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)**

# CONTINUING CONNECTED TRANSACTIONS SALE OF ADVERTISING AIRTIME ON TELEVISION CHANNELS AND MEDIA PLATFORMS

## INTRODUCTION

On 16 May 2025, Phoenix HK (a subsidiary of the Company) entered into the 2025-2026 Contract with CNHK Media, an advertising agent engaged by CMCC Group, pursuant to which CNHK Media agreed to purchase advertising airtime on the TV Channels and Media Platforms operated by the Group for the period from 16 May 2025 to 31 December 2026 for a total sum not exceeding RMB30,000,000 (equivalent to approximately HK$31,800,000) for advertising and promoting the CMCC Group.

## LISTING RULES IMPLICATIONS

As the entering into of the 2025-2026 Contract by CNHK Media is for the ultimate benefits of the CMCC Group (being a connected person of the Company under the Listing Rules), pursuant to Rule 14A.20(1) of the Listing Rules, the Company considered CNHK Media a deemed connected person of the Company for the purpose of the 2025-2026 Contract. As such, the transactions contemplated under the 2025-2026 Contract constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the annual cap for the transactions contemplated under the 2025-2026 Contract are more than 0.1% but less than 5%, it is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## INTRODUCTION

Reference is made to the announcement of the Company dated 18 August 2023 ("**2023 Announcement**") relating to the 2023-2024 Contract for the purchase of advertising airtime on the TV Channels and Media Platforms operated by the Group for advertising and promoting CMCC Group. As the 2023-2024 Contract expired on 31 December 2024 and CNHK Media, an advertising agent engaged by CMCC Group, would like to continue its purchase of such advertising airtime, Phoenix HK (a subsidiary of the Company) entered into the 2025-2026 Contract with CNHK Media on 16 May 2025 (after trading hours).

## PRINCIPAL TERMS OF THE 2025-2026 CONTRACT

The principal terms of the 2025-2026 Contract are set out below:

**Date** : 16 May 2025

**Parties** :

(i) Phoenix HK; and

(ii) CNHK Media (a deemed connected person of the Company for the purpose of the 2025-2026 Contract based on the reasons stated in this announcement)

**Term** : The period commencing from the date of the 2025-2026 Contract to 31 December 2026 (the "**Term**").

**Subject matter** : Pursuant to the 2025-2026 Contract, CNHK Media agreed to purchase advertising airtime on the TV Channels and Media Platforms operated by the Group for advertising and promoting the CMCC Group. The advertising fees for purchase of such airtime by CNHK Media for each of the two years ending 31 December 2025 and 31 December 2026 will not exceed RMB15,000,000 (equivalent to approximately HK$15,900,000). The actual advertising airtime placement(s) will be determined by CNHK Media based on the advertising needs of CMCC Group and in any case the aggregate advertising fees under the 2025-2026 Contract will not exceed RMB30,000,000 (equivalent to approximately HK$31,800,000). CNHK Media and Phoenix HK (or other relevant subsidiary(ies) of the Group) may enter into separate individual agreement(s) which set out the terms and conditions for specific advertising airtime placement during the Term.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CNHK Media has/will have certain contractual arrangements with CMCC Group, pursuant to which CNHK Media is/will be authorized to purchase the relevant advertising airtime on the TV Channels and Media Platforms operated by the Group for and on behalf of CMCC Group throughout the Term.

**Pricing policy** : The advertising fee rates to be charged under the 2025-2026 Contract are set with reference to the rate card published by the Group from time to time (which contains the pricing structure for the sale of advertising airtime on the TV Channels and Media Platforms).

In any event, the Group will ensure that the pricing terms of all individual agreements for specific advertising airtime placement to be entered into between CNHK Media and Phoenix HK (or other relevant subsidiary(ies) of the Group) during the Term will be on normal commercial terms or better, through adopting the internal control measures set out in the section headed "Internal Control Policy and Procedures" below.

**Payment terms** :

(i) For any advertising with broadcasting period of 31 days or less:

CNHK Media shall pay the relevant advertising fee in full upon its signing of the individual contracts.

(ii) For any advertising with broadcasting period exceeding 31 days:

(a) for advertisements with Lead Time exceeding 30 days, CNHK Media shall pay 10% of the advertising fee as deposit within 7 days after its signing of the individual contract, the first instalment (of not less than 25% of the advertising fee) at least 15 days prior to the commencement of the broadcasting period and the balance at such time as mentioned below;

(b) for advertisements with Lead Time exceeding 7 days but not more than 30 days, CNHK Media shall pay 10% of the advertising fee as deposit upon its signing of the individual contract, the first instalment (of not less than 25% of the advertising fee) at least 7 days prior to the commencement of the broadcasting period and the balance at such time as mentioned below;

(c) for advertisements with Lead Time of not more than 7 days, CNHK Media shall pay 10% of the advertising fee as deposit and the first instalment of not less than 25% of the advertising fee upon its signing of the individual contract, and the balance at such time as mentioned below.

