transactions at the EGM.

VI. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 12 December 2018 to 17 December 2018, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrar Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 11 December 2018.

VII. RECOMMENDATION

Your attention is drawn to:

1. the letter from the Independent Board Committee set out on pages 19 to 20 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Transactions; and
2. the letter from KGI Capital Asia Limited ("**KGI Capital**") set out on pages 21 to 34 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to New Media CCT and the Annual Caps for each of the three years ending 31 December 2019, 2020 and 2021 and the principal factors and reasons considered by KGI Capital in arriving at its recommendations.

LETTER FROM THE BOARD

Taking into account the views of the Independent Board Committee and KGI Capital, the Board considers that the Transactions are in the interests of the Company and its Shareholders as a whole, and the terms thereof are fair and reasonable. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Transactions. Two Directors, namely Mr. SHA Yuejia and Mr. XIA Bing, who are Directors nominated by a member of the CMCC Group, have accordingly abstained from participating in the board resolutions approving the Transactions.

In addition, the Directors are of the opinion that the Proposed Amendments and the proposed appointment of Director are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution to approve the Proposed Amendments and the ordinary resolution to approve the proposed appointment of Director, which are to be proposed at the EGM.

VIII. FURTHER INFORMATION

Your attention is also drawn to the information set out in Appendices I, II and III to this circular and the notice of the EGM set out in Appendix IV.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

23 November 2018

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS: NEW MEDIA CCT WITH CMCC GROUP

We refer to the circular dated 23 November 2018 of the Company (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders as to whether, in our opinion, the terms of the Transactions are fair and reasonable so far as the Independent Shareholders are concerned. KGI Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Media CCT and the Annual Caps for each of the three years ending on 31 December 2019, 2020 and 2021.

We wish to draw your attention to the “Letter from the Board” set out on pages 4 to 18 of the Circular which contains, inter alia, information on the Transactions, as well as the letter from KGI Capital set out on pages 21 to 34 of the Circular which contains its advice in respect of the terms of the New Media CCT and the Annual Caps for each of the three years ending on 31 December 2019, 2020 and 2021.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of KGI Capital, we consider that (i) the terms of the Transactions are on normal commercial terms or better, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, (ii) the Transactions will be carried out in the ordinary and usual course of business of the Company, and (iii) the Annual Caps for each of the three years ending on 31 December 2019, 2020 and 2021 are fair and reasonable, and in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Transactions to be proposed at the EGM.

Yours faithfully
For and on behalf of
Independent Board Committee

FANG Fenglei LEUNG Hok Lim Thaddeus Thomas BECZAK HE Di
Independent Non-executive Directors

LETTER FROM KGI CAPITAL ASIA LIMITED

Set out below is the full text of a letter of advice from KGI Capital Asia Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for inclusion in this circular.



41/F, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

23 November 2018

To the Independent Board Committee and the Independent Shareholders

Phoenix Media Investment (Holdings) Limited
No. 2-6 Dai King Street
Tai Po Industrial Estate
Tai Po, New Territories
Hong Kong

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS: NEW MEDIA CCT WITH CMCC GROUP

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the entering into of the New Media CCT between PNM Group and the CMCC Group is in the ordinary course and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole and the terms of the New Media CCT are on normal commercial terms and, including the relevant annual caps for the three years ending 31 December 2019, 2020 and 2021 (the “**Annual Caps**”), are fair and reasonable as far as the Company and the Shareholders are concerned. Details of which are set out in the “Letter from the Board” (the “**Letter**”) contained in the circular issued by the Company to the Shareholders dated 23 November 2018 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

CMHKG is a wholly owned subsidiary of CMCC and a substantial shareholder of the Company, which indirectly held approximately 19.69% of the issued share capital of the Company as at the Latest Practicable Date. The PNM Group represents Phoenix New Media Limited, an indirect non-wholly owned subsidiary of the Company, and its subsidiaries.

LETTER FROM KGI CAPITAL ASIA LIMITED

Accordingly, CMCC and its associates, i.e. the CMCC Group, are connected persons of the Company under the Listing Rules; and the New Media CCT between the PNM Group and the CMCC Group constitutes continuing connected transactions of the Company. Historically, at the extraordinary general meeting of the Company held on 4 December 2015, the then Independent Shareholders approved the New Media CCT and the relevant annual caps for each of the three years from 1 January 2016 to 31 December 2018. The Company expects that the PNM Group will, in the ordinary and usual course of business in the foreseeable future, continue to engage in the New Media CCT. Hence, the Company will convene the EGM to seek approval of the Independent Shareholders for the New Media CCT and the Annual Caps.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Leung Hok Lim, Mr. Thaddeus Thomas Beczak, Mr. Fang Fenglei and Mr. He Di, has been established by the Company to advise the Independent Shareholders as to whether the entering into of the New Media CCT between PNM Group and the CMCC Group is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole and the terms of the New Media CCT are on normal commercial terms and, including the Annual Caps, are fair and reasonable as far as the Company and the Shareholders are concerned. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion in this regard.

