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

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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 TRANSACTIONS:
NEW MEDIA CCT WITH CMCC GROUP
AND
RE-ELECTION OF DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent financial adviser to
the Independent Board Committee**



CIMB Securities (HK) Limited

A letter from the Board is set out on pages 5 to 22 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 23 of this circular.

A letter from CIMB, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 24 to 33 of this circular.

A notice dated 15 November 2010 convening an EGM to be held on Thursday, 9 December 2010 at 3 p.m. at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong is set out on pages 41 to 42 of this circular.

Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof.

15 November 2010

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
I. Introduction	5
II. New Media CCT	16
III. Reasons for Entering into the New Media CCT	18
IV. Listing Rules Implications	19
V. Historical Amounts and Annual Caps	20
VI. Re-election of Non-Executive Director	21
VII. Extraordinary General Meeting	21
VIII. Recommendation	21
IX. Further Information	22
Letter from the Independent Board Committee	23
Letter from CIMB	24
Appendix I – General Information	34
Appendix II – Details of Director to be Re-elected	40
Appendix III – Notice of Extraordinary General Meeting	41

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“31 December 2009 Announcement”	announcement of the Company made on 31 December 2009
“Annual Caps”	the proposed annual cap amounts for the New Media CCT for the three years ending 31 December 2010, 2011 and 2012, as set out in the section headed “Historical Amounts and Annual Caps” in the “Letter from the Board” in this circular
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“CIMB”	CIMB Securities (HK) Limited, a licensed corporation registered under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the New Media CCT and the Annual Caps
“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”	the group of companies comprising 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 Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company, including independent non-executive director(s)

DEFINITIONS

“EGM”	extraordinary general meeting of the Company to be convened for approving the Transactions and re-election of a Director
“Extended Transactions”	informal renewals of one Tianying-CMCC Group transaction and one Yifeng-CMCC Group transaction beyond the original term of the respective contracts, and the Renewal Contracts, more details of which are set out in the sub-section headed “Extended Transactions” under the section headed “Introduction” in the “Letter from the Board” in this circular
“GEM”	the Growth Enterprise Market of the Stock Exchange
“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 People’s Republic of China
“Independent Board Committee”	independent committee of the board of Directors of the Company comprising the independent non-executive Directors, namely, Dr. LO Ka Shui, Messrs. LEUNG Hok Lim and Thaddeus Thomas BECZAK
“Independent Shareholders”	Shareholders other than CMHKG and its associates
“Latest Practicable Date”	9 November 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM

DEFINITIONS

“New 2010 Transactions”	New Media CCT entered into since 1 January 2010, more details of which are set out in the sub-section headed “New 2010 Transactions” under the section headed “Introduction” in the “Letter from the Board” in this circular
“New Media CCT”	provision of website portal, value-added telecommunications, promotional and ancillary services by and to the PNM Group to and by the CMCC Group, as more particularly described in this circular
“Omitted Contracts”	the five transactions which would have fallen under Rule 14A.41 of the Listing Rules, more details of which are set out in the sub-section headed “Omitted Contracts” under the section headed “Introduction” in the “Letter from the Board” in this circular
“Phoenix New Media”	Phoenix New Media Limited, a company incorporated in the Cayman Islands with limited liability, an indirectly-owned subsidiary of the Company
“PNM Group”	Phoenix New Media and its subsidiaries
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan
“Renewal Contracts”	the written renewal contracts for the Phoenix Channel Programs Audio Magazine Business Cooperation Agreement and the Beijing “Monternet” “Entertainment Go-Kart” Short Messaging Services Cooperation Agreement, more details of which are set out in the sub-section headed “Extended Transactions” under the section headed “Introduction” in the “Letter from the Board” in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianying”	北京天盈九州網絡技術有限公司 (Beijing Tianying Jiuzhou Network Technology Co., Ltd.), a domestic enterprise established under the laws of the PRC
“Transactions”	waiver from strict compliance with the requirement under Rule 14A.35(1) to enter into a framework agreement with the CMCC Group at the outset covering all of the New Media CCT for the three years ending on 31 December 2010, 2011 and 2012, the New Media CCT for the three years ending on 31 December 2010, 2011 and 2012 (including ratification of the New 2010 Transactions and the Renewal Contracts), and the Annual Caps, all as more particularly described in this circular
“Yifeng”	怡豐聯合(北京)科技有限責任公司 (Yifeng Lianhe (Beijing) Technology Co., Ltd.), a domestic enterprise established under the laws of the PRC

In this circular, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.15. 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.

LETTER FROM THE BOARD



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)

Executive Directors:

LIU Changle (*Chairman*)
CHUI Keung
WANG Ji Yan

Non-executive Directors:

GAO Nianshu
SHA Yuejia
Jan KOEPPEN
CHEUNG Chun On, Daniel
GONG Jianzhong

Independent Non-executive Directors:

LO Ka Shui
LEUNG Hok Lim
Thaddeus Thomas BECZAK

Alternate Directors:

GAO Jack Qunyao
Ella Betsy WONG

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head Office and Principal Place
of Business:*

No. 2-6 Dai King Street
Tai Po Industrial Estate
Tai Po, New Territories
Hong Kong

15 November 2010

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS:
NEW MEDIA CCT WITH CMCC GROUP
AND
RE-ELECTION OF DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Reference is made to the Company's announcement made on 25 October 2010. This circular gives you certain additional information in relation to the Transactions pursuant to the Listing Rules.

LETTER FROM THE BOARD

Reference is also made to the announcements of the Company dated 9 November 2009, 11 November 2009 and 31 December 2009.

The Group carries on new media business (provision of website portal, value-added telecommunications, promotional and ancillary services) through its indirectly-owned subsidiary, Phoenix New Media. On 31 December 2009, Phoenix New Media acquired 100% of the economic interests of two PRC domestic enterprises, Tianying and Yifeng. Prior to 31 December 2009, Tianying and Yifeng had entered into a number of continuing transactions with the CMCC Group in the ordinary and usual course of business, these transactions became continuing connected transactions of the Group falling under Rule 14A.41 of the Listing Rules upon Tianying and Yifeng being treated as indirect subsidiaries of the Company for accounting purposes. Further details of these transactions were disclosed in 31 December 2009 Announcement.

Extended Transactions

As at the Latest Practicable Date, of the continuing transactions with the CMCC Group disclosed in the 31 December 2009 Announcement, one Tianying-CMCC Group transaction (namely Mobile Music Products Cooperation and Marketing Agreement) and one Yifeng-CMCC Group transaction (namely “Monternet” “Decoder Kaleidoscope” Short Messaging Services Cooperation Agreement) have continued beyond the original term of the written contract but otherwise on the same terms as disclosed, pending formal execution of the renewal contracts which has taken longer than expected for reasons beyond the control of the PNM Group.

Further, written renewal contracts for the Phoenix Channel Programs Audio Magazine Business Cooperation Agreement and the Beijing “Monternet” “Entertainment Go-Kart” Short Messaging Services Cooperation Agreement have been entered into each for a term from 31 October 2009 to 30 October 2010 (“**Renewal Contracts**”), with other material terms remaining the same as disclosed in the 31 December 2009 Announcement. Both of these renewal contracts are expected to be automatically extended in accordance with the terms of such contracts, pending formal execution of further renewal contracts.

