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鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED

鳳凰衛視控股有限公司

(Incorporated in the Cayman Islands with limited liability)

DISCLOSURE OF ADVANCE TO AN ENTITY

As at 30 June 2002, the amount due to Phoenix, a subsidiary of the Company, from Shenzhou was approximately HK\$208,567,000, representing 25.54% of the net tangible assets of the Group. Shenzhou is Phoenix's advertising agent in China and such amount was the advertising revenue which Shenzhou had received in China on behalf of Phoenix and had not remitted to Phoenix immediately thereafter. Accordingly, the Board announces the details of such "relevant advances to an entity" pursuant to Rules 17.15 and 17.17 of the GEM Listing Rules.

The board of directors (the "Board") of Phoenix Satellite Television Holdings Limited (the "Company") hereby announces the details of advance to an entity from Phoenix Satellite Television Company Limited ("Phoenix"), a subsidiary of the Company, pursuant to Rules 17.15 and 17.17 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM Listing Rules") of The Stock Exchange of Hong Kong Limited ("Stock Exchange") as follows:

Shenzhou Television Company Ltd. ("Shenzhou")(神州電視有限公司) is Phoenix's advertising agent in China and receives advertising revenue in China for Phoenix. It is an independent third party and a private company incorporated in China. Due to China's foreign exchange policy, Shenzhou is unable to remit all the advertising revenue to Phoenix immediately upon receipt. The time periods which Shenzhou remits funds out of China varies from time to time. As a foreign entity, Phoenix is unable to open its own bank account in China. As at 30 June 2002, amongst the "prepayments, deposits and other receivables" of the Company and its subsidiaries (the "Group") of approximately HK\$242,024,000, HK\$208,567,000 of which represented advertising revenue collected by Shenzhou on behalf of Phoenix which was held in China. The balance is aged within 6 months. Such amount represented

25.54% of the net tangible assets of the Group as at 30 June 2002 of approximately HK\$816,518,000. Rule 17.15 of the GEM Listing Rules stipulates that a disclosure obligation arises where the relevant advance to an entity from the issuer or any of its subsidiaries exceeds 25% of the issuer's net tangible assets.

Pursuant to a service agreement signed between Shenzhou and Phoenix dated 12 March 2002, Shenzhou agreed to deposit the advertising revenue it had collected prior to the execution of that agreement and to be collected in the future in one or more than one specified trust bank accounts in China, which together with any interest generated from such banks account(s) (based on prevailing commercial interests rates) would be held in trust on behalf of Phoenix and handled according to the Phoenix's instructions. No additional interest will be charged by Phoenix on the balance. The balance is unsecured and has no fixed repayment terms. As at 31 August 2002, the balance in Shenzhou was approximately HK\$205,410,000.

By Order of the Board
Yeung Ka Keung
Company Secretary

Hong Kong, 25 September 2002

The announcement, for which the directors of 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 of Hong Kong Limited 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: - (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement 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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