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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)*

**(Stock Code: 02008)**

## **CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcement of the Company dated 18 June 2013. PMM entered into the Guangdong Outdoor Advertising Contract with Shenzhen Media for a period commencing from 1 July 2013 and ending on 31 December 2014.

On 6 December 2013, PMM entered into another contract, the PRC Outdoor Advertising Contract with CMC for a period commencing from 6 December 2013 and ending on 31 March 2014.

The Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios for the PRC Outdoor Advertising Contract alone, and the Outdoor Advertising Contracts (which are aggregated pursuant to Rule 14A.25 of the Listing Rules) exceed 0.1% but less than 5%, pursuant to Rule 14A.34(1) of the Listing Rules, the Transactions are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 18 June 2013.

The Board wishes to announce that on 6 December 2013, PMM has entered into the PRC Outdoor Advertising Contract with CMC for a period commencing from 6 December 2013 and ending on 31 March 2014.

Details of the Transactions are set out as follows:

### **PRC OUTDOOR ADVERTISING CONTRACT**

Pursuant to the PRC Outdoor Advertising Contract, CMC shall place advertisement in the PRC on the LED Panels operated by or licensed to PMM and/or its subsidiaries for the period from 6 December 2013 to 31 March 2014 for promoting CMCC Group. The maximum aggregate contract sum is no more than RMB15,000,000 (equivalent to approximately HK\$19,089,000). CMC will purchase the advertising airtime on the LED Panels operated by or licensed to PMM and/or its subsidiaries in various cities in the PRC, CMC will therefore be provided with a discount for 78% of the rate card published by PMM.

Under the PRC Outdoor Advertising Contract, CMC shall, on a quarterly basis, pay the advertising costs relating to and for placement of advertisement on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for that quarter in cash in full to PMM within 20 business days immediately after the receipt of the invoice issued by PMM and an inspection report issued by a third party jointly engaged by both PMM and CMC.

### **REASONS FOR THE TRANSACTIONS**

PMM and/or its subsidiaries sell advertising airtime on the LED Panels operated by or licensed to them in their ordinary course of business. Income generated from the sale of advertising airtime forms the major part of their turnovers. By selling advertising airtime to CMCC Group, the Group is able to generate more income for its operation and business.

The PRC Outdoor Advertising Contract was entered into by the parties after arm's length negotiation such that the advertising airtime on the LED Panels provided by the Group, through PMM, to other customers with similar purchase will be at rates no less favorable than that of the PRC Outdoor Advertising Contract. The total contract sum under the PRC Outdoor Advertising Contract was agreed between the parties with reference to the rate card published by PMM from time to time which contains the pricing structure for the sale of advertising airtime on the LED Panels, and the review of the marketing and promotional activities of the CMCC Group in the PRC for 2013 and 2014.

The Directors (including the independent non-executive Directors) considered that the PRC Outdoor Advertising Contract was entered into on normal commercial terms and in the ordinary and usual course of business of PMM and/or its subsidiaries, and the terms thereof and the maximum aggregate contract sum of RMB15,000,000 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Three Directors of the Company, namely Mr. SHA Yuejia, Mr. GAO Nianshu and Dr. LO Ka Shui, have abstained from voting on the Board resolutions approving the PRC Outdoor Advertising Contract due to the fact that Mr. SHA Yuejia and Mr. GAO Nianshu are Directors nominated by a member of CMCC Group and Dr. LO Ka Shui is an independent non-executive director of China Mobile Limited. Save as disclosed above, none of the Directors has a material interest in the PRC Outdoor Advertising Contract.

## **IMPLICATIONS UNDER THE LISTING RULES**

As CMHKG is a substantial shareholder of the Company holding approximately 19.67% issued share capital of the Company through its wholly-owned subsidiary namely Extra Step Investments Limited, CMC, being an indirect subsidiary of CMHKG, is a connected person of the Company under the Listing Rules. The Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the PRC Outdoor Advertising Contract alone, and the Outdoor Advertising Contracts (which are aggregated pursuant to Rule 14A.25 of the Listing Rules) exceed 0.1% but less than 5%, pursuant to Rule 14A.34(1) of the Listing Rules, the Transactions are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement of the Listing Rules.

## **GENERAL**

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television operator broadcasting in the PRC.

CMHKG is the substantial shareholder of China Mobile Limited which 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. The ordinary shares of China Mobile Limited are listed on the Stock Exchange and its American depository shares are listed on the New York Stock Exchange.

CMC, a wholly-owned subsidiary of China Mobile Limited, acts as China Mobile Limited's network and business coordination center in the PRC.

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.2726. 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.

## **DEFINITIONS**

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CMC”	中國移動通信有限公司 (China Mobile Communication Company Limited), a company established under the laws of the PRC
“CMCC”	中國移動通信集團公司 (China Mobile Communications Corporation), a state-owned company established under the laws of the PRC

“CMCC Group”	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 Satellite Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company, including independent non-executive director(s)
“Group”	the Company and its subsidiaries
“Guangdong Outdoor Advertising Contract”	the advertising contract entered into between PMM and Shenzhen Media dated 18 June 2013 relating to the purchase of advertising airtime in Guangdong Province, the PRC by Shenzhen Media for the period from 1 July 2013 to 31 December 2014 with the maximum aggregate contract sum not more than RMB10,000,000 (equivalent to approximately HK\$12,726,000)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LED Panels”	giant-sized light-emitting diode panels
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Outdoor Advertising Contracts”	the Guangdong Outdoor Advertising Contract and the PRC Outdoor Advertising Contract
“PMM”	Phoenix Metropolis Media Technology Company Limited*, 鳳凰都市傳媒科技股份有限公司 (formerly known as Phoenix Metropolis Media (Beijing) Company Limited*, 鳳凰都市(北京)廣告傳播有限公司), a company incorporated in the PRC with limited liability and is 45.54% indirectly held by the Company. As the Group is able to govern the financial and operating policies of PMM by virtue of de-facto control, PMM is thus regarded as a 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
“PRC Outdoor Advertising Contract”	the advertising contract entered into between PMM and CMC dated 6 December 2013 relating to the purchase of advertising airtime by CMC on the LED Panels operated by or licensed to PMM and/or its subsidiaries in various cities in the PRC for the period from 6 December 2013 to 31 March 2014
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Shenzhen Media”	深圳市中港文化傳播有限責任公司, a company established under the laws of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the PRC Outdoor Advertising Contract for the period from 6 December 2013 to 31 March 2014
“%”	per cent.

By Order of the Board  
**Phoenix Satellite Television Holdings Limited**  
**LIU Changle**  
*Chairman*

Hong Kong, 6 December 2013

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

***Executive Directors***

*Mr. LIU Changle (Chairman) (also an alternate director to Mr. CHUI Keung); Mr. CHUI Keung (also an alternate director to Mr. LIU Changle); Mr. WANG Ji Yan (also an alternate director to Mr. LIU Changle and Mr. CHUI Keung)*

***Non-executive Directors***

*Mr. SHA Yuejia; Mr. GAO Nianshu; Mr. GONG Jianzhong; Mr. SUN Yanjun*

***Independent Non-executive Directors***

*Dr. LO Ka Shui; Mr. LEUNG Hok Lim; Mr. Thaddeus Thomas BECZAK; Mr. FANG Fenglei*

***Alternate Director***

*Mr. LAU Wai Kei, Ricky (alternate to Mr. SUN Yanjun)*

*\* For identification purpose only*