LETTER FROM THE BOARD

Omitted Contracts

The following transactions which would have fallen under Rule 14A.41 of the Listing Rules were inadvertently omitted from the 31 December 2009 Announcement:

Transactions where service charges are paid/payable to CMCC Group:

(a) *IDC (Internet Data Center) Facilities Rental Contract*

- Term: : From 13 July 2009 to 12 July 2010, thereafter automatically extended unless either party gives notice not to renew. As at the Latest Practicable Date, neither party has given notice not to renew and formal execution of the renewal contract for a further one year term with the same automatic extension provision is in process.
- Parties : (1) Tianying
(2) 中國移動通信集團江蘇有限公司泰州分公司 (China Mobile Group Jiangsu Company Limited Taizhou Branch)
- Subject matter : China Mobile Group Jiangsu Company Limited Taizhou Branch rents equipment and facilities necessary for storage of server and connection to the Internet to Tianying.
- Consideration : Approximately RMB118,000 (HK\$135,700) on an annual basis.

(b) *Mobile Ringtone Services Agreement*

- Term : From 1 July 2009 to 30 June 2010. Transactions under this agreement have continued beyond the original term pending formal execution of the renewal agreement.
- Parties : (1) Tianying
(2) 中國移動通信集團廣東有限公司 (China Mobile Group Guangdong Company Limited)
- Subject matter : China Mobile Group Guangdong Company Limited provides fee calculation and collection services to Tianying in respect of ringtones Tianying makes available on the CMCC Group's ringtone services platform.
- Consideration : China Mobile Group Guangdong Company Limited is entitled to 15% of data service fees attributable to Tianying's mobile ringtones.

LETTER FROM THE BOARD

(c) *Beijing “Monternet” “Blog ifeng” Multimedia Messaging Services Cooperation Agreement*

- Term : From 27 July 2009 to 26 July 2010. Transactions under this agreement as supplemented have continued beyond the original term pending formal execution of the renewal agreement.
- Parties : (1) Tianying
(2) 中國移動通信集團北京有限公司 (China Mobile Group Beijing Company Limited)
- Subject matter : Tianying provides multimedia messaging value-added application services to “Monternet” subscribers of China Mobile Group Beijing Company Limited.
- Consideration : China Mobile Group Beijing Company Limited is entitled to 15% of the data service fees attributable to multimedia messaging services. In addition, China Mobile Group Beijing Company Limited also charges Tianying an “information flow imbalance” fee based on the difference between the number of multi media messages Tianying sends to subscribers and the number of multi media messages subscribers send to Tianying.

Transactions where service charges are received/receivable from CMCC Group:

(d) *Military Affairs Mobile Video Contents Cooperation Agreement*

- Term : From 1 November 2009 to 31 October 2010. Transactions under this agreement as supplemented have continued beyond the original term pending formal execution of the renewal agreement.
- Parties : (1) Tianying
(2) 中國移動通信集團上海有限公司 (China Mobile Group Shanghai Company Limited)

LETTER FROM THE BOARD

Subject matter : Tianying provides military affairs mobile video contents to subscribers of CMCC Group.

Consideration : For the first nine months, Tianying is entitled to be paid a fixed monthly operating support remedial fee of RMB100,000. Thereafter, the monthly operating support remedial fee will be determined with reference to a services evaluation system, and Tianying will also be entitled to 30% of data service fees received from subscribers attributable to military affairs mobile video contents provided.

(e) *Mobile Magazine Cooperation Agreement and supplemental agreements*

Term : 1 August 2009 to 31 July 2010.

Parties : (1) Tianying
(2) 卓望信息技術（北京）有限公司 (Aspire Information Technologies (Beijing) Limited)

Subject matter : The parties to jointly and gradually develop and promote "Phoenix Channels Mobile Magazine" business on a global scale, with Aspire Information Technologies (Beijing) Limited providing and maintaining access to CMCC Group's wireless mobile value-added contents platform, and Tianying providing "mobile magazines" edited from programs on the Group's channels.

Consideration : Tianying is entitled to 0% to 25% of data service fees received from subscribers depending on the mobile magazine content and specified territory for use of the contents.

LETTER FROM THE BOARD

New 2010 Transactions

The following New Media CCT have been entered into since 1 January 2010 pending formal execution of the written contracts:

Transactions where service charges are paid/payable to CMCC Group:

(a) *Cooperation Agreement to Develop "Mobile Magazine" Business*

- Parties : (1) Tianying
(2) 中國移動通信集團廣東有限公司 (China Mobile Group Guangdong Company Limited)
- Subject matter : The parties to jointly develop multi-media "Mobile Magazine" project, with China Mobile Group Guangdong Company Limited providing specifications and exclusive access port connection to its "Monternet" WAP site, and Tianying providing WAP, multi-media messaging services and short messaging services contents.
- Consideration : China Mobile Group Guangdong Company Limited is entitled to 15% of data service fees from subscribers attributable to contents provided by Tianying.

Transactions where service charges are received/receivable from CMCC Group:

(b) *Guangdong CMCC "Phoenix Current Affairs Talkshow" Agreement*

- Parties : (1) Tianying
(2) 中國移動通信集團廣東有限公司 (China Mobile Group Guangdong Company Limited)
- Subject matter : China Mobile Group Guangdong Company Limited purchases mobile value-added contents from Tianying derived from the Group's channels' current affairs programs.
- Consideration : RMB1,440,000 (HK\$1,656,000) for the term of the contract, expected to be from 1 January 2010 to 31 December 2010.

LETTER FROM THE BOARD

The two contracts above for the New 2010 Transactions were entered into on the same terms (other than the contractual term) under the previous written contracts for the same transactions which have expired. Due to the large number of contracts (each of modest value) which make up the domestic value-added telecommunications market, the industry norm is for actual transactions to continue after expiry of the written contractual term with the expectation that the paperwork will catch up. The delay in paperwork resulted from a combination of factors beyond the reasonable control of the parties, including internal processes, backlog, and limited resources.

Further, the following written contracts have been entered into since 1 January 2010:

Transactions where service charges are paid/payable to CMCC Group:

(c) *“Treasure Box” Cooperation Agreement*

- Term : Initial term from 1 May 2010 to 30 April 2011, thereafter automatically extended for successive terms of six months each unless either party gives notice not to renew 30 days prior to expiry of the current term. Tianying has given notice that in no event will the term of the contract including extensions exceed three years.
- Parties : (1) Tianying
(2) 中國移動通信集團北京有限公司(China Mobile Group Beijing Company Limited)
- Subject matter : Tianying provides contents and application services to subscribers of China Mobile Group Beijing Company Limited’s “Treasure Box” platform.
- Consideration : China Mobile Group Beijing Company Limited entitled to 15% of data service fees received from subscribers attributable to contents and application services provided by Tianying.

LETTER FROM THE BOARD

(d) *“ifeng” Mobile Payment Services Merchant Cooperation Agreements*

- Term : 15 January 2010 to 30 June 2010, and 1 July 2010 to 30 June 2011 respectively. Thereafter automatically extended for successive terms of one year each unless either party gives notice not to renew 30 days prior to expiry of the current term. Tianying has given notice that in no event will the term of the contract including extensions exceed three years.
- Parties : (1) Tianying
(2) 中國移動通信集團湖南有限公司電子商務中心 (China Mobile Group Hunan Company Limited Electronic Commerce Center)
- Subject matter : China Mobile Group Hunan Company Limited Electronic Commerce Center provides mobile payment services to Tianying.
- Consideration : China Mobile Group Hunan Company Limited Electronic Commerce Center was entitled to 0.3% and 5% respectively of the amounts paid in cash and by mobile fee recharge card by subscribers via mobile payment services under the contract for the period from 15 January 2010 to 30 June 2010; and is entitled to 0.3% of the amounts paid in cash by subscribers via mobile payment services under the contract for the period from 1 July 2010 to 30 June 2011.

