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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
DISCLOSEABLE TRANSACTION
CONSTRUCTION OF PHOENIX INTERNATIONAL
MEDIA CENTRE IN BEIJING**

Reference is made to the announcement and the circular of the Company dated 17 June 2010 and 14 July 2010 respectively in relation to the Transactions which at that time constituted a major transaction for the Company under Chapter 14 of the Listing Rules, and to the announcement dated 23 December 2011 providing an update on the status of the construction of the Phoenix International Media Centre and the expected increase in the total budget for the Transactions which at that time constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Due to a combination of factors including variations to the relevant design drawings and specifications, technical difficulties encountered in the exterior facade installation works and increase in material and labour costs, the total budget for the Transactions, which was previously estimated to be RMB1.08 billion, is expected to be increased by approximately RMB190 million (approximately HK\$240 million) to approximately RMB1.27 billion (approximately HK\$1.62 billion).

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the revised budget of the Transactions of approximately RMB1.27 billion exceeds 5% but is less than 25%, the Transactions constitute a discloseable transaction of the Company subject only to the reporting and announcement requirements but exempt from the shareholders' approval requirement.

Reference is made to the announcement and the circular of the Company dated 17 June 2010 and 14 July 2010 respectively in relation to the Transactions which at that time constituted a major transaction for the Company under Chapter 14 of the Listing Rules, and to the announcement dated 23 December 2011 providing an update on the status of the construction of the Phoenix International Media Centre and the expected increase in the total budget for the Transactions which constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Company is pleased to report that construction of the Phoenix International Media Centre is now substantially complete and the project has entered the stage of completion examination and inspection. It is expected that the Phoenix International Media Centre will be ready for full occupancy by 30 June 2014. The total floor area of the constructed Phoenix International Media Centre is approximately 72,478 square metres, of which approximately 40% is expected to be occupied by the Group for its operations in Beijing and the rest to be held by Phoenix Oriental BJ for rental income or capital appreciation.

Phoenix Oriental BJ has recently been advised by the Main Contractor that due to a combination of factors including variations to the relevant design drawings and specifications, technical difficulties encountered in the exterior facade installation works and increase in material and labour costs, the total budget for the Transactions, which was previously estimated to be RMB1.08 billion, is expected to be increased by approximately RMB190 million (approximately HK\$240 million) to approximately RMB1.27 billion (approximately HK\$1.62 billion). As at 28 February 2014, an aggregate sum of approximately RMB1.06 billion (approximately HK\$1.35 billion) had been paid by Phoenix Oriental BJ under the Transactions.

The increased budget amount of approximately RMB190 million is expected to be financed by shareholders' loans to be advanced to Phoenix Oriental BJ by the Group and the other equity holders of Phoenix Oriental BJ on a pro-rata basis.

The carrying value of the Land and the improvements thereon as at 31 December 2013 was approximately HK\$1,703,000,000, of which HK\$125,000,000, HK\$415,000,000 and HK\$1,163,000,000 were recorded in lease premium for land, construction in progress and investment properties respectively. No revenue or profit has yet been generated by the Land (or the improvements thereon).

As was stated in the circular of the Company dated 14 July 2010 and the announcement dated 23 December 2011, the terms of the Transactions were agreed at after arm's length negotiations with the relevant counterparties, who were and still are respectively principally engaged in the businesses of survey and design, amenities, construction, property management, costs valuation, and consultancy. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the counterparties to the Transactions and their respective ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

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

Phoenix International Media Centre, once ready for full occupation, will become the Group's programme production complex in Beijing. It will increase the operational efficiency of the Group by consolidating the different operational functions and activities and the important service providers in the PRC into the same complex. It will also provide rental income and potential gains from capital appreciation to the Group. The Directors believe that the terms of the Transactions are fair and reasonable and in the interests of the Shareholders as a whole.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the revised budget of the Transactions of approximately RMB1.27 billion exceeds 5% but is less than 25%, the Transactions constitute a discloseable transaction of the Company subject only to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

“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
“Land”	the site of approximately 18,822 square metres situated in the South-Western corner of Chaoyang Park, Chaoyang District, Beijing, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Contractor”	北京天潤建設工程有限公司 (Beijing Tianrun Construction Engineering Co., Ltd.), a company established under the laws of the PRC

“Main Contractor Agreements”	collectively the main contractor (general terms) agreement, main contractor (specific terms) agreement and supplemental agreement, all dated 17 June 2010 and made between the Main Contractor and Phoenix Oriental BJ and documents relating to the aforesaid agreements in respect of the Phoenix International Media Centre
“Phoenix International Media Centre”	鳳凰國際傳媒中心 (Phoenix International Media Centre) (tentative name), a building being constructed on the Land which will contain theatres and television production studios to be used by the Group
“Phoenix Oriental BJ”	鳳凰東方(北京)置業有限公司 (Phoenix Oriental (Beijing) Properties Company Limited), a company established under the laws of the PRC and a 50% indirectly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Main Contractor Agreements together with the contracts previously entered into or will be entered into by the Group relating to the development and construction of the Land and Phoenix International Media Centre, details of which are set out in the circular of the Company dated 14 July 2010

In this announcement, save as otherwise provided, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.2771. 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.

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

Hong Kong, 13 March 2014

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) 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 director to Mr. SUN Yanjun)