
IMPORTANT

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

If you have sold all your shares in Phoenix Satellite Television Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED

鳳凰衛視控股有限公司

(Incorporated in Cayman Islands with limited liability)

NOTICE OF ANNUAL GENERAL MEETING AND

PROPOSED GENERAL MANDATES TO ISSUE SHARES AND

TO REPURCHASE SHARES

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of Phoenix Satellite Television Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company (the “Director”), having made all reasonable enquires, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



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PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED
鳳凰衛視控股有限公司

(Incorporated in Cayman Islands with limited liability)

Executive Directors:

LIU, Changle (*Chairman*)

CHUI, Keung

Non-executive Directors:

MURDOCH, James Rupert (*Vice Chairman*)

CHURCHILL, Bruce Barrett

LAU, Yu Leung John

CHEUNG, Chun On Daniel

XU, Gang

CHEUNG, San Ping

Independent Non-executive Directors:

LO, Ka Shui

KUOK, Khoon Ean

Registered Office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

*Head Office and Principal Place
of Business:*

9th Floor

One Harbourfront

18 Tak Fung Street

Hunghom

Kowloon, Hong Kong

1st November, 2001

To Shareholders of the Company,

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING AND
PROPOSED GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES**

INTRODUCTION

At a meeting of the Board of Directors (the “Directors”) held on 11th September, 2001, the Directors announced the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30th June, 2001. It was announced on 1st November, 2001 that at the Annual General Meeting to be held at Grand Ballroom II, 1/F., The Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Kowloon, Hong Kong on 6th December, 2001 (“Annual General Meeting”), resolutions to

LETTER FROM THE CHAIRMAN

grant to the Directors general mandates to issue shares of the Company (“Shares”) and to repurchase Shares (“Repurchase Mandate”) will be proposed. The purpose of this circular is to provide shareholders of the Company (the “Shareholders”) with details of the proposed general mandates to be dealt with at the Annual General Meeting.

GENERAL MANDATES

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of such resolution; (ii) to repurchase Shares comprising the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital in issue of the Company at the date of passing of such resolution; (iii) adding to such general mandate so granted to the Directors any shares representing the aggregate nominal amount (up to a maximum of 10% of the aggregate nominal amount of the Company’s then issued share capital) of any Shares repurchased by the Company.

Under the GEM Listing Rules, the general unconditional mandates granted on 8th December, 2000 will lapse at the conclusion of the coming Annual General Meeting, unless renewed at the Annual General Meeting. Resolutions Nos. 4 and 5 in the notice of Annual General Meeting will be proposed at the Annual General Meeting to renew these mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to repurchase any Shares pursuant to the relevant mandates.

The explanatory statement, required by the GEM Listing Rules to be sent to Shareholders in connection with the proposed Repurchase Mandate is set out in the Appendix to this circular. This contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on pages 9 to 11 of this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting, Resolutions Nos. 4 and 5 will be proposed to approve the general mandates for the issue of Shares Repurchase Mandate as special businesses.

A copy of the 2000/2001 Annual Report of the Company incorporating copies of the audited consolidated results of the Group for the year ended 30th June, 2001 and the directors’ and auditors’ reports therein has been despatched to all the Shareholders on 27th September, 2001.

A form of proxy for the Annual General Meeting is also enclosed. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Head Office of the Company c/o the Company Secretary, 9th Floor, One Harbourfront, 18 Tak Fung Street, Hungghom, Kowloon, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors is of the opinion that the proposals referred to above are in the best interests of the Company and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Liu Changle
Chairman

This is an explanatory statement given to all the Shareholders relating to a resolution to be proposed at the forthcoming Annual General Meeting authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

1. REGULATIONS OF THE GEM LISTING RULES

(a) Shareholders' approval

All proposed repurchases of securities on the Growth Enterprise Market ("GEM") by a company with its primary listing on GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

(b) Source of funds

Any repurchases must be funded out of funds legally available for the purpose and in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

(c) Trading restrictions

The total number of shares which a company is authorised to repurchase on GEM is the number of shares which represent up to a maximum of 10 per cent of the issued share capital as at the date of the passing of the ordinary resolution approving the Repurchase Mandate. A company may not issue or announce an issue of new shares of the type that has been repurchased for a period of 30 days immediately following a repurchase (except pursuant to the exercise of warrants, share option or similar instruments requiring the company to issue securities which were outstanding prior to the repurchase), without the prior approval of the Stock Exchange. A company is also prohibited from making securities repurchases on GEM if the result of the repurchase would be that the number of listed securities in public hands would be below the relevant prescribed percentage as required by the Stock Exchange. The price at which a company repurchases securities on GEM shall not be higher than the latest (or current) independent bid price or the last independent sale (contract) price quoted or reported on the system (as defined in the Rules of the Stock Exchange), whichever is higher. Also a company shall not make the opening bid nor any bid in the last 30 minutes before the close of normal trading hours as stipulated in the Rules of the Stock Exchange.

(d) Status of repurchased securities

The listing of all repurchased securities (whether on GEM or otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed.

Under Cayman Islands law, a company's repurchased shares shall be treated as cancelled and the amount of the company's issued share capital shall be reduced by the aggregate nominal value of the repurchased shares accordingly although the authorised share capital of the company will not be reduced.