Transactions where service charges are received/receivable from CMCC Group:

(e) *Contents Cooperation Agreement*

- Term : 8 April 2010 to 7 April 2011, thereafter automatically extended for one year unless either party gives notice not to renew 3 months prior to expiry of the current term.

LETTER FROM THE BOARD

Parties : (1) Tianying
(2) 卓望信息技術(北京)有限公司 (Aspire Information Technologies (Beijing) Limited)

Subject matter : Tianying provides royalty-free licence to Aspire Information Technologies (Beijing) Limited to use certain information on the www.ifeng.com website for promotional purposes

(f) *Points Redemption Program Supplier Agreement*

Term : 1 January 2010 to 30 September 2010.

Parties : (1) Tianying
(2) 卓望信息技術(北京)有限公司 (Aspire Information Technologies (Beijing) Limited)

Subject matter : Tianying provided mobile value-added contents to Aspire Information Technologies (Beijing) Limited for making available to end users to redeem their points under third party redemption programs

Consideration : Tianying was entitled to 30% of the sales made to the operators of the redemption programs

(g) *China Mobile Music Contents Cooperation Framework Agreement*

Term : Initial term from 1 July 2008 to 30 June 2010, thereafter automatically extended for successive terms of one year each unless either party gives notice not to renew, provided that Tianying met the minimum requirements for the previous term. Tianying has given notice that in no event will the term of the contract including extensions exceed three years.

Parties : (1) Tianying
(2) 中國移動通信集團四川有限公司 (China Mobile Group Szechuan Company Limited)

LETTER FROM THE BOARD

Subject matter : Tianying provides music contents to China Mobile Group Szechuan Company Limited for use on the centralised mobile music value-added services platform of the CMCC Group.

Consideration : Tianying is entitled to 50% of data service fees received from subscribers, attributable to music content services provided by Tianying.

(h) *“M-Zone” Campus Concert Entrustment Contract*

Term : 21 October 2010 to 31 December 2010

Parties : (1) Tianying
(2) 中國移動通信集團河北有限公司秦皇島分公司 (China Mobile Group Hebei Company Limited Qinhuangdao Branch)

Subject matter : China Mobile Group Hebei Company Limited Qinhuangdao Branch subcontracted event planning and execution of a pop concert to Tianying.

Consideration : Approximately RMB680,000 (HK\$782,000).

(i) *Mobile Magazine Cooperation Agreement (renewal of contract (e) of the Omitted Contracts)*

Term : 1 August 2010 to 31 July 2011, thereafter automatically extended for one year unless either party gives notice not to renew 1 month prior to expiry of the current term.

Parties : (1) Tianying
(2) 卓望信息技術(北京)有限公司 (Aspire Information Technologies (Beijing) Limited)

LETTER FROM THE BOARD

- Subject matter : The parties to jointly and gradually develop and promote “Phoenix Channels Mobile Magazine” business in the PRC, Hong Kong, The Macau Special Administrative Region and Taiwan, with Aspire Information Technologies (Beijing) Limited providing and maintaining access to CMCC Group’s wireless mobile value-added contents platform, and Tianying providing “mobile magazines” edited from programs on the Group’s channels.
- Consideration : Tianying is entitled to 0% to 25% of data service fees received from subscribers depending on the mobile magazine content.

The aggregate service charges received/receivable by the Group from the CMCC Group, and the aggregate service charges paid/payable by the Group to the CMCC Group, under the New 2010 Transactions and the Renewal Contracts for the seven months ended 31 July 2010 amounted to approximately RMB5,580,000 (HK\$6,417,000) and approximately RMB7,669,000 (HK\$8,819,350) respectively, which would have on their own constituted continuing connected transactions exempt from the independent shareholders’ approval requirements under Rule 14A.34, but would have constituted non-exempt continuing connected transactions when aggregated on an annual basis with the other New Media CCT and subject to the reporting, announcement and independent shareholders’ approval requirements under Rule 14A.35 of the Listing Rules. The aggregate service charges paid/payable to and received/receivable from the CMCC Group under the New 2010 Transactions and the Renewal Contracts for the seven months ended 31 July 2010 represent less than 9% of the proposed annual cap for the year ended 31 December 2010.

Failure to comply with Listing Rules

The Company acknowledges that it has failed to comply with the announcement requirement in relation to the Extended Transactions and the Omitted Contracts, and with the announcement and independent shareholders’ approval requirements in respect of the New 2010 Transactions and the Renewal Contracts. The Company acquired 100% of the economic benefits of Tianying and Yifeng on 31 December 2009. Tianying and Yifeng are domestic PRC entities and its staff were not familiar with the regulatory requirements of the Listing Rules and there was some unfortunate misunderstanding as to the Group’s requirements when preparing the information for the 31 December 2009 Announcement as well as the reporting requirements relating to connected transactions since 1 January 2010. The inadvertent omissions only came to the Company’s attention recently, and the Company has voluntarily brought the inadvertent omission to the attention of the Stock Exchange, and is taking remedial measures to improve the reporting and monitoring process to ensure that such incidents do not occur again.

LETTER FROM THE BOARD

II. NEW MEDIA CCT

Subject matter and nature of transactions

Existing New Media CCT fall into three categories based on the nature of the transactions:

1. rental of IDC (Internet Data Center) facilities from the CMCC Group;
2. provision by the CMCC Group of fee calculation and collection services in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's value-added content platforms, such as short messaging contents, WAP, multi media contents, IVR (Interactive Voice Response) products, music and JAVA contents; and
3. purchase by the CMCC Group of value-added telecommunications contents based on programs available on the Group's channels, seminars and other promotional activities conducted by Group's presenters; ad hoc promotional activities jointly undertaken with or sub-contracted by the CMCC Group, such as fan club events and formulating marketing plans for specific projects.

Parties

Each existing New Media CCT (other than certain of the Extended Transactions, Omitted Contracts and the New 2010 Transactions) is governed by a separate written contract, entered into by Tianying or Yifeng for the Group, and relevant members of the CMCC Group depending on the nature of the transaction and geographical location. The counterparties to the existing written contracts and pending written contracts in respect of the New Media CCT are 中國移動通信有限公司(China Mobile Communications Co., Ltd.), 中國移動通信集團北京有限公司(China Mobile Group Beijing Company Limited), 中國移動通信集團廣東有限公司湛江分公司(China Mobile Group Guangdong Company Limited Zhanjiang Branch), 中國移動通信集團湖南有限公司(China Mobile Group Hunan Company Limited), 中國移動通信集團四川有限公司(China Mobile Group Szechuan Company Limited), 中國移動通信集團江蘇有限公司(China Mobile Group Jiangsu Company Limited), 中國移動通信集團廣東有限公司(China Mobile Group Guangdong Company Limited), 中國移動通信集團上海有限公司(China Mobile Group Shanghai Company Limited), 中國移動通信集團湖南有限公司電子商務中心(China Mobile Group Hunan Company Limited Electronic Commerce Section), 中國移動通信集團江蘇有限公司泰州分公司(China Mobile Group Jiangsu Company Limited Taizhou Branch), 卓望信息技術(北京)有限公司(Aspire Information Technologies (Beijing) Limited) and 中國移動通信集團河北有限公司秦皇島分公司(China Mobile Group Hebei Company Limited Qinhuangdao Branch). So far as the Directors are aware, each of the existing contracts for the New Media CCT was separately negotiated on an arm's length basis with the relevant member of the CMCC Group.

