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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)

**ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTION**

On 30 December 2013, Phoenix HK through Shenzhou entered into the 2014 Contract with CNHK Media. CNHK Media has entered into the 2014 Contract for the ultimate benefits of the CMCC Group.

The New Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirements of the Listing Rules.

**2014 CONTRACT**

Reference is made to the announcement of the Company dated 31 December 2012 relating to the 2013 Contract. As the transactions contemplated under the 2013 Contract will expire on 31 December 2013 and CNHK Media would like to continue to purchase advertising airtime at and/or sponsoring programmes being broadcasted on the Phoenix Chinese Channel and the Phoenix InfoNews Channel operated by the Group thereafter, Phoenix HK through Shenzhou entered into the 2014 Contract with CNHK Media on 30 December 2013.

Pursuant to the 2014 Contract, CNHK Media shall purchase advertising airtime at and/or sponsoring programmes being broadcasted on the Phoenix Chinese Channel and the Phoenix InfoNews Channel respectively for the period from 1 January 2014 to 31 December 2014 for the sum not exceeding RMB75,000,000 (equivalent to approximately HK\$95,445,000) for promoting the CMCC Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, CNHK Media has entered into a contract with a subsidiary of CMCC in the PRC relating to and including the purchase of advertising airtime at and/or sponsoring programmes

being broadcasted on the Phoenix Chinese Channel and the Phoenix InfoNews Channel for the benefit and on behalf of the CMCC Group. As such, CNHK Media has entered into the 2014 Contract for the ultimate benefits of the CMCC Group.

Under the 2014 Contract, CNHK Media shall pay the advertising costs for New Transactions placed and confirmed by CNHK Media on or before 31 December 2013 by seven instalments: (a) the 1<sup>st</sup> instalment of 10% of the advertising costs as earnest deposit before 31 December 2013; (b) 2<sup>nd</sup> instalment of 25% of the advertising costs before 31 December 2013; (c) 3<sup>rd</sup> instalment of 15% of the advertising costs before 20 February 2014; (d) 4<sup>th</sup> instalment of 15% of the advertising costs before 18 April 2014; (e) 5<sup>th</sup> instalment of 15% of the advertising costs before 20 June 2014; (f) 6<sup>th</sup> instalment of 15% of the total advertising costs before 20 August 2014; and (g) 7<sup>th</sup> instalment of 15% of the advertising costs before 20 October 2014. The earnest deposit will be applied to partially set off against the amount of the 7<sup>th</sup> instalment payable by CNHK Media. For New Transactions placed and confirmed by CNHK Media after 31 December 2013, CNHK shall pay the advertising costs (i) in full upon signing individual contracts, if the broadcasting period of the sponsorship and/or advertisement is or within 31 days; and (ii) in the manners to be agreed by Shenzhou and CNHK Media under individual contracts, if the broadcasting period of the sponsorship and/or advertisement exceeds 31 days.

Shenzhou and CNHK Media, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent third parties which are (i) not connected with any of the directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; and (ii) not a connected person of the Company as defined in the Listing Rules.

## **REASONS FOR THE NEW TRANSACTIONS**

Phoenix HK sells advertising airtime and program sponsorship on its satellite television channels in its ordinary course of business. Income from sale of advertising airtime and program sponsorship forms the major part of its turnover. By selling advertising airtime and program sponsorship to the CMCC Group indirectly through CNHK Media, Phoenix HK is able to generate more income for its operation and business.

The 2014 Contract was entered into by the parties after arm's length negotiation such that the advertising airtime and program sponsorship provided by Phoenix HK to other customers will be at rates no less favourable than that of the 2014 Contract. The contract sum under the 2014 Contract was agreed between the parties with reference to the rate card published by Phoenix HK from time to time which contains the pricing structure for the sale of advertising airtime and program sponsorship on its satellite television channels, the advertising airtime and program sponsorship purchased by CNHK Media in 2013, and the expected growth in the marketing and promotional activities of the CMCC Group for 2014.



“2014 Contract”	the advertising contract entered into between Shenzhou and CNHK Media dated 30 December 2013 relating to the purchase of advertising airtime and/or sponsoring programmes by CNHK Media for the period from 1 January 2014 to 31 December 2014, both dates inclusive
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	The board of directors of the Company
“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
“CNHK Media”	CNHK Media Limited (中港傳媒有限公司), a company established under the laws of Hong Kong
“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 Main Board of the Stock Exchange
“Directors”	the directors of the Company, including independent non-executive directors
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Transactions”	the transactions contemplated under the 2014 Contract for the period from 1 January 2014 to 31 December 2014, both dates inclusive

“Phoenix HK”	Phoenix Satellite Television Company Limited, a company incorporated in Hong Kong with limited liability and is 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
“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”	神州電視有限公司 (Shenzhen Television Company Limited), a company incorporated under the laws of the PRC and is the PRC advertising agent of Phoenix HK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 December 2013

*As at the date of this announcement, the Board 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) and 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 and Mr. SUN Yanjun*

***Independent Non-executive Directors***

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

***Alternate Director***

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