We are not associated with the Company, CMCC, CMHKG or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser. Accordingly, we are considered eligible to give independent advice on the New Media CCT. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby we will receive any fees or benefits from the Company, CMCC, CMHKG or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied, and the opinions and representations expressed to us by the management of the Group; and (iii) our review of the relevant public information. We have assumed that all the information and representations provided by the management of the Group were true, accurate and complete in all respects at the date thereof and will continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of such information and representations made to us by the management of the Group. We have been advised that no material facts have been omitted from the information supplied and opinions expressed. As such, we have no reason to suspect that any relevant information has been withheld or omitted from the information provided or referred to in the Circular or the reasonableness of the opinions and representations provided by the management of the Group to us, nor are we aware of any facts or circumstances which would render the information provided and representation made to us untrue, inaccurate or misleading.

LETTER FROM KGI CAPITAL ASIA LIMITED

We consider that we have reviewed sufficient information to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information and representations provided to us by the management of Group.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the 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 the Circular misleading.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the entering into of the New Media CCT between PNM Group and the CMCC Group is in the ordinary course and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole and the terms of the New Media CCT are on normal commercial terms and, including the Annual Caps, are fair and reasonable as far as the Company and the Shareholders are concerned, we have taken into account the following principal factors and reasons:

1. Background and reasons for the entering into the New Media CCT

The Group 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, animated comics, games, digital technologies, creative cultural, cloud technology services, education, exhibitions and other fields. The PNM Group provides value-added telecommunications services in the PRC.

CMCC is a stated-owned company established in the PRC and the CMCC Group is a leading mobile telecommunications services provider in the PRC, providing mobile telecommunications and related services in 31 provinces, autonomous regions and directly-administered municipalities in the PRC and in Hong Kong. China Mobile Limited (stock code: 941, the “**CM**” and its subsidiaries, the “**CM Group**”) is a Hong Kong listed subsidiary of CMCC. According to the annual report of China Mobile Limited for the year ended 31 December 2017, the CM Group boasted a world-class telecommunications operator with the world’s largest network and customer base, a leading position in profitability and market value ranking. Its businesses primarily consist of mobile voice and data business, wireline broadband and other information and communications services. As of 31 December 2017, the CM Group had a total of 464,656 employees, 887 million mobile customers and 113 million wireline broadband customers with its annual revenue exceeding RMB740 billion.

LETTER FROM KGI CAPITAL ASIA LIMITED

We are advised by the management of the Group that the New Media CCT, which primarily involve the provision of website portal and value-added telecommunications services between the PNM Group and the CMCC Group, are in line with the principal business of the PNM Group; and the New Media CCT allows the PNM Group to continue to leverage on the services and the large platform of the CMCC Group in the PRC to expand its business and also allow the PNM Group to procure a revenue source.

Having considered that (i) the New Media CCT is in line with the principal business of the PNM Group generating revenue to the Group; (ii) business relationship between the Group and the CMCC Group has been established for years; (iii) the PNM Group could leverage on the services and the large platform of the CMCC Group, in particular through the CM Group, in view of its leading position in the telecommunication industry in the PRC and enormous customer base; and (iv) the terms of the New Media CCT are fair and reasonable as discussed below, we are of the view that the entering into of the New Media CCT between PNM Group and the CMCC Group is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the New Media CCT and the Annual Caps

(a) *Principal terms of the New Media CCT*

As mentioned in the “Letter from the Board” of this Circular, the pricing basis for the New Media CCT for the three years from 1 January 2019 to 31 December 2021 (the “**Next Three-Year Period**”) can be summarised as follows:

Description of transaction	Pricing basis
1. Rental of IDC (Internet Data Center) facilities from the CMCC Group	For a fixed fee to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price with a discount negotiated on an arm’s length basis having regard to, among other things, the scope, scale, levels and features of products and/or services required by the PNM Group

LETTER FROM KGI CAPITAL ASIA LIMITED

Description of transaction	Pricing basis
2. Fee calculation and collection services provided by the CMCC Group in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's platforms	<p data-bbox="876 321 1406 683">(i) For payment via mobile service, the CMCC Group is entitled to percentages to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price negotiated on an arm's length basis, of the amounts paid in cash and by mobile fee recharge card by subscribers via such service</p> <p data-bbox="876 732 1406 1470">(ii) For short messaging, WAP, IVR, multimedia messaging, reading, video, game, animation and comics and music contents, the CMCC Group is entitled to percentages to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price negotiated on an arm's length basis; for short messaging and multimedia messaging contents, the CMCC Group also charges the PNM Group an "information flow imbalance" fee based on the difference between the number of short or multimedia messages the PNM Group sends to subscribers and the number of short or multimedia messages subscribers send to the PNM Group</p>