LETTER FROM THE BOARD

Pricing bases

The pricing bases for existing New Media CCT can be summarised as follows:

Description of transaction	Pricing basis
1. rental of IDC (Internet Data Center) facilities from the CMCC Group	for a fixed fee determined by reference to the market price or industry standards with a discount negotiated on an arm's length basis
2. fee calculation and collection services provided by the CMCC Group in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's platforms	<p>(i) for payment via mobile service, the CMCC Group is entitled to 0.3% and 5% respectively of the amounts paid in cash and by mobile fee recharge card by subscribers via such service</p> <p>(ii) for short messaging, WAP, IVR, multi media messaging, music and JAVA contents, the CMCC Group is entitled to 15% to 65% of the data service fees collected from subscribers, determined by reference to industry standards; for short messaging and multi media messaging contents, the CMCC Group also charges the PNM Group an "information flow imbalance" fee based on the difference between the number of short or multi media messages the PNM Group sends to subscribers and the number of short or multi media messages subscribers send to the PNM Group</p>

LETTER FROM THE BOARD

Description of transaction	Pricing basis
3. (i) purchase of value-added telecommunications contents based on programs available on Group's channels, seminars and other promotional activities conducted by Group's presenters	(i) for a fixed fee or on a profit-sharing basis determined by reference to industry standards negotiated on an arm's length basis taking into account the substantial subscriber base of the CMCC Group on the one hand, and the unique contents provided by the PNM Group on the other hand
(ii) ad hoc promotional activities jointly undertaken with or sub-contracted by the CMCC Group	(ii) on a cost plus reasonable profit margin basis

Term

Other than the contract for rental of the IDC (Internet Data Center) facilities from the CMCC Group which is for an indefinite term from 1 July 2008, all of the existing written contracts in respect of the New Media CCT are for respective terms not exceeding three years each, and the respective terms of all of the pending and new written contracts in respect of New Media CCT up to 31 December 2012 will also not exceed three years each when eventually formally executed.

III. REASONS FOR ENTERING INTO THE NEW MEDIA CCT

As China Mobile Limited is a leading mobile telecommunications services provider in the PRC, and the PNM Group provides value-added telecommunications services in the PRC, the Directors expect the PNM Group will, in the ordinary and usual course of business in the foreseeable future, continue to engage in the existing New Media CCT and from time to time enter into new New Media CCT on similar material terms with the existing counterparties, and also hopefully with other members of the CMCC Group. The new media business is a relatively new business segment of the Group. With acquisition of the economic interests of Tianying and Yifeng and the strategic investment in Phoenix New Media, the new media business, and correspondingly the New Media CCT, is expected to grow at a significant rate for the three years ending on 31 December 2010, 2011 and 2012. The New Media CCT are currently, and are expected to be entered into in the ordinary and usual course of business of the Group on arm's length terms. Management of the Company has reviewed the Group's compliance obligations taking into particular account the different start and end dates of the contracts and the likelihood of new contracts, and proposes to adopt a more streamlined approach to the New Media CCT, by seeking Independent Shareholders' approval for each of the three years ending 31 December 2010, 2011 and 2012.

LETTER FROM THE BOARD

IV. LISTING RULES IMPLICATIONS

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television operator broadcasting into the PRC. The Group has also in recent years been developing outdoor advertising and new media businesses.

The CMCC Group 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.

CMHKG is a substantial shareholder of the Company holding approximately 19.71% of the issued share capital of the Company through its wholly-owned subsidiary Extra Step Investments Limited. Members of the CMCC Group are therefore connected persons of the Company under the Listing Rules.

As described above, the Directors expect the PNM Group will, in the ordinary and usual course of business in the foreseeable future, continue to engage in the New Media CCT, which will, when aggregated with the existing New Media CCT constitute non-exempt continuing connected transactions on an annual basis.

In order to seek approval from Independent Shareholders of the Transactions under Rule 14A.35(2) of the Listing Rules, Rule 14A.35(1) of the Listing Rules requires that the Company enter into written agreement(s) with the CMCC Group beforehand, setting out the basis of the calculation of the payments to be made. However, due to the diverse nature of the transactions involved, the huge number of companies in the CMCC Group and the common market practice in the PRC value-added telecommunications services industry for a separate contract to be negotiated and entered into for each particular product or service, the Directors consider that it is not feasible for the Company to comply strictly with the requirement of Rule 14A.35(1) to enter into a written framework agreement in the outset to cover all New Media CCT with the CMCC Group.

Accordingly, the Company had applied for, and the Stock Exchange had granted a waiver from strict compliance with, the requirement under Rule 14A.35(1) to enter into a framework agreement with the CMCC Group at the outset covering all of the expected New Media CCT for the three years ending on 31 December 2010, 2011 and 2012, subject to the following conditions:

1. the waiver will only apply to New Media CCT;
2. a separate written agreement will be entered into for each such transaction, for respective terms not exceeding three years;

LETTER FROM THE BOARD

3. each such transaction will be entered into in the ordinary and usual course of business of the Group, on normal commercial terms (or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties), and which are fair and reasonable and in the interests of the shareholders of the Company as a whole;
4. for transactions of the same nature as those which had previously been entered into, the pricing basis will be the same (or on better terms for the Group) as for those historical transactions, as set out under the column headed "Pricing basis" in the sub-section headed "Pricing bases" in the section headed "II. New Media CCT" above, taking into account market conditions and industry standards;
5. for new products and/or services, the pricing will be at market price or in line with industry standards or with such discount or other concessional terms to the Group's commercial interests, or where there are no comparable market price or industry standards, on terms no less favourable to the Group than that offered to or from independent third parties (as the case may be), all other things being equal;
6. Independent Shareholders' approval will be sought for the Transactions; and
7. all other disclosure, reporting and shareholders' approval requirements under Chapter 14A of the Listing Rules will be complied with.

V. HISTORICAL AMOUNTS AND ANNUAL CAPS

The aggregate service charges paid/payable by Tianying and Yifeng to the CMCC Group, and by the CMCC Group to Tianying and Yifeng in respect of New Media CCT for the three years ended 31 December 2007, 2008 and 2009 and for the seven months from 1 January to 31 July 2010 were approximately RMB61,770,000 (HK\$71,035,500), RMB60,630,000 (HK\$69,724,500), RMB88,420,000 (HK\$101,683,000) and RMB76,480,000 (HK\$87,952,000) respectively.

The Company proposes Annual Caps of RMB153,000,000 (HK\$175,950,000), RMB289,000,000 (HK\$332,350,000) and RMB539,000,000 (HK\$619,850,000) respectively for the three years ending 31 December 2010, 2011 and 2012, which are determined based on historical amounts, contracts in negotiations, the business plans of the PNM Group, and anticipated revenue of the PNM Group increasing about 90% year-on-year for the two years ended 31 December 2011 and 2012.

LETTER FROM THE BOARD

VI. RE-ELECTION OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company made on 19 August 2010 on the appointment of Mr. SHA Yuejia as a non-executive Director on the same date. In accordance with the articles of association of the Company, Mr. SHA Yuejia shall hold office until the next general meeting of the Company following his appointment, and his re-election will accordingly be considered at the EGM. Brief biographical and other details of Mr. SHA Yuejia, which are required to be disclosed under the Listing Rules, are set out in Appendix II to this circular.

VII. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Thursday, 9 December 2010 at 3 p.m. at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong, during which ordinary resolutions will be proposed to the Shareholders to approve the Transactions and re-election of Mr. SHA Yuejia as a non-executive Director. As required by the Listing Rules, CMHKG and its associates will abstain from voting on the resolution to approve the Transactions at the EGM. As such, Extra Step Investments Limited, which held approximately 19.71% of the Company's issued share capital as at the Latest Practicable Date, will abstain from voting on the resolution to approve the Transactions at the EGM.