The exact payment date prior to broadcasting shall be determined based on the date of the relevant individual contract. Under all three scenarios above, the balance of the advertising fee shall be paid by CNHK Media at such time as agreed with Phoenix HK (or other relevant subsidiary(ies) of the Group) but in any case within such timeframe that is no more favourable to CNHK Media than the one that may be offered by Phoenix HK (or other relevant subsidiary(ies) of the Group) to other Independent Third Party customers.

The 2025-2026 Contract was entered into by the parties after arm's length negotiation and the terms of which are no more favourable to CNHK Media than those that may be offered by Phoenix HK to other Independent Third Party customers.

## HISTORICAL AMOUNTS AND PROPOSED ANNUAL CAPS

The table below sets out the historical amounts of the sale of advertising airtime on the TV Channels and Media Platforms by Phoenix HK to CNHK Media for the preceding three years ended 31 December 2024, and the proposed Annual Caps for the two years ending 31 December 2026:

| | **Historical total advertising fees for purchase of advertising airtime on the TV Channels and Media Platforms for advertising and promoting the CMCC Group** | | | **Proposed Annual Cap for the advertising fees for purchase of advertising airtime on the TV Channels and Media Platforms for advertising and promoting the CMCC Group** | |
|---|---|---|---|---|---|
| Approximately (in million) | **Year ended 31 December 2022** | **Year ended 31 December 2023** | **Year ended 31 December 2024** | **Year ending 31 December 2025** | **Year ending 31 December 2026** |
| In RMB | 3.40 | 12.73 | 11.81 *(Note 1)* | 15 *(Notes 2&3)* | 15 *(Note 3)* |
| HK$ Equivalent | 3.6 | 13.49 | 12.52 | 15.9 | 15.9 |

*Note 1: As disclosed in the annual report of the Company for the year ended 31 December 2024, CMCC Group had, in 2024, delegated another advertising agent to purchase advertising airtime for the amount of approximately RMB210,592 (equivalent to approximately HK$223,228) on the TV Channels and Media Platforms operated by the Group for advertising and promotion of itself. As (i) the nature of these transactions were the same as the transactions with CNHK Media; (ii) all the applicable percentage ratios in respect of the advertising fees paid by such advertising agent are less than 0.1%; and (iii) all the applicable percentage ratios in respect of the advertising fees paid by such advertising agent when aggregated with the advertising fees paid by CNHK Media are less than 5%, the Company considered that the transactions with such advertising agent should be covered under the annual cap of RMB20 million for 2024 as disclosed in the 2023 Announcement.*

*Note 2: The "annual cap" of RMB15 million is for the period from 16 May 2025 to 31 December 2025. There was no purchase of advertising airtime by CNHK Media on the TV Channels and Media Platforms for advertising and promoting the CMCC Group during the period from 1 January 2025 to 15 May 2025.*

*Note 3: During the Term, CMCC Group may delegate other advertising agent(s) (apart from CNHK Media) to purchase advertising airtime on the TV Channels and Media Platforms operated by the Group for advertising and promotion of itself and by adopting the same approach as mentioned in Note 1 above, the Company will review the transaction amounts with such other advertising agent(s) on both individual and aggregate basis as well as the Annual Cap and will duly comply with the requirements under Chapter 14A of the Listing Rules as appropriate.*

Due to the economic uncertainty as a result of the recent tariffs issue, it is anticipated that the amount of advertising airtime to be purchased by CMCC Group via CNHK Media under the 2025-2026 Contract will generally remain consistent as that in the years 2023 and 2024.

The Annual Cap for each of the years ending 31 December 2025 and 31 December 2026 represents and is equal to the maximum amount of advertising fees for advertising airtime on the TV Channels and Media Platforms that may be purchased by CMCC Group via CNHK Media during the relevant year, which was agreed upon by Phoenix HK and CNHK Media after considering the following factors: (i) the historical amounts of the advertising fees paid by CNHK Media to Phoenix HK for the two years ended 31 December 2024; (ii) the expected number of the advertisement placements required by CMCC Group based on its budget and demand on the TV Channels and Media Platforms during the Term; and (iii) the proposed fee rates for the sale of advertising airtime on the TV Channels and Media Platforms during the Term.