LETTER FROM KGI CAPITAL ASIA LIMITED

Description of transaction	Pricing basis
3. Provision by the PNM Group of value-added telecommunications contents, such as mobile newspapers, club magazines, news information, videos, novels, comics, programs, music, seminars and other promotional activities conducted by presenters	For a fixed fee or a revenue-sharing or a combination of fixed fee and revenue-sharing basis to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to market price negotiated on an arm's length basis taking into account the substantial subscriber base of the CMCC Group on the one hand, and the unique contents provided by the PNM Group on the other hand
4. Provision by the PNM Group of marketing or advertising services for the promotion of the CMCC Group brand, products or mobile platforms using the PNM Group's web-based or mobile platforms	For a fixed fee to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period by reference to the market price (after relevant discount, as necessary) negotiated on an arm's length basis, taking into account factors such as the scale, levels and features of products and/or services required by the CMCC Group
5. Provision by the CMCC Group of mobile data services	At market price (after relevant discount or other concessional terms, as necessary) to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period having regard to, among other things, the product feature, scope, scale and levels required by the PNM Group, or where there are no comparable market price, on terms no less favourable than those that may be offered to or by independent third parties

LETTER FROM KGI CAPITAL ASIA LIMITED

Description of transaction	Pricing basis
6. (i) Other products and/or services in connection with or in respect of the provision of website portal, value-added telecommunications, promotional and ancillary services provided by members of the PNM Group to members of the CMCC Group	(i) At market price (after relevant discount or other concessional terms, as necessary) to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period having regard to, among other things, the product feature, scale and levels required by the CMCC Group, or where there are no comparable market price, on terms no less favourable than those that may be offered to or by independent third parties
(ii) Other products and/or services in connection with or in respect of the provision of website portal, value-added telecommunications, advertisement, promotional and ancillary services provided by members of the CMCC Group to members of the PNM Group, such as (i) provision by the CMCC Group of marketing services for products of the PNM Group and (ii) the various agreements to be entered into with different companies in the CMCC Group in relation to the purchasing of a variety of businesses	(ii) At market price (after relevant discount or other concessional terms, as necessary) to be determined at the time of each individual contract that may be entered into during the Next Three-Year Period having regard to, among other things, the product feature, scale and levels required by the PNM Group, or where there are no comparable market price, on terms no less favourable than those that may be offered to or by independent third parties

It is stated in the “Letter from the Board” of this Circular that “market price” is to be determined by ascertaining the prevailing prices at which the same or similar type of products or services are provided by or to or between independent third parties under normal commercial terms in the ordinary course of business in each case taking into account the applicable circumstances including but not limited to costs, profit margin, resources, experience, quality and technology of the relevant products, services and counterparty.

LETTER FROM KGI CAPITAL ASIA LIMITED

We have reviewed sample documents, which were effective recently, for each of the six categories including documents between the PNM Group and the CMCC Group and documents between the CMCC Group and independent third parties. We noted that the pricing basis mentioned above for each of the six categories was determined with reference to the then market price or on terms no less favourable to the Group than those offered to or from independent third parties (as the case may be).

Management of the Company confirmed to us that (i) each of the New Media CCT to be entered into by the PNM Group up to 31 December 2021 shall be for a term not exceeding three years, in accordance with the waiver granted on 4 October 2018 and in compliance with Rule 14A.52 of the Listing Rules; and (ii) the contract for rental of the IDC (Internet Data Center) facilities by Beijing Tianying Jiuzhou Network Technology Co. Ltd. (“**Tianying**”), an indirect subsidiary of the Company, from the CMCC Group for indefinite term from 1 July 2008 is no longer applicable. Tianying entered into short term contracts with the CMCC Group on as-need basis for rental of the IDC (Internet Data Center) facilities since 2013. We have reviewed and noted from sample documents provided by the Company that recently, Tianying entered into agreement(s) with CMCC Group for rental of the IDC (Internet Data Center) facilities on terms of several months or one year, i.e. not exceeding three years.

Internal control measures

We consider that the internal control measures implemented by the PNM Group will safeguard the pricing and other terms of the New Media CCT to be conducted on normal commercial terms and determined with reference to the prevailing market prices. Details of the internal control measures governing the New Media CCT are set out in the “Letter from the Board” of this Circular. Such internal control measures include but not limited to the followings:

- (i) The finance team and legal team of Phoenix New Media will conduct a preliminary review on the commercial and legal terms of the relevant contract;
- (ii) the compliance manager of Phoenix New Media will then review the terms (including pricing basis) of each of the New Media CCT, making reference to publicly available information such as announcements and supporting materials reflecting prevailing prices and terms from not less than two independent third parties on recent similar transactions for the relevant year, to ensure that the terms are no more favourable than those offered to independent third parties;
- (iii) where the PNM Group is purchasing products or services, Phoenix New Media will obtain a number of quotations (not less than two), for or ascertain, through publicly available information from sources such as websites, the prevailing prices offered by independent third parties or the CMCC Group to independent third party customers for such products or services, and ensure that the relevant terms offered by the CMCC Group to the PNM Group will not be less favourable to the PNM Group than comparable terms offered by independent third parties to the PNM Group;