VIII. RECOMMENDATION

Your attention is drawn to:

- (1) the letter from the Independent Board Committee set out on page 23 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders concerning the Transactions; and
- (2) the letter from CIMB set out on pages 24 to 33 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders on the New Media CCT and the Annual Caps and the principal factors and reasons considered by CIMB in arriving at its recommendations.

Taking into account the views of the Independent Board Committee and CIMB, the Board considers that the Transactions are in the interests of the Company and its Shareholders as a whole, and the terms thereof are fair and reasonable. Accordingly, the Board recommends the Independent Shareholders of the Company to vote in favour of the resolutions to be proposed at the EGM to approve the Transactions. No Director has a material interest in the Transactions or was otherwise required to abstain from voting on the board resolutions approving the Transactions.

LETTER FROM THE BOARD

Having taken into account the expertise and experience of Mr. SHA Yuejia, the Board considers that it is in the interests of the Company and the Shareholders as a whole to obtain the Shareholders' approval of the re-election of Mr. SHA Yuejia as a non-executive Director. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM relating to his re-election.

IX. FURTHER INFORMATION

Your attention is also drawn to the information set out in Appendix I to this circular and the notice of the EGM set out in Appendix III.

Yours faithfully,
By order of the Board
Phoenix Satellite Television Holdings Limited
LIU Changle
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

15 November 2010

To the Independent Shareholders

Dear Sir or Madam

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 15 November 2010 of the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders as to whether, in our opinion, the terms of the Transactions are fair and reasonable so far as the Independent Shareholders are concerned. CIMB has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Media CCT and the Annual Caps.

We wish to draw your attention to the “Letter from the Board” set out on pages 5 to 22 of the Circular which contains, *inter alia*, information on the Transactions, as well as the letter from CIMB set out on pages 24 to 33 of the Circular which contains its advice in respect of the terms of the New Media CCT and the Annual Caps.

Having taken into account the advice of CIMB, we consider that the terms of the New Media CCT have been entered into in the ordinary and usual course of business and in the interests of the Company and the Shareholders as a whole and the terms thereof together with the Annual Caps are on normal commercial terms, and are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Transactions to be proposed at the EGM.

Yours faithfully

For and on behalf of

Independent Board Committee

LO Ka Shui

LEUNG Hok Lim

Thaddeus Thomas BECZAK

Independent Non-Executive Directors

LETTER FROM CIMB

The following is the text of a letter received from CIMB setting out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



25/F Central Tower
28 Queen's Road Central
Hong Kong

15 November 2010

*To the Independent Board Committee and the Independent Shareholders of
Phoenix Satellite Television Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Media CCT, details of which are set out in the letter from the Board as contained in the circular of the Company to the Shareholders dated 15 November 2010 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

An independent board committee comprising Dr. LO Ka Shui, Messrs. LEUNG Hok Lim and Thaddeus Thomas BECZAK, being the independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the Transactions. CMHKG and its associates will abstain from voting on the resolution to approve the entering into of the Transactions.

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular. We have also assumed that the information and representations contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We consider that we have reviewed sufficient information and documents to satisfy ourselves that we have a reasonable basis to assess the fairness and reasonableness of the terms of New Media CCT in order to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Group, Tianying, Yifeng or the CMCC Group or any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion for the New Media CCT, we have considered the following principal factors and reasons:

(I) Background and reasons

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television operator broadcasting into the PRC. The Group had also in recent years been developing outdoor advertising and new media businesses.

As stated in the letter from the Board of this Circular (the "Letter from the Board"), the Group carries on new media business (provision of website portal, value-added telecommunications, promotional and ancillary services) through its indirectly-owned subsidiary, Phoenix New Media. On 31 December 2009, Phoenix New Media acquired 100% of the economic interests of two PRC domestic enterprises, Tianying and Yifeng. Prior to 31 December 2009, Tianying and Yifeng had entered into a number of continuing transactions with the CMCC Group in the ordinary and usual course of business, these transactions became continuing connected transactions of the Group falling under Rule 14A.41 of the Listing Rules upon Tianying and Yifeng being treated as indirect subsidiaries of the Company for accounting purposes.

The New Media CCT fall into three categories based on the nature of the transaction:

1. rental of IDC (Internet Data Center) facilities from the CMCC Group;
2. provision by the CMCC Group of fee calculation and collection services in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's value-added content platforms, such as short messaging contents, WAP, multi media contents, IVR (Interactive Voice Response) products, music and JAVA contents; and
3. purchase by the CMCC Group of value-added telecommunications contents based on programs available on the Group's channels, seminars and other promotional activities conducted by the Group's presenters; ad hoc promotional activities jointly undertaken with or sub-contracted by the CMCC Group, such as fan club events and formulating marketing plans for specific projects.

Details of the above transactions are set out in the Letter from the Board.

The new media business is a relatively new business segment of the Group. With acquisition of the economic interests of Tianying and Yifeng and the strategic investment in Phoenix New Media, the new media business, which has already been growing at a phenomenal rate in the recent years and especially in the six months ended 30 June 2010 after the acquisition of Tianying and Yifeng, will become a more

LETTER FROM CIMB

significant segment of the Group's business. The New Media CCT reinforces the Group's strategy to expand beyond its core television business into other types of new media operations in the future.

As the CMCC Group is a leading mobile telecommunications services provider in the PRC, and the PNM Group provides value-added telecommunications services in the PRC, the Directors expect the PNM Group will, in the ordinary and usual course of business in the foreseeable future, continue to engage in the existing New Media CCT and from time to time enter into the New Media CCT on similar material terms with the members of the CMCC Group.

Having considered that (i) the nature of the New Media CCT relates to the Group's existing business and operations; and (ii) the market status and size of the CMCC Group, and the CMCC Group being the largest mobile operator in the PRC, we concur with the view of the Directors that the New Media CCT falls within the ordinary and usual course of business of the Group, together with the fact that each of the existing contracts for the New Media CCT was separately negotiated on an arm's length basis with the relevant member of the CMCC Group, and that entering into the New Media CCT is in the interest of the Company and the Shareholders as a whole.

(II) Mobile telecommunications industry in the PRC

The new media business underscores the Group's ongoing strategy to expand its business beyond the core television business into other areas and allows the Group to distribute its multimedia contents and services through different types of media. The growing popularity and availability of the Internet and the 3G network in the PRC represents an excellent opportunity for the Group to expand the availability of its multimedia contents and services to new audiences such as Internet and mobile phone users.

According to the National Bureau of Statistics of China and the Ministry of Industry and Information Technology of China (the "MIIT"), the number of mobile phone users in China increased at a CAGR of approximately 17.4% from approximately 393.4 million users in 2005 to approximately 747.4 million users in 2009.

The increase in number of mobile phone users in China has also increased the demand for value added mobile phone services. For instance, according to the MIIT, the number of text message sent via mobile phones increased at a CAGR of approximately 26.1% from approximately 304.6 billion messages in 2005 to approximately 771.3 billion messages in 2009. Furthermore, the demand for value-added telecommunications services in China increased at a CAGR of approximately 25.6% from approximately RMB77.4 billion in 2005 to approximately RMB192.3 billion in 2009. According to China Economic Net, China's mobile payment market increased at a CAGR of approximately 70.4% from 2006 to 2009 in terms of transaction value. The number of mobile payment users has reached approximately 82.5 million in 2009, which represented approximately 11.0% of total

LETTER FROM CIMB

mobile phone users in China in 2009. Additionally, it is expected that there will be approximately US\$36 billion worth of transactions in the PRC paid by the method of mobile payments. As illustrated from the above mentioned statistics, value added mobile phone services possess room for potential growth in the foreseeable future.