## REASONS FOR AND BENEFITS OF THE 2025-2026 CONTRACT

The Group operates various satellite television channels under the Non-domestic Television Programme Service Licence granted by the Communications Authority in Hong Kong ("**CA**") to Phoenix HK and with the approval of the CA, the Group launched Phoenix Hong Kong Channel (one of the TV Channels) on channel number 85 of Television Broadcasts Limited's existing terrestrial free-to-air television platform in Hong Kong on 22 April 2024 ("**Channel 85**"). The Group's business includes, amongst others, the sale of advertising airtime on the TV Channels as well as other media platforms and the income generated therefrom forms the major part of the Group's revenue. By selling advertising airtime to the CMCC Group indirectly through CNHK Media, the Group is able to generate more income for its operation and business.

The Directors (including the independent non-executive Directors) are of the view that the 2025-2026 Contract was entered into in the ordinary and usual course of business of the Group and the terms thereof are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save for Mr. Qiu Baohua, a non-executive Director (who is also the general manager of department of market operation (department of brand management) of CMCC) who has abstained from voting on the Board resolutions approving the entering into of the 2025-2026 Contract (and the relevant Annual Caps), none of the other Directors has a material interest in or is required to abstain from voting on such Board resolutions.

## INFORMATION OF THE PARTIES

Phoenix HK, an indirect wholly-owned subsidiary of the Company, is a licensee of the Non-domestic Television Programme Service Licence granted by the CA, and is principally engaged in the management and operations of certain satellite television channels under the said licence. 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 and the broadcasting of Phoenix Hong Kong Channel on Channel 85, the Group has a diversified business portfolio covering internet media, outdoor media, magazines, creative cultural, exhibitions and other fields.

CNHK Media Limited is a comprehensive brand communication and management agency providing comprehensive public relations mergers and acquisitions, advertising agency, publishing, event planning and execution and a cultural marketing service provider in Hong Kong, Macau, Taiwan and mainland China. CNHK Media is beneficially owned as to 66.67% by Long Apex Limited (a company wholly owned by Mr. GUO Yanjun (郭燕軍先生)), 16.67% by Mr. GUO Yanjun, 8.33% by Ms. YIN Shan（殷姍女士）and 8.33% by Ms. YAN Ni（晏妮女士）. All of the above named individuals are businesspersons. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CNHK Media (other than its deemed connected person status for the reason stated in this announcement) and its ultimate beneficial owners are Independent Third Parties.

Extra Step Investments Limited is wholly-owned by CMHKG, whose ultimate holding company is CMCC with 100% interest. CMCC, together with its subsidiaries, is a leading information and communications technology services provider in the PRC, providing communications and information services in all 31 provinces, autonomous regions and directly-administered municipalities throughout the PRC and in Hong Kong.

## INTERNAL CONTROL POLICY AND PROCEDURES

The Company has an established internal control system for connected transactions to monitor the execution and implementation of connected transactions, including a specific internal control policy regarding control over the terms of the sale of advertising airtime on the TV Channels and Media Platforms to CNHK Media under the 2025-2026 Contract (or similar sale of advertising airtime on the TV Channels and Media Platforms to other advertising agent(s) of CMCC Group) during the Term (collectively "**Advertising Airtime Sale Transactions**"). The Company's connected transaction policy has been circulated to the relevant staff in Phoenix HK and other relevant subsidiary(ies) of the Group, and a system is in place to give effect to such policy.

The principal features of this system in respect of the Advertising Airtime Sale Transactions are as follows (for the purpose of this section, "Phoenix HK" shall include other relevant subsidiary(ies) of the Group, which may include the entity charged with the sales function or the operating entity of the particular TV Channels or Media Platforms):

1. In respect of each Advertising Airtime Sale Transaction, the relevant individual agreement is subject to review by Phoenix HK, and cannot be entered into unless with the prior approval of Phoenix HK. Phoenix HK will review the terms (including pricing basis) of each of the Advertising Airtime Sale Transaction, with a view to complying with the Listing Rules and the terms as disclosed in this announcement.

2. In order to ensure the pricing basis (based on the pricing policy as mentioned in the section headed "Principal Terms of the 2025-2026 Contract" above) of each Advertising Airtime Sale Transaction is on normal commercial terms or better, where Phoenix HK is selling products or providing services, Phoenix HK will have regard (through a review of at least two contemporaneous or recent transactions) to the prevailing prices offered by Phoenix HK to Independent Third Parties or ascertain, through publicly available information from sources such as websites, the prevailing prices offered by Independent Third Parties for such products or services, and ensure that the relevant terms offered by Phoenix HK to CMCC Group's advertising agent(s) will be on normal commercial terms or better and will not be more favorable to CMCC Group's advertising agent(s) than comparable terms offered by Phoenix HK to Independent Third Parties, otherwise, Phoenix HK will decline to enter into the particular agreement with CMCC Group's advertising agent(s).

3. Phoenix HK will monitor the value of each Advertising Airtime Sale Transaction and the accrued value for such transactions over the course of each relevant year, and produce internal monthly statistics. Such information will be consolidated for reporting to the Board on a regular basis.