LETTER FROM KGI CAPITAL ASIA LIMITED

- (iv) where the PNM Group is selling products or providing services, Phoenix New Media will have regard to (a) the prevailing prices (not less than two) offered by the PNM Group to independent third parties, and (b) the prevailing prices (not less than two) offered by independent third parties for such products or services as ascertained through publicly available information from sources such as websites, to ensure that the relevant terms offered by the PNM Group to the CMCC Group will not be more favourable to the CMCC Group than comparable terms offered by the PNM Group to independent third parties;
- (v) For the New Media CCT, Phoenix New Media will provide their external auditors full access to all relevant contracts and supporting materials for review. The external auditors will review and advise whether they agree with the view of Phoenix New Media that the relevant contract is in compliance with the Listing Rules and provide the annual confirmation to the Board in accordance with Listing Rule 14A.56;
- (vi) Phoenix New Media monitors the value of each New Media CCT and the accrued value for such transactions over the course of each relevant year, and produces internal monthly information for this every month. Such information is consolidated for reporting to the Board on a regular basis; and
- (vii) Phoenix New Media has established a “warning” system whereby once the accrued value of the New Media CCT in any relevant year reaches 80% of the relevant annual cap, Phoenix New Media will notify the Board with a view to avoid the carrying on of the transactions in excess of the annual cap.

Moreover, in accordance with Rule 14A.55 of the Listing Rules, in annual reports of the Company the independent non-executive directors confirmed that the continuing connected transactions, including the New Media CCT, were entered into by the relevant member of the Group in the ordinary and usual course of its business and on normal commercial terms or better, on an arm’s length basis or terms no less favourable to the Group than terms available to or from independent third parties.

Having considered (i) our review of sample documents provided by the Company, we noted that pricing basis of the New Media CCT were determined with reference to the then market price or on terms no less favourable to the Group than those offered to or from independent third parties (as the case may be); (ii) the internal control measures, including the comparison of terms offered to or from independent third parties, will safeguard the pricing and other terms of the New Media CCT to be conducted on normal commercial terms and determined with reference to the prevailing market prices; and (iii) the independent non-executive directors confirmed in the annual reports the compliance of continuing connected transaction requirements under the Listing Rules as mentioned above, we are of the view that the terms of the New Media CCT are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM KGI CAPITAL ASIA LIMITED

(b) Annual Caps

The following table sets out the actual transaction amounts of the New Media CCT for each of the years ended 31 December 2016 and 2017 and the six months ended 30 June 2018 as well as the Annual Caps for each of the years ending 31 December 2019, 2020 and 2021.

	Actual transaction amounts			Annual Caps		
	For the year ended		For the	For the year ending 31 December		
	31 December		six months	31 December		
	2016	2017	ended	2019	2020	2021
RMB	RMB	30 June	RMB	RMB	RMB	
Approx.	Approx.	Approx.	Approx.	Approx.	Approx.	
million	million	million	million	million	million	
(audited)	(audited)	(unaudited)				
New Media CCT	114.4	159.6	83.1	181.0	200.0	216.0
Year on year/period on period change	-45.1%	39.5%	15.8% (note 1)	13.4% (note 2)	10.5%	8.0%

Notes:

1. According to the management of the Group, actual transaction amounts of the New Media CCT increased by approximately 15.8% to approximately RMB83.1 million for the six months ended 30 June 2018 as compared with the corresponding period of 2017.
2. Compound annual growth rate of approximately 13.4 %, with the actual transaction amount for the year ended 31 December 2017 (being the latest full financial year) as the base figure.

Proposed annual cap for the year ending 31 December 2019

The Annual Cap for the year ending 31 December 2019 is approximately RMB181.0 million which is approximately 13.4% higher than the actual transaction amount of the New Media CCT of approximately RMB159.6 million for the year ended 31 December 2017; and approximately 8.9% higher than the annualised transaction amount of the New Media CCT of approximately RMB166.2 million for the year ending 31 December 2018 (as derived from actual transaction amount for the six months ended 30 June 2018).

LETTER FROM KGI CAPITAL ASIA LIMITED

As explained by the management of the Group, the increase in Annual Cap for the year ending 31 December 2019 as compared to the historical actual transaction amounts of the New Media CCT was mainly due to the expected increase in transaction amounts under Category 2 of the New Media CCT. Actual transaction amounts under Category 2 of the New Media CCT arrived approximately RMB41.6 million for the year ended 31 December 2017; and approximately RMB27.5 million for the six months ended 30 June 2018 (or approximately RMB55.0 million on annualised basis). According to the management of the Group, the growth was mainly as a result of more value-added telecommunications contents (such as videos, reading, music, comics and games) make available on the CMCC Group's platform. It is expected that the strengthening of cooperation with the CMCC Group on this business scope will continue and transaction amounts under Category 2 of the New Media CCT could reach approximately RMB65.3 million for the year ending 31 December 2019.

Having considered the above as well as the continuous increase in actual transaction amounts of New Media CCT for the year ended 31 December 2017 and the six months ended 30 June 2018 as compared to the corresponding year/period of 2016/2017, we concur that the Annual Cap for the year ending 31 December 2019 is fair and reasonable.

