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## **PHOENIX MEDIA INVESTMENT (HOLDINGS) LIMITED**

**鳳凰衛視投資(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 02008)**

### **COMPLETION OF CHANGE IN SHAREHOLDING STRUCTURE OF A SUBSIDIARY AND CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

Reference is made to the announcement of Phoenix Media Investment (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 8 July 2022 in relation to the change in shareholders of Phoenix Oriental (Beijing) Properties Company Limited\* (鳳凰東方(北京)置業有限公司) (“**Phoenix Oriental**”), a non-wholly owned subsidiary of the Company (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

#### **COMPLETION**

The Company has been informed by Phoenix Oriental that the Completion took place on 28 July 2022. After the Completion, Phoenix Oriental remains as a non-wholly owned subsidiary of the Company, owned as to 70% by Phoenix Pictures Limited (a wholly-owned subsidiary of the Company) (“**Phoenix Pictures**”), 21% by Bauhinia Culture Group Corporation Limited (紫荊文化集團有限公司) (“**Bauhinia Group**”) which is a connected person (as defined in the Listing Rules) of the Company, and 9% by Shenzhou Television Company Limited\* (神州電視有限公司) which is an independent third party. As a result, Phoenix Oriental has become a connected subsidiary of the Company by virtue of Rule 14A.16 of the Listing Rules.

#### **CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

Prior to the Completion, Phoenix Oriental has entered into various lease agreements with other subsidiaries of the Company, whereby Phoenix Oriental (as lessor) shall lease certain units of the Phoenix International Media Centre to such subsidiaries (as lessee) (“**Subsidiary Lessees**”, each a “**Subsidiary Lessee**”) for office use (“**Lease Agreements**”). Upon Completion, Phoenix Oriental has become a connected person of the Company and thus the continuing transactions under the Lease Agreements have become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The principal terms of the Lease Agreements which are subsisting as at the date of this Announcement are set out below:

	<b>Lease Agreement Date</b>	<b>Subsidiary Lessee</b>	<b>Gross floor area (“GFA”)</b>	<b>Term</b>	<b>Total rent under the respective Lease Agreements</b>
(i)	29 October 2021	Phoenix Cultural Media (Beijing) Co., Limited* (鳳凰衛視文化傳媒(北京)有限公司)(“ <b>Beijing Cultural Media</b> ”)	Office units with a GFA of 138.3 square meters	1 November 2021 to 31 December 2022	RMB412,249.25 (approximately HK\$494,699)
(ii)	7 December 2021	Fenghuang Lingke Cultural Technology (Beijing) Company Limited* (鳳凰領客文化科技(北京)有限公司)(“ <b>Beijing Lingke</b> ”)	Office unit with a GFA of 140 square meters	1 January 2022 to 31 December 2022	RMB357,700 (approximately HK\$429,240)
(iii)	7 December 2021	Shanghai Phoenix Satellite Lingke Cultural Development Company Limited* (上海鳳凰衛視領客文化發展有限公司)(“ <b>Shanghai Lingke</b> ”)	Office units with a GFA of 83.48 square meters	1 January 2022 to 31 December 2022	RMB213,291.40 (approximately HK\$255,950)
(iv)	9 December 2021	Fenghuang Feiyang (Beijing) New Media Information Technology Co., Ltd.* (鳳凰飛揚(北京)新媒體信息技術有限公司)(“ <b>Fenghuang Feiyang</b> ”)	Office unit with a GFA of 313.68 square meters	1 January 2022 to 31 December 2022	RMB801,452.40 (approximately HK\$961,743)
(v)	9 December 2021	Phoenix Satellite Cultural Performing Arts (Shanghai) Company Limited (Beijing Branch Office)* (鳳凰衛視文化演藝(上海)有限公司北京分公司)(“ <b>Shanghai Arts</b> ”)	Office unit with a GFA of 124.29 square meters	1 January 2022 to 31 December 2022	RMB317,560.95 (approximately HK\$381,073)