4. In addition, Phoenix HK has established a "warning" system whereby once the accrued value of the Advertising Airtime Sale Transactions in any relevant year reaches 80% of the relevant Annual Cap, Phoenix HK will notify the Board with a view to avoiding the carrying on of the Advertising Airtime Sale Transactions in excess of the Annual Cap.

## LISTING RULES IMPLICATIONS

Extra Step Investments Limited, an indirect wholly-owned subsidiary of CMCC, is a substantial shareholder of the Company holding approximately 19.68% of the issued share capital of the Company. Therefore, members of the CMCC Group are regarded as connected persons of the Company.

As the entering into of the 2025-2026 Contract by CNHK Media is for the ultimate benefits of the CMCC Group, pursuant to Rule 14A.20(1) of the Listing Rules, the Company considered CNHK Media a deemed connected person of the Company for the purpose of the 2025-2026 Contract. As such, the transactions contemplated under the 2025-2026 Contract constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the annual cap for the transactions contemplated under the 2025-2026 Contract are more than 0.1% but less than 5%, the 2025-2026 Contract is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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| "2023-2024 Contract" | the master advertising contract entered into between Phoenix HK and CNHK Media dated 18 August 2023 relating to the purchase of advertising airtime on the TV Channels and Media Platforms for the period from 18 August 2023 to 31 December 2024 (both dates inclusive), details of which were disclosed in the Company's announcement dated 18 August 2023 |
| "2025-2026 Contract" | the master advertising contract entered into between Phoenix HK and CNHK Media dated 16 May 2025 relating to the purchase of advertising airtime on the TV Channels and Media Platforms by CNHK Media for the period from 16 May 2025 to 31 December 2026 ( both dates inclusive) |
| "Annual Cap(s)" | the proposed annual cap for the sale of advertising airtime on the TV Channels and Media Platforms by Phoenix HK to CNHK Media under the 2025-2026 Contract during the Term, as set out in the section headed "Historical Amounts and Proposed Annual Caps" in this announcement |
| "associates" | has the meaning ascribed thereto under the Listing Rules |
| "Board" | the board of directors of the Company |
| "CMCC" | China Mobile Communications Group Co., Ltd. (中國移動通信集團有限公司), a state-owned company established under the laws of the PRC |
| "CMCC Group" | CMCC and its associates |
| "CMHKG" | China Mobile (Hong Kong) Group Limited (中國移動（香港）集團有限公司), a company incorporated in Hong Kong with limited liability and is a subsidiary of CMCC |
| "CNHK Media" | CNHK Media Limited (中港傳媒有限公司) , a company incorporated in Hong Kong with limited liability |
| "Company" | Phoenix Media Investment ( Holdings ) Limited ( 鳳凰衛視投資（控股）有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange |

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| "connected person(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "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 Third Party(ies)" | a person or entity which, so far as the Directors are aware after having made reasonable enquiries, is not a connected person of the Company (within the meaning ascribed thereto under the Listing Rules) |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "Lead Time" | the period between the date of signing of an individual advertising contract between CNHK Media and Phoenix HK (or other relevant subsidiary(ies) of the Group) as contemplated under the 2025-2026 Contract and the commencement of the broadcasting period of the relevant advertisement |
| "normal commercial terms or better" | has the meaning ascribed to it under the Listing Rules |
| "Phoenix HK" | Phoenix Satellite Television Company Limited (鳳凰衛視有限公司), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company |
| "PRC" | the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan |
| "Media Platforms" | the internet website and mobile application named "Fengshows" and the social media accounts of "Phoenix TV", "Phoenix TV News"(鳳凰資訊) and "Hong Kong V" operated by the Group |
| "RMB" | Renminbi, the lawful currency of the PRC |

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| "Shareholder(s)" | holder(s) of ordinary shares of HK$1.00 each in the issued share capital of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "TV Channels" | all the existing television channels operated by the Group, namely Phoenix Chinese Channel, Phoenix InfoNews Channel, Phoenix Hong Kong Channel, Phoenix Chinese News & Entertainment Channel, Phoenix North America Chinese Channel and Phoenix Movies Channel |
| "%" | per cent |

*For the purpose of this announcement, unless otherwise specified, the conversions of RMB into HK$ are based on the exchange rate of RMB1.00 to HK$ 1.06. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts are or will be exchanged at this or any other rates or at all.*

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

Hong Kong, 16 May 2025

*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. DING Wei, Mr. QIU Baohua and Mr. CUI Xian*

***Independent Non-executive Directors***
*Mr. Thaddeus Thomas BECZAK, Mr. FANG Fenglei and Mr. ZHOU Longshan*