Proposed annual caps for the years ending 31 December 2020 and 2021

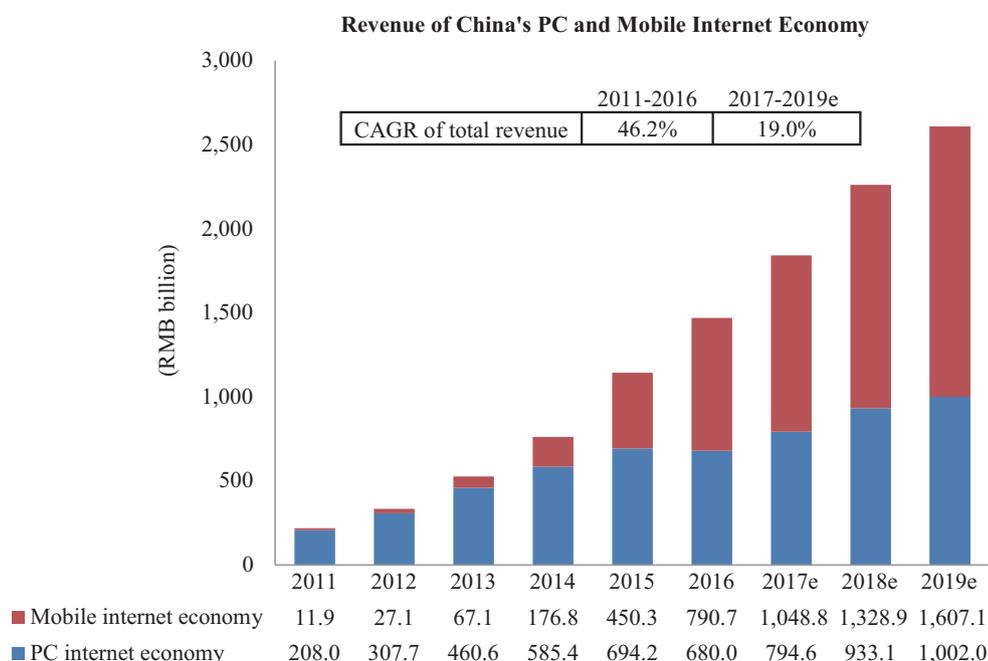
In determining the Annual Caps for the year ending 31 December 2020 and 2021, the Group has adopted expected annual growth rates of approximately 10.5% and 8.0 %, respectively.

We have reviewed the annual report of the Company for the year ended 31 December 2017 and the interim report of the Company for the six months ended 30 June 2018. The Group recorded approximately 4.2% growth in revenue from approximately RMB3,798.3 million for the year ended 31 December 2016 to approximately RMB3,957.5 million for the year ended 31 December 2017 mainly because revenue from outdoor media business and internet media business increased. During the six months ended 30 June 2018, the Group continued its proactive development with its omni-media business structure continuously becoming more integrated and innovative and its revenue increased by approximately 15.2% from approximately RMB1,594.6 million for the six months ended 30 June 2017 to approximately RMB 1,836.8 million for the six months ended 30 June 2018.

We have also reviewed the industry report titled 2018 China's Internet Industry Report (the "**Industry Report**") published in 2018 by iResearch Consulting Group, an organisation focusing on research in the internet industry of the PRC.

LETTER FROM KGI CAPITAL ASIA LIMITED

The following chart sets out the revenue of China's PC and Mobile Internet Economy from 2011 to 2019:



Source: Industry Report

Note:

1. Revenue of PC internet economy includes PC e-commerce (excluding mobile shopping), PC gaming (excluding mobile gaming), PC ads (excluding mobile ads) and Internet payment (excluding mobile payment). It doesn't include online recruitment, online education, etc.
2. Revenue of mobile internet economy includes mobile shopping, mobile gaming, mobile advertising, and mobile payment.
3. The revenue of internet economy refers to the combined revenue of companies generated from internet-related businesses, including both PC internet economy and mobile internet economy.

Based on the above chart, we note that revenue of the China's PC and Mobile Internet Economy increased from approximately RMB219.9 billion in 2011 to approximately RMB1,470.7 billion in 2016, growing at a compound annual growth rate of approximately 46.2%. The amounts are projected to grow continually at a compound annual growth rate of approximately 19.0%, reaching approximately RMB2,609.1 billion in 2019.

LETTER FROM KGI CAPITAL ASIA LIMITED

Having considered the Group's revenue increased by approximately 15.2% for the six months ended 30 June 2018 as compared with the corresponding period in 2017; and the Industry Report shows a forecasted compound annual growth rate of approximately 19.0% from 2017 to 2019, we concur that the adoption of expected annual growth rates of approximately 10.5% and 8.0% as Annual Caps for the respective year ending 31 December 2020 and 2021 is fair and reasonable.

In assessing the fairness and reasonableness of the Annual Caps, we have taken into account, in particular:

- expected increase in the transaction amounts of the New Media CCT as explained under the paragraphs headed "Proposed annual cap for the year ending 31 December 2019" above;
- actual transaction amount of the New Media CCT experienced continuous growth with year on year growth of approximately 39.5% for the year ended 31 December 2017 and a period on period growth of approximately 15.8% for the six months ended 30 June 2018;
- revenue of the Group increased by approximately 15.2% in the first half of 2018 as compared with the first half of 2017. Meanwhile, it is projected that revenue of China's PC and Mobile Internet Economy will grow at a compound annual growth rate of approximately 19.0% from 2017 to 2019;
- the large scale of the CMCC Group, where an insignificant transaction amount to the CMCC Group could represent a significant growth to the transaction amounts under the New Media CCT. We have reviewed the annual report of the CM Group for the year ended 31 December 2017 and noted that the Annual Cap for the year ending 31 December 2021, being the highest proposed annual cap, would represent less than 0.1% of the operating revenue or operating expenses of the CM Group; and
- the Annual Caps provide the flexibility but not the obligation to the Group to leverage on the services and the platform of the CMCC Group, which is the largest mobile telecommunications services provider in the PRC, to develop the businesses of the PNM Group,

therefore, we are of the view that the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interest of the Company and the Shareholder as a whole.