In addition to the abovementioned increase in demand for value added mobile phone services, the 3G coverage in China is also experiencing significant growth due to the increase in number of mobile phone users. According to MIIT, total investments in the 3G network and the 3G network customer base are expected to reach RMB400 billion and 50 million users respectively within the next three years. As at July 2010, the CMCC Group had a customer base of approximately 118 million 3G network users, which represented an approximate 42% of the total 3G network market share. As noted from the 2009 annual report of the CMCC Group, its 3G network coverage fanned out to include more than 200 cities in China. As at July 2010, the CMCC Group had the largest 3G network market share in comparison to its competitors. Based on its market share percentage, the CMCC Group can be regarded as the leader in the telecommunications market in China and is capable of setting industry standards in terms of product range, quality and price.

The New Media CCT is in line with the Group's current strategy to further expand its existing new media business segment and by entering into the New Media CCT, the Company will have the opportunity to take part in the growth in demand for value-added telecommunications services.

Pricing bases of the New Media CCT

- (A) Rental of IDC (Internet Data Center) Facilities from the CMCC Group (the "Rental Transaction")

Set out below is the pricing principle for the Rental Transaction:

Description of transaction	Pricing principle
Rental of IDC (Internet Data Center) facilities from the CMCC Group	For a fixed fee determined by reference to the market price or industry standards with a discount negotiated on an arm's length basis

We note that the pricing principle in relation to the Rental Transaction is based on the market price or industry standards with a discount negotiated on an arm's length basis.

Based on our discussions with the management of the Company, we understand that the fixed fee is determined by reference to the market price or industry standards with a discount negotiated on an arm's length basis with the CMCC Group after taking into account the Group's relationship with the CMCC Group. We concur with the Directors' view that the pricing principle in relation to the Rental Transaction is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM CIMB

- (B) Fee calculation and collection services provided by the CMCC Group in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's platforms (the "Fee Collection Transaction")

Set out below is the pricing principle for the Fee Collection Transaction:

Description of transaction	Pricing principle
Fee calculation and collection services provided by the CMCC Group in respect of value-added telecommunications contents the PNM Group makes available on the CMCC Group's platforms	(i) for payment via mobile service, the CMCC Group is entitled to 0.3% and 5% respectively of the amounts paid in cash and by mobile fee recharge card by subscribers via such service
	(ii) for short messaging, WAP, IVR, multi media messaging, music and JAVA contents, the CMCC Group is entitled to 15% to 65% of the data service fees collected from subscribers, determined by reference to industry standards; for short messaging and multi media messaging contents, the CMCC Group also charges the PNM Group an "information flow imbalance" fee based on the difference between the number of short or multi media messages the PNM Group sends to subscribers and the number of short or multi media messages subscribers send to the PNM Group

We note that the pricing principle in relation to the Fee Collection Transaction is based on industry standards and negotiated with the CMCC Group on an arm's length basis.

Based on (i) our discussions with the management of the Company supported by relevant documents, such as historical contracts, provided by the Company in relation to the pricing principle of past transactions; (ii) the pricing principle of similar transactions in relation to the value-added telecommunications contents including short messaging, WAP, IVR, multi media messaging, music and JAVA contents with other independent third parties in the market after reviewing the terms of the contracts entered into

LETTER FROM CIMB

between the Company and other independent third parties; (iii) our research on the transaction fees charged by other popular mobile payment service providers, such as Square, Inc. and Mophie, which charges a fee ranging from 1.7% to 3.7% of the total transaction value depending on the type of transaction; (iv) the access to the wide subscriber base and industry standards pricing terms offered by the leading telecommunications provider, the CMCC Group; and (v) in particular after taking into account the prospect of the mobile payment market and the demand in the market for telecommunications value added services as described above in the mobile telecommunications industry in the PRC section, the Group's relationship with the CMCC Group and the synergy in working and developing new media businesses with the CMCC Group, which is one of the largest 3G network providers in terms of customer base with network coverage fanned out to include more than 200 cities in China, we concur with the Directors' view that the pricing principle in relation to the Fee Collection Transaction is fair and reasonable so far as the Independent Shareholders are concerned.

- (C) Provision of value-added telecommunications contents based on programs available on the Group's channels, seminars and other promotional activities conducted by the Group's presenters, and ad hoc promotional activities undertaken with or sub-contracted by the CMCC Group (the "Content and Promotional Activities Transaction")

Set out below is the pricing principle for the Content and Promotional Activities Transaction:

Description of transaction	Pricing principle
<p>(i) purchase of value-added telecommunications contents based on programs available on the Group's channels, seminars and other promotional activities conducted by the Group's presenters</p>	<p>(i) for a fixed fee or on a profit-sharing basis determined by reference to industry standards negotiated on an arm's length basis taking into account the substantial subscriber base of the CMCC Group on the one hand, and the unique contents provided by the PNM Group on the other hand</p>
<p>(ii) ad hoc promotional activities jointly undertaken with or sub-contracted by the CMCC Group</p>	<p>(ii) on a cost-plus reasonable profit margin basis</p>

LETTER FROM CIMB

With regards to the provision of program contents to the CMCC Group, we understand from the management of the Company that the contents to be provided is based on programs or contents which are already owned by the Group, and the Group will not incur significant additional costs in providing the contents required to the CMCC Group. As such, the fixed fee to be received by the Group, which is negotiated on an arm's length basis, represents an additional source of income to the Group.

Regarding the provision of ad hoc promotional activities to the CMCC Group, we understand from the management of the Company that the scope of work performed, depending on the type and nature of the events that require promotional activities, can vary significantly from project to project, and therefore the most reasonable method to determine the pricing basis of such activities is a cost-plus approach.

Taking into account the Group's relationship with the CMCC Group and the synergy in working and developing new media businesses with the CMCC Group, which is one of the largest 3G network providers in terms of subscribers with network coverage fanned out to include more than 200 cities in China, we concur with the Directors' view that the pricing principle in relation to the Content and Promotional Activities Transaction is fair and reasonable so far as the Independent Shareholders are concerned.

Annual Caps

Set out below are the details of (i) the historical transaction amount in relation to the New Media CCT for each of the three financial years ended 31 December 2009 and seven months ended 31 July 2010; and (ii) the proposed Annual Caps for each of the three years ending 31 December 2012:

	Historical figures for the year ended 31 December			Historical figures for the seven months ended 31 July	Annual Caps for the year ending 31 December		
	2007	2008	2009	2010	2010	2011	2012
	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Annual Caps	61,770,000	60,630,000	88,420,000	76,480,000	153,000,000	289,000,000	539,000,000
<i>(Note)</i>	(equivalent to approximately HK\$71 million)	(equivalent to approximately HK\$70 million)	(equivalent to approximately HK\$102 million)	(equivalent to approximately HK\$88 million)	(equivalent to approximately HK\$176 million)	(equivalent to approximately HK\$332 million)	(equivalent to approximately HK\$620 million)

Note: The Annual Caps include the payment by the Group to the CMCC Group in respect of the Rental Transaction, which amount is less than HK\$10 million per annum.

LETTER FROM CIMB

We note that in determining the Annual Caps for each of the three years ending 31 December 2010, 2011 and 2012, the Board has considered the following factors: (i) the historical transactions entered into between Tianying and Yifeng and the CMCC Group for the three financial years ended 31 December 2009 and seven months ended 31 July 2010; and (ii) the anticipated future trend and significant growth of the mobile telecommunications business and the growing popularity and availability of the Internet in mainland China, which the Group uses as a basis in anticipating a year-on-year Annual Caps increase of about 90% for the two years ending 31 December 2011 and 2012 after considering the contracts in negotiations and the business plans of the PNM Group known by the Directors.