(e) Suspension of repurchase

Any securities repurchase programme is required to be suspended after a price sensitive development has occurred or has been the subject of directors' decision until the price sensitive information has been publicly announced. In particular, during the period of one month immediately preceding either the preliminary announcement of a company's annual results or the publication of a company's half-year report or a quarterly report, a company may not purchase shares on GEM unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit a company from making repurchases of its own securities on GEM if a company has breached the GEM Listing Rules.

(f) Reporting requirements

Repurchases of securities on GEM or otherwise must be reported to the Stock Exchange not later than 9:30 a.m. (Hong Kong time) on the following business day. In addition, a company's annual report and accounts are required to include a monthly breakdown of securities repurchases made during the financial year under review, showing the number of securities repurchased each month (whether on GEM or otherwise), the purchase price per share or the highest and lowest prices paid for all such repurchases and the total prices paid. The directors' report is also required to contain reference to the purchases made during the year and the directors' reasons for making such purchases. The company shall make arrangements with its broker who effects the purchase to provide the company in a timely fashion the necessary information in relation to the purchase made on behalf of the company to enable the company to report to the Stock Exchange.

(g) Connected parties

Under the GEM Listing Rules, a company shall not knowingly repurchasing securities from a connected person (as defined under the GEM Listing Rules) and a connected person shall not knowingly sell his shares to the company. As at 29th October, 2001, being the latest practicable date (the "Latest Practicable Date") prior to the printing of this circular and to the best of the knowledge of the Directors who have made all reasonable enquires, none of the Directors or their associates has a present intention to sell Shares to the Company or has undertaken not to do so.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,931,730,000 Shares of HK\$0.10 each.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 493,173,000 Shares of HK\$0.10 each.

3. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

7. TAKEOVER CODE

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of The Code on Takeovers and Mergers (the "Takeover Code"). Accordingly, a shareholder or group of shareholders acting in concert, depending on the level of increase in the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, each of Today's Asia Limited ("Today's Asia") and Star Television Holdings Limited ("STARL") which are the substantial shareholders of the Company, held approximately 37.6% of the issued Shares of the Company. In the event that the Directors should exercise in full the power to repurchase Shares of the Company in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting, the interest of each of Today's Asia and STARL in the Shares of the Company would be increased to approximately 41.8% of the issued Shares of the Company. If so, the Directors will take necessary steps to comply with the GEM Listing Rules and the Takeover Code.

In fact, the Directors have no present intention to exercise repurchases to such an extent as would result in takeover obligations.

8. SHARE REPURCHASE MADE BY THE COMPANY

No purchases of Shares have been made by the Company, whether on the Stock Exchange or otherwise, in the six months preceding the date of this circular.

9. CONNECTED PERSON

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

10. SHARE PRICES

The highest and lowest price at which Shares have been traded on GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2000		
November	2.425	1.93
December	2.20	1.96
2001		
January	2.225	1.83
February	2.00	1.82
March	1.78	1.40
April	1.51	1.28
May	1.64	1.44
June	1.58	1.30
July	1.32	1.16
August	1.27	1.11
September	1.05	0.63
October	1.00	0.70

11. PROXY

A form of proxy for use at the Annual General Meeting is also enclosed. Whether or not you intend to attend the meeting, you are requested to complete and return the form of proxy to the Head Office and Principal Place of Business of the Company in Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting should the Shareholders so desire.



鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED
鳳凰衛視控股有限公司

(Incorporated in Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of Phoenix Satellite Television Holdings Limited (the “Company”) will be held at Grand Ballroom II, 1/F., The Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Kowloon, Hong Kong on 6th December, 2001 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 30th June, 2001.
2. To re-elect the retiring Directors and to authorise the Board of Directors to fix their remuneration.
3. To re-appoint auditors of the Company and to authorise the Board of Directors to fix their remuneration.
4. To consider as special business, and if thought fit, pass with or without amendments the following resolution as Ordinary Resolution:

“THAT:

- (A) subject to paragraph (C) of this Resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) on The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this Resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued

NOTICE OF ANNUAL GENERAL MEETING

by the Directors of the Company pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of options granted under the share option schemes adopted by the Company; or (iii) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (D) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

5. To consider as special business, and if thought fit, pass with or without amendments the following resolution as Ordinary Resolution:

“THAT:

- (A) subject to paragraph (B) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in Resolution 4(D) set out in the Notice of this Meeting) of all the powers of the Company to repurchase issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and
- (B) the aggregate nominal amount of shares of the Company which are authorised to be repurchased by the Company pursuant to the approval in paragraph (A) of this Resolution

NOTICE OF ANNUAL GENERAL MEETING

during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly.”

6. To consider as special business, and if thought fit, pass with or without amendments the following resolution as Ordinary Resolution:

“**THAT** conditional upon the passing of Resolution No. 5, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with shares of the Company pursuant to Resolution No. 4 be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No.5, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution.”

By Order of the Board
Yeung Ka Keung
Company Secretary

Hong Kong, 1st November, 2001

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Head Office and Principal Place of Business of the Company in Hong Kong at 9/F, One Harbourfront, 18 Tak Fung Street, Hungghom, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
3. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. A circular containing further details regarding Resolutions Nos. 4 to 6 as required by the GEM Listing Rules will be despatched to shareholders.