LETTER FROM KGI CAPITAL ASIA LIMITED

RECOMMENDATION

Having considered the above, we are of the opinion that (i) the entering into of the New Media CCT between PNM Group and the CMCC Group is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the New Media CCT are on normal commercial terms and, including the Annual Caps, are fair and reasonable as far as the Company and the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to approve the New Media CCT and the Annual Caps at the EGM.

Yours faithfully,
For and on behalf of
KGI Capital Asia Limited

Evelyn Fan
Director — Investment Banking

Ms. Evelyn Fan is a responsible officer of KGI Capital Asia Limited and a licensed person registered with the Securities and Futures Commission to carry out type 6 (advising on corporate finance) regulated activities under the SFO. Ms. Fan has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.

1. RESPONSIBILITY STATEMENT

This 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 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 circular misleading.

2. DIRECTORS' INTERESTS

2.1 Interests in securities

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which such Director or chief executive was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(I) *Long position in the Shares and underlying shares of the Company*

(A) Ordinary Shares of the Company

Name of Director	Number of ordinary Shares held			Position	Approximate shareholding percentage as at the Latest Practicable Date
	Personal/other interest	Corporate interest	Total interest		
LIU Changle <i>(Note 2)</i>	2,688,000	1,854,000,000	1,856,688,000	Long	37.18%

Notes:

- As at the Latest Practicable Date, the number of issued Shares of the Company was 4,993,469,500.
- As at the Latest Practicable Date, Mr. LIU Changle was the beneficial owner of 100% of the issued share capital of Today's Asia Limited, which in turn had an interest in approximately 37.13% of the issued share capital of the Company.

- (B) Share options granted to the Directors pursuant to the 2017 share option scheme adopted by the Company on 2 February 2017:

Name of Director	Date of grant	Exercise period	Exercise price per Share (HK\$)	Underlying Shares pursuant to the share options as at the Latest Practicable Date
LIU Changle	2017.03.21	2018.03.21 to 2027.03.20	1.41	4,900,000
CHUI Keung	2017.03.21	2018.03.21 to 2027.03.20	1.41	3,900,000
WANG Ji Yan	2017.03.21	2018.03.21 to 2027.03.20	1.41	3,900,000

- (II) Long position in the shares and underlying shares of an associated corporation of the Company

- (A) Class A Shares of the Phoenix New Media

Name of Director	Number of PNM Class A Shares held			Position	Approximate shareholding percentage as at the Latest Practicable Date
	Personal/other interest	Corporate interest	Total interest		
LIU Changle (Note 3)	—	1,483,200	1,483,200	Long	0.56%

Notes:

- As at the Latest Practicable Date, the number of the issued PNM Class A Shares was 264,335,266.
- Phoenix New Media is an indirect non-wholly owned subsidiary of the Company.
- As at the Latest Practicable Date, Mr. LIU Changle was the beneficial owner of 100% of the issued share capital of Today's Asia Limited, which in turn had an interest in approximately 0.56% of the issued PNM Class A Shares.

- (B) As at the Latest Practicable Date, no share option was granted to the Directors pursuant to the 2018 PNM share option scheme adopted by the Company on 6 June 2018.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executives were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

2.2 Interests in service contracts

As at the Latest Practicable Date, none of the Directors has entered or proposed to enter into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

2.3 Interests in assets

As at the Latest Practicable Date, none of the Directors or KGI Capital has any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2017, the date to which the latest published audited consolidated financial statements of the Group were made up.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS DISCLOSEABLE UNDER PART XV OF THE SFO

As at the Latest Practicable Date, so far as known to the Directors and the chief executives of the Company, the interest of the Shareholders (not being Directors and the chief executives of the Company) in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO or entered in the register kept by the Company pursuant to Section 352 of the SFO, were as follows:

(I) Long positions of substantial Shareholders in the ordinary Shares of the Company

Name of substantial Shareholders	Number of Shares	Approximate shareholding percentage as at the Latest Practicable Date
Today's Asia Limited (<i>Note 2</i>)	1,854,000,000	37.13%
Extra Step Investments Limited (<i>Note 3</i>)	983,000,000	19.69%
TPG China Media, L.P. (<i>Note 4</i>)	607,000,000	12.16%

Notes:

- As at the Latest Practicable Date, the number of issued Shares was 4,993,469,500.
- Today's Asia Limited is beneficially owned by Mr. LIU Changle as to 100% interest.
- Extra Step Investments Limited is a wholly-owned subsidiary of CMHKG which in turn is a subsidiary of CMCC. By virtue of the SFO, CMCC and CMHKG are deemed to be interested in the 983,000,000 Shares held by Extra Step Investments Limited. Mr. JIAN Qin and Mr. XIA Bing, both non-executive Directors, are respectively vice president of CMCC and general manager of the marketing department of CMCC.
- TPG China Media, L.P. is controlled by TPG Asia Advisors VI DE, Inc., which in turn is ultimately controlled by Mr. David BONDERMAN and Mr. James G. COULTER. By virtue of the SFO, TPG Asia Advisors VI DE, Inc., Mr. David BONDERMAN and Mr. James G. COULTER are all deemed to be interested in the 607,000,000 Shares held by TPG China Media, L.P.. Mr. SUN Yanjun and Mr. LAU Wai Kei Ricky, being the non-executive Director and alternate Director respectively, are both managing director and partner of TPG.

(II) Long position of other person in the ordinary Shares of the Company

Name of other person who has more than 5% interest	Number of Shares	Approximate shareholding percentage as at the Latest Practicable Date
China Wise International Limited (<i>Note 2</i>)	412,000,000	8.25%

Notes:

1. As at the Latest Practicable Date, the number of issued Shares was 4,993,469,500.
2. China Wise International Limited is a wholly-owned subsidiary of Cultural Developments Limited, which in turn is a wholly-owned subsidiary of Bank of China Group Investment Limited. Bank of China Group Investment Limited is a wholly-owned subsidiary of Bank of China Limited, which in turn is a subsidiary of Central Huijin Investments Limited. By virtue of the SFO, Central Huijin Investments Limited, Bank of China Limited, Bank of China Group Investment Limited and Cultural Developments Limited are all deemed to be interested in the 412,000,000 Shares held by China Wise International Limited. Mr. GONG Jianzhong, a non-executive Director, is a director and chief executive officer of Bank of China Group Investment Limited and a director of a number of companies controlled by Bank of China Group Investment Limited or in which Bank of China Group Investment Limited has an interest.

Save as disclosed above, there was no person (other than the Directors or the chief executives of the Company) known to the Directors or the chief executives of the Company, who, as at the Latest Practicable Date, had an interest or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were required to be entered in the register kept by the Company pursuant to section 336 of the SFO.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, or their respective close associates had any interests in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group and which was required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. EXPERT QUALIFICATION AND CONSENT

KGI Capital is a licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO.

KGI Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 23 November 2018 and/or all references to its name in the form and context in which they appear. As at the Latest Practicable Date, KGI Capital was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2017, the date to which the latest published, audited and consolidated financial statements of the Group were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. MISCELLANEOUS

- (a) As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published, audited and consolidated financial statements of the Group were made up.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contracts or arrangements subsisting at the date of this circular which are significant in relation to the business of the Group.
- (c) The principal share registrar of the Company is SMP Partners (Cayman) Limited, whose registered office is at 3rd Floor, Royal Bank House, 24 Shedden Road, P.O. Box 1586, Grand Cayman KY1-1110, Cayman Islands and the Hong Kong branch share registrar of the Company is Hong Kong Registrars Limited, whose registered office is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during the normal business hours on any weekday (except public holidays) at the Company's principal place of business in Hong Kong from the date of this circular up to and including the date of EGM:

- (a) the contracts for existing New Media CCT referred to in this circular;
- (b) the letter from the Board, the text of which is set out on pages 4 to 18 of this circular;
- (c) the letter from the Independent Board Committee, the text of which is set out on pages 19 to 20 of this circular;
- (d) the letter of advice from KGI Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 21 to 34 of this circular;
and
- (e) the written consent from KGI Capital referred to in the paragraph headed "Expert Qualification and Consent" in this Appendix I.

The following are the proposed amendments to the Memorandum and Articles. Unless otherwise specified, terms used herein shall have the same meanings as defined in the existing Memorandum and Articles published on 28 March 2012.

The Memorandum and Articles are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of this Appendix is a translation for reference only.

Memorandum no.	Existing Memorandum	Memorandum as amended by the Proposed Amendments
1	The name of the Company is Phoenix Satellite Television Holdings Limited 鳳凰衛視控股有限公司.	The name of the Company is <u>Phoenix Media Investment (Holdings) Limited</u> 鳳凰衛視投資(控股)有限公司.
2	The Registered Office of the Company shall be at the offices of Codan Trust Company (Cayman) Limited, Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies.	The Registered Office of the Company shall be at the offices of <u>Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.</u>

Article no.	Existing Articles	Articles as amended by the Proposed Amendments								
2(1)	<table border="0"> <tr> <td><u>WORD</u></td> <td><u>MEANING</u></td> </tr> <tr> <td>“Company”</td> <td>Phoenix Satellite Television Holdings Limited</td> </tr> </table>	<u>WORD</u>	<u>MEANING</u>	“Company”	Phoenix Satellite Television Holdings Limited	<table border="0"> <tr> <td><u>WORD</u></td> <td><u>MEANING</u></td> </tr> <tr> <td>“Company”</td> <td><u>Phoenix Media Investment (Holdings) Limited</u></td> </tr> </table>	<u>WORD</u>	<u>MEANING</u>	“Company”	<u>Phoenix Media Investment (Holdings) Limited</u>
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“Company”	Phoenix Satellite Television Holdings Limited									
<u>WORD</u>	<u>MEANING</u>									
“Company”	<u>Phoenix Media Investment (Holdings) Limited</u>									