In assessing the fairness and reasonableness of the Annual Caps, we have considered the following factors:

- (i) the historical transactions between Tianying and Yifeng and the CMCC Group for the three financial years ended 31 December 2009 and seven months ended 31 July 2010;
- (ii) the historical transaction amount in relation to the New Media CCT for the seven months ended 31 July 2010 is in line with the Group's significant increase in new media operations as mentioned in the Company's interim report for the six months ended 30 June 2010 as a result of the expansion of business through acquiring the economic benefits of two mainland companies at the end of year 2009 and enabling Phoenix programming to be available on the Internet and on a number of mobile telecommunications networks, which contributed to the increase in revenue of the new media business to approximately HK\$245 million for the six months ended 30 June 2010, representing an increase of approximately 733% for the same period in 2009;
- (iii) the Annual Caps for the year ending 31 December 2010 is in line with the actual amount for the seven months ended 31 July 2010 pro-rated for the full year ending 31 December 2010;
- (iv) the Annual Cap for the year ending 31 December 2010, which is supported by the historical figures for the seven months ended 31 July 2010, represents an increase of approximately 73% as compared to the actual amount for the year ended 31 December 2009;
- (v) the anticipated future trend and significant growth of the mobile telecommunications business, which we concur with after performing research on the mobile telecommunications industry and is highlighted in the 'mobile telecommunications industry in the PRC' section above;
- (vi) the historical growth in revenue of another listed company, which is principally engaged in businesses similar to the services provided under the New Media CCT, and the fact that such historical growth is comparable to the growth rate of the Annual Caps for the three years ending 31 December 2012; and

LETTER FROM CIMB

- (vii) the fact that the new media business segment will become increasingly important for the Group's overall business strategy and the Group will continue to devote time and efforts in expanding the new media business in the foreseeable future.

Taking into account the factors described above, we consider the Annual Caps to be fair and reasonable so far as the Company and the Independent Shareholders are concerned. However, as the Annual Caps relate to future events and are based on assumptions which may or may not remain valid for the three years up to 31 December 2012, consequently, we express no opinion as to how closely the actual amount to be incurred under the New Media CCT will correspond with the Annual Caps.

REQUIREMENT BY THE LISTING RULES REGARDING THE NEW MEDIA CCT

We noted from the Letter from the Board that the Company acknowledges that it has failed to comply with the announcement requirement in relation to the Extended Transactions and the Omitted Contracts, and with the announcement and independent shareholders' approval requirements in respect of the New 2010 Transactions and the Renewal Contracts (the "Omissions"). Upon discovery of the Omissions, the Company has voluntarily brought the inadvertent Omissions to the attention of the Stock Exchange, and is taking remedial measures to improve the reporting monitoring process to ensure that such incidents do not occur again. The remedial measures include the following:

- (a) to provide more training on regulatory compliance matters to the officers and senior management of the PNM Group responsible for listing rules compliance reporting to the Group level;
- (b) to introduce additional features in the Group's existing system of monitoring continuing connected transactions to (i) track the written contractual expiry dates of relevant continuing connected transaction written contracts; and (ii) track the incidence of relevant continuing connected transactions pending execution of formal written contracts, to remind the Company of its annual review and compliance obligations; and
- (c) to introduce an additional double checking mechanism whereby the officers of the Company will review the list of continuing connected transactions on a monthly basis.

As required by the Listing Rules, for each the three financial years ending 31 December 2012, the New Media CCT shall be subject to the annual review by the independent non-executive Directors and the Company's auditors as required by Rules 14A.37 and 14A.38 of the Listing Rules, respectively. In particular, each year, the independent non-executive Directors must confirm that the New Media CCT that have been entered into are:

- (i) in the ordinary and usual course of business of the Company;

LETTER FROM CIMB

- (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Furthermore, each year, the Company's auditors must provide a letter to the Board confirming that the New Media CCT:

- (i) have received the approval of the Board;
- (ii) are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;
- (iii) have been entered into in accordance with the relevant agreement governing the transactions; and
- (iv) have not exceeded the cap disclosed in the previous announcement(s).

Given the above, we consider that there exist appropriate procedures and arrangements in place to ensure that the New Media CCT will be conducted on terms as set out in the Letter from the Board.

RECOMMENDATION

Having considered the principal factors and reasons referred to the above, we consider that (i) the New Media CCT is in the interest of the Group and the Shareholders as a whole and the New Media CCT falls within the ordinary and usual course of business of the Group; (ii) the terms of the New Media CCT are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned; and (iii) the Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the New Media CCT and the Annual Caps.

Yours faithfully,

For and on behalf of

CIMB Securities (HK) Limited

Alex Lau

Head

Corporate Finance

Heidi Cheng

Deputy Head

Corporate Finance

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

2.1 Interests in securities

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which such Director or chief executive was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Name of Director	No. of Shares held	Nature of interest	Position	Approximate shareholding percentage
LIU Changle	1,854,000,000 (Note 1)	Corporate	Long	37.18%
LO Ka Shui	4,630,000 (Note 2)	Personal/ Other interest	Long	0.09%

Notes:

- As at the Latest Practicable Date, Mr. LIU Changle was the beneficial owner of 93.3% of the issued share capital of Today's Asia Limited, which in turn had an interest in approximately 37.18% of the issued share capital of the Company.
- As at the Latest Practicable Date, Dr. LO Ka Shui was the beneficial owner of 500,000 Shares and 4,130,000 Shares were held by a discretionary trust of which Dr. LO Ka Shui was the founder.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Director or chief executive was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

2.2 Interests in service contracts

Each of Mr. LIU Changle and Mr. CHUI Keung, both executive Directors, has entered into a service contract with the Company for a fixed term of three years commenced from 1 July 2009.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors has entered or proposed to enter into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

2.3 Interests in assets

As at the Latest Practicable Date, none of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, the date to which the latest published audited consolidated financial statements of the Company were made up.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS DISCLOSEABLE UNDER PART XV OF THE SFO

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(i) Substantial shareholders of the Company

Name of substantial shareholder	Number of Shares	Approximate shareholding percentage
Today's Asia Limited (<i>Note 1</i>)	1,854,000,000	37.18%
Extra Step Investments Limited (<i>Note 2</i>)	983,000,000	19.71%
Xing Kong Chuan Mei Group Co., Ltd. (<i>Note 3</i>)	871,000,000	17.47%

Notes:

1. Today's Asia Limited is beneficially owned by Mr. LIU Changle and Mr. CHAN Wing Kee of 93.3% and 6.7% interests respectively.
2. Extra Step Investments Limited is a wholly-owned subsidiary of China Mobile (Hong Kong) Group Limited which in turn is a subsidiary of China Mobile Communications Corporation. By virtue of the SFO, China Mobile (Hong Kong) Group Limited and China Mobile Communications Corporation are deemed to be interested in the 983,000,000 Shares held by Extra Step Investments Limited. Mr. GAO Nianshu and Mr. SHA Yuejia are respectively general manager of data services department of China Mobile Communications Corporation and executive director and vice president of China Mobile Limited.
3. Xing Kong Chuan Mei Group Co., Ltd. is a subsidiary of Star Group Limited. News Cayman Holdings Limited holds 100% of the ordinary voting shares of Star Group Limited. News Publishers Investments Pty. Limited holds 100% of the ordinary voting shares of News Cayman Holdings Limited. News Publishers Investments Pty. Limited is a wholly-owned subsidiary of STAR LLC Australia Pty Limited, which in turn is a wholly-owned subsidiary of New STAR US Holdings Subsidiary, LLC. New STAR US Holdings Subsidiary, LLC is a wholly-owned subsidiary of STAR US Holdings Subsidiary, LLC, which in turn is a direct wholly-owned subsidiary of STAR US Holdings, Inc.. STAR US Holdings, Inc. is an indirect wholly-owned subsidiary of News Publishing Australia Limited, which is an indirect wholly-owned subsidiary of News Corporation.