	<b>Lease Agreement Date</b>	<b>Subsidiary Lessee</b>	<b>Gross floor area (“GFA”)</b>	<b>Term</b>	<b>Total rent under the respective Lease Agreements</b>
(vi)	10 December 2021	Beijing Fenghuang Digital Technology Company Limited* (北京鳳凰數字科技有限公司)(“ <b>Beijing Digital Technology</b> ”)	Office units with a GFA of 1,300.84 square meters	1 January 2022 to 31 December 2022	RMB3,323,646.20 (approximately HK\$3,988,375)
(vii)	10 December 2021	Phoenix Shangpin (Pingtan) Cultural Communication Company Limited* (鳳凰尚品(平潭)文化傳播有限公司)(“ <b>Pingtang Shangpin</b> ”)	Office unit with a GFA of 113.4 square meters	1 January 2022 to 31 December 2022	RMB289,737 (approximately HK\$347,684)
(viii)	24 December 2021	Weifeng International Education Technology (Beijing) Company Limited* (威鳳國際教育科技有限公司)(“ <b>Weifeng</b> ”)	Office unit with a GFA of 175.65 square meters	1 January 2022 to 31 December 2022	RMB448,785.75 (approximately HK\$538,543)
(ix)	24 December 2021 (as supplemented and amended by a supplemental agreement dated 25 March 2022)	Phoenix New Union (Beijing) Education Science and Technology Co., Limited* (鳳凰新聯合(北京)教育科技有限公司)(“ <b>Phoenix New Union</b> ”)	Office unit with a GFA of 75.28 square meters  Office units with a GFA of 252.32 square meters	1 January 2022 to 31 March 2022  1 January 2022 to 31 December 2022	RMB692,762.70 (approximately HK\$831,315)
(x)	31 December 2021	Fengshows (Xiamen) Cultural Technology Company Limited* (鳳凰秀(廈門)文化科技有限公司)(“ <b>Xiamen Fengshows</b> ”)	Office units with a GFA of 121.01 square meters  Office units with a GFA of 129.38 square meters	1 January 2022 to 31 December 2022  1 April 2022 to 31 December 2022	RMB557,104.98 (approximately HK\$668,526)

	<b>Lease Agreement Date</b>	<b>Subsidiary Lessee</b>	<b>Gross floor area (“GFA”)</b>	<b>Term</b>	<b>Total rent under the respective Lease Agreements</b>
(xi)	25 March 2022	Guangdong Fenghuang Cultural Education Information Technology Company Limited* (廣東鳳凰文化教育信息技術有限公司)(“ <b>Guangdong Fenghuang</b> ”)	Office unit with a GFA of 75.28 square meters	1 April 2022 to 31 December 2022	RMB144,255.30 (approximately HK\$173,106)

**Rent:** The rental fees under the Lease Agreements are payable by the relevant Subsidiary Lessee on a half-yearly or quarterly basis. In the event of late payment of rental fees, the Subsidiary Lessee shall pay a late penalty to Phoenix Oriental daily equivalent to 0.3% of the outstanding rental fees for the current term from the due date until the date of actual payment.

**Security Deposits:** Each Subsidiary Lessee shall pay security deposits equivalent to three months rental to Phoenix Oriental, which shall be refundable to the relevant Subsidiary Lessee without interest within 30 days after the vacation of the abovementioned leased properties.

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

The terms of the Lease Agreements (including the rents payable by the Subsidiary Lessees) were arrived at after arm’s length negotiations among the parties to the Lease Agreements, with the relevant rents determined with reference to the market price and rents payable by other tenants to Phoenix Oriental for lease of other units within the Phoenix International Media Centre and on terms no less favorable to the Subsidiary Lessees than those that may be offered by independent third party landlords for leases of similar GFA in similar location in Beijing.

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

Members of the Group have been leasing various units in Phoenix International Media Centre from Phoenix Oriental for their respective business operations since 2018. Given that Phoenix Oriental remains as a non-wholly owned subsidiary of the Company and the rents payable under the respective Lease Agreements were determined with reference to the market price and rents payable by other tenants to Phoenix Oriental, the directors of the Company (the “**Directors**”)(including the independent non-executive Directors) believe that it is beneficial for the Group to continue to lease the relevant properties from Phoenix Oriental under the Lease Agreements to maintain stability of the Group’s business operations.