Article no.	Existing Articles	Articles as amended by the Proposed Amendments
87.(1)	Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to but not greater than one third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.	Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to but not <u>less</u> than one third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

Details of the Director proposed to be appointed at the EGM are set out as follows:

Mr. JIAN Qin

Mr. JIAN, aged 52, has been appointed as the vice president of China Mobile Communications Group Co. Ltd. since November 2017, and a director and deputy general manager of China Mobile Communication Company Limited since January 2018. Mr. JIAN is principally in charge of marketing, customer service, corporate customer management and IT management matters of China Mobile.

Mr. JIAN previously served as deputy director of Jiangxi Nanchang Telecommunications Bureau, general manager of China Mobile Nanchang Branch, director and deputy general manager of China Mobile Jiangxi Branch, chairman and general manager of China Mobile Jiangxi Branch, China Mobile Sichuan Branch and China Mobile Guangdong Branch.

Mr. JIAN graduated from Beijing University of Posts and Telecommunications, received a master's degree from School of Management, University at Buffalo and a doctoral degree from Jiangxi University of Finance and Economics. He is a senior engineer with over 29 years of experience in the telecommunication industry.

Save as disclosed above, (i) Mr. JIAN has not previously held and is not holding any other position with the Group; (ii) Mr. JIAN did not hold any other directorships in any listed companies in Hong Kong or overseas in the last three years and does not have any other major appointments and professional qualifications; and (iii) Mr. JIAN does not have any relationships with any directors, senior management, substantial Shareholders or controlling Shareholders for the purpose of the Listing Rules. As at the Latest Practicable Date, Mr. JIAN does not have any interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. JIAN. Mr. JIAN is not appointed for a specific term and shall hold office until the EGM and be eligible for re-election. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Articles. Mr. JIAN will not receive any emoluments from the Company for his position as a non-executive Director which is on the same basis with the other current non-executive directors.

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Mr. JIAN as non-executive Director that need to be brought to the attention of the Shareholders and there is no information relating to Mr. JIAN that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.



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)****NOTICE OF THE 2018 SECOND EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2018 second extraordinary general meeting (the “**EGM**”) of Phoenix Media Investment (Holdings) Limited (the “**Company**”) will be held on Monday, 17 December 2018, at 3:00 p.m. (or any adjourned meeting thereof) at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong to consider and, if thought fit, approve with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS1. **“THAT:**

- (i) the provision of website portal, value-added telecommunications, promotional and ancillary services by and to Phoenix New Media Limited and its subsidiaries (the “**PNM Group**”) to and by China Mobile Communications Group Co., Ltd. and its associates (the “**CMCC Group**”) (“**New Media CCT**”), as defined and more particularly described in the Company’s circular to its shareholders dated 23 November 2018 (the “**Circular**”) for the three years from 1 January 2019 to 31 December 2021 be and are hereby approved;
- (ii) the proposed annual cap amounts for the New Media CCT for each of the three years ending 31 December 2019, 2020 and 2021, as set out in the Circular, be and are hereby approved; and
- (iii) any one director of the Company or any other person authorised by the directors of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company, and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with this resolution.”

2. “THAT:

- (i) the proposed appointment of Mr. JIAN Qin as a non-executive director of the Company be and is hereby approved; and
- (ii) the board of directors of the Company be and is hereby authorised to determine his remuneration, and to do all such acts and things to give effect to or in connection with this resolution.”

SPECIAL RESOLUTION**3. “THAT:**

- (i) the proposed amendments to the memorandum and articles of association of the Company as set out in the circular of the Company dated 23 November 2018 be and are hereby approved; and
- (ii) the memorandum and articles of association in the form produced to the meeting and signed by the chairman of the meeting for identification purposes be and are hereby adopted as the amended and restated memorandum and articles of association in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect.”

By Order of the Board
YEUNG Ka Keung
Company Secretary

Hong Kong, 23 November 2018

Registered Office:

Cricket Square
Hutchins Square
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

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at 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, not less than 48 hours before the time appointed for the holding of the meeting (or the adjourned meeting as the case may be).
3. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, the most senior shall alone be entitled to vote, whether in person or by proxy, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of joint holding.
4. The register of members of the Company will be closed from 12 December 2018 to 17 December 2018, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 11 December 2018.
5. A form of proxy for use at the meeting is enclosed.
6. Shareholders of the Company are advised to read the circular of the Company dated 23 November 2018 which contains information concerning the resolutions to be proposed in this notice.
7. According to Rule 13.39(4) of the Listing Rules, any vote of shareholders of the Company at a general meeting of the Company must be taken by poll. Accordingly, the chairman of the meeting will exercise his power under the articles of association of the Company to demand a poll in relation to the proposed resolutions at the meeting.
8. The memorandum and articles of association of the Company are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of the amended and restated memorandum and articles as referred to in the proposed special resolution no. 3 above is a translation for reference only. Should there be any discrepancy, the English version will prevail.