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

Save for Mr. Sun Guangqi, a non-executive Director who also holds management position in Bauhinia Group and Bauhinia Culture (Hong Kong) Holdings Limited (紫荆文化(香港)集團有限公司) (“**Bauhinia Culture HK**”) respectively, and who has abstained from voting on the Board resolutions approving the continuation of the Lease Agreements, none of the other Directors has a material interest in or is required to abstain from voting on such Board resolutions.

## **OTHER TRANSACTIONS**

- (a) During the period from 2012 to 2020, Phoenix Pictures had provided various interest-free and collateral-free loans in the aggregate outstanding amount of RMB791,529,920.92 (approximately HK\$949,835,905) to Phoenix Oriental to facilitate, among other things, its development, construction, operation and management of the Phoenix International Media Centre and repayment of bank loans principal and interest. The repayment terms of such loans ranged from 5 years to indefinite period repayable on demand. Prior to the Completion, on 25 July 2022, Phoenix Pictures and Phoenix Oriental had entered into a supplemental loan agreement to standardize the maturity date of such loans to 10 years from 25 July 2022. In the event Phoenix Pictures and Phoenix Oriental should further renew or amend the repayment terms or other terms of such loans in the future, such renewal or amendment will constitute connected transaction of the Company under Chapter 14A of the Listing Rules and the Company will further comply with all applicable connected transaction requirements in accordance with Chapter 14A of the Listing Rules.
- (b) Upon Completion, Bauhinia Group had also acquired part of the loans that Zhongshi previously provided to Phoenix Oriental and as such, as at the date of this announcement, Phoenix Oriental became indebted to Bauhinia Group for an outstanding amount of RMB 32,186,291.26 (approximately HK\$38,623,550) (“**Bauhinia Loan**”) repayable on demand. As the Bauhinia Loan is interest-free and collateral-free, the Directors (including the independent non-executive Directors) consider that the Bauhinia Loan is conducted on normal commercial terms or better and therefore it is fully exempt from the connected transaction requirements pursuant to Rule 14A.90 of the Listing Rules.

## **INFORMATION OF THE PARTIES**

### **The Group**

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

Beijing Cultural Media and Shanghai Arts are wholly-owned subsidiaries of the Company while Pingtan Shangpin and Shanghai Lingke are 50.50% and 51% owned subsidiaries of the Company respectively, all established in the PRC and are principally engaged in cultural development business.

Xiamen Fengshows is a 100% owned subsidiary while Beijing Lingke is a 51% owned subsidiary of the Company, both established in the PRC and are principally engaged in technology development business.

Fenghuang Feiyang is a 54.49% owned subsidiary of the Company established in the PRC principally engaged in advertising business.

Beijing Digital Technology is a 52.25% owned subsidiary of the Company established in the PRC principally engaged in technical consulting services business.

Weifeng is a 60% owned subsidiary of the Company established in the PRC principally engaged in investment management.

Each of Phoenix New Union and Guangdong Fenghuang is a 60% owned subsidiary of the Company established in the PRC principally engaged in education related business.

### **Phoenix Oriental**

Phoenix Oriental is a Sino-foreign joint venture company established in the PRC and is principally engaged in the development, construction, leasing and management of the Phoenix International Media Centre, a building with a total GFA of approximately 72,800 square meters containing offices and television production studios in the South-Western corner of Chaoyang Park, Chaoyang District, Beijing, the PRC.

### **LISTING RULES IMPLICATIONS**

As at the date of this Announcement, Phoenix Oriental is owned as to 21% by Bauhinia Group, a company wholly owns Bauhinia Culture HK, being a substantial shareholder (as defined in the Listing Rules) of the Company, as such, Phoenix Oriental has become a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules upon Completion and the transactions under the Lease Agreements have become continuing connected transactions of the Company.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements including publishing an announcement and annual reporting in respect of the continuing connected transactions under the Lease Agreements. The Company will further comply with all applicable connected transaction requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Lease Agreements.

In this announcement, unless otherwise specified, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.2. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 29 July 2022

*\*For identification purpose only*

*As at the date of this announcement, the board of directors of the Company comprises:*

***Executive Directors***

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

***Non-executive Directors***

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

***Independent Non-executive Directors***

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