By virtue of the SFO, News Corporation, News Publishing Australia Limited, STAR US Holdings, Inc., STAR US Holdings Subsidiary, LLC, New STAR US Holdings Subsidiary, LLC, STAR LLC Australia Pty Limited, News Publishers Investments Pty. Limited, News Cayman Holdings Limited and Star Group Limited are all deemed to be interested in the 871,000,000 Shares held by Xing Kong Chuan Mei Group Co., Ltd.

(ii) Other person which is required to disclose its interests

Name of other person who has more than 5% interest	Number of Shares	Approximate shareholding percentage
China Wise International Limited (<i>Note</i>)	412,000,000	8.26%

Note: China Wise International Limited is a wholly-owned subsidiary of Cultural Developments Limited, which in turn is a wholly-owned subsidiary of Bank of China Group Investment Limited. Bank of China Group Investment Limited is a wholly-owned subsidiary of Bank of China Limited, which in turn is a subsidiary of Central Huijin Investment Ltd. (formerly known as Central SAFE Investments Limited). By virtue of the SFO, Central Huijin Investment Ltd., Bank of China Limited, Bank of China Group Investment Limited and Cultural Developments Limited are all deemed to be interested in the 412,000,000 Shares held by China Wise International Limited.

Mr. GONG Jianzhong, non-executive Director, is a director and chief executive officer of Bank of China Group Investment Limited and a director of a number of companies controlled by Bank of China Group Investment Limited or in which Bank of China Group Investment Limited has an interest.

4. COMPETING INTERESTS

As at the Latest Practicable Date, Star Group Limited and its subsidiaries (“STAR”) engaged in the development, production and broadcasting of television programming to 53 countries throughout Asia. STAR’s programming was distributed primarily via satellite to local cable and direct-to-home operators for distribution to their subscribers. STAR currently offers the following Chinese-language channels including Channel [V] Mainland China, Channel [V] Taiwan, Star Chinese Movies, Star Chinese Channel and Xing Kong. Mr. CHEUNG Chun On, Daniel (non-executive Director), Dr. GAO Jack Qun Yao (alternate Director to Mr. CHEUNG Chun On, Daniel), Mr. Jan KOEPPEN (non-executive Director) and Ms. Ella Betsy WONG (alternate Director to Mr. Jan KOEPPEN) are employees of News Corporation and its affiliates. Other than the Chinese-language channels offered by STAR above, News Corporation and its subsidiaries do not offer any other similar Chinese-language channels.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any interests in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group and which was required to be disclosed pursuant to Rule 8.10 of the Listing Rules. Since the channels operated by STAR differ in nature from and do not directly compete with the channels operated by the Company, the Company is capable of carrying on its business independently.

5. EXPERT QUALIFICATION AND CONSENT

CIMB is a licensed corporation registered under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO. CIMB has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or all references to its name in the form and context in which they appear.

As at the Latest Practicable Date, CIMB was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2009, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. MISCELLANEOUS

- (a) As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contracts or arrangements subsisting at the date of this circular which are significant in relation to the business of the Group.
- (c) As at the date of this circular, the company secretary of the Company is YEUNG Ka Keung, A.C.A.
- (d) The principal share registrar of the Company is Butterfield Fulcrum Group (Cayman) Limited, whose registered office is at Butterfield House, 68 Fort Street, PO Box 705, Grand Cayman KY1-1107, Cayman Islands and the Hong Kong branch registrar and transfer office of the Company are Hong Kong Registrars Limited, whose registered office is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during the normal business hours on any weekday (except public holidays) at the Company's principal place of business in Hong Kong from the date of this circular up to and including 29 November 2010:

- (a) the service agreements referred to in the section headed "Interests in Service Contracts" in this Appendix;
- (b) the contracts for the New Media CCT referred to in the 31 December 2009 Announcement and in this circular;
- (c) the letter from the Board, the text of which is set out on pages 5 to 22 of this circular;
- (d) the letter from the Independent Board Committee, the text of which is set out on page 23 of this circular;
- (e) the letter of advice from CIMB to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 24 to 33 of this circular; and
- (f) the written consent from CIMB referred to in the paragraph headed "Expert Qualification and Consent" in this Appendix.

Mr. SHA Yue Jia (沙躍家) (“Mr. SHA”), age 52, currently an executive director and vice president of China Mobile Limited (“China Mobile”), the ordinary shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited and its American depositary shares are listed on the New York Stock Exchange, is principally in charge of marketing, data business and corporate customer management matters. Mr. SHA has been serving on the board of directors of China Mobile since March 2006 and is a Vice President of China Mobile Communications Corporation and Director of China Mobile Communication Co., Ltd. Mr. SHA previously served as Director of the Engineering Construction Department IV Division of Beijing Telecommunications Administration, President of Beijing Telecommunications Planning Design Institute, Deputy Director General of Beijing Telecommunications Administration, Vice President of Beijing Mobile Communications Company, Director and Vice President, Chairman and President of China Mobile Group Beijing Company Limited. Mr. SHA graduated from Beijing University of Posts and Telecommunications, and received a Master’s Degree from the Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications and a doctoral degree in business administration from The Hong Kong Polytechnic University. He is a professor-level senior engineer with over 27 years of experience in the telecommunications industry.

Save as disclosed above, Mr. SHA has not previously held and is not holding any other position with the Company and its subsidiaries. Save as disclosed above, Mr. SHA does not hold any other directorships in other listed public companies in the last three years and other major appointments and qualifications.

Save as disclosed above, Mr. SHA does not have any relationships with any director, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. SHA does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. SHA. Mr. SHA is not appointed for a specific term and does not receive any emoluments from the Company.

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Mr. SHA that need to be brought to the attention of the shareholders of the Company, and there is no information relating to Mr. SHA’s appointment required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.



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)****NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Phoenix Satellite Television Holdings Limited (the “**Company**”) will be held on Thursday, 9 December 2010 at 3 p.m. at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong to consider and, if thought fit, approve with or without modifications, the following resolutions as ordinary resolutions of the Company:

1. “**THAT:**

- (i) the provision of website portal, value-added telecommunications, promotional and ancillary services by and to Phoenix New Media Limited and its subsidiaries (the “**PNM Group**”) to and by 中國移動通信集團公司(China Mobile Communications Corporation) and its associates (the “**CMCC Group**”) (“**New Media CCT**”), as defined and more particularly described in the Company’s circular to its shareholders dated 15 November 2010 (the “**Circular**”) for the three years from 1 January 2010 to 31 December 2012 be and are hereby approved, confirmed and ratified;
- (ii) the proposed annual cap amounts for the New Media CCT for the three years ending 31 December 2010, 2011 and 2012, as set out in the Circular, be and are hereby approved;
- (iii) the waiver from strict compliance with the requirement under Rule 14A.35(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to enter into a framework agreement with the CMCC Group at the outset covering all of the New Media CCT for the three years ending on 31 December 2010, 2011 and 2012 granted on 22 April 2010 by The Stock Exchange of Hong Kong Limited to the Company, a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for purposes of identification, be and is hereby approved, confirmed and ratified; and

- (iv) any one director of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company, and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with this Resolution.”
2. To re-elect Mr. SHA Yuejia as a non-executive director of the Company and to authorise the Board of the Company to fix his remuneration.

By Order of the Board
YEUNG Ka Keung
Company Secretary

Hong Kong, 15 November 2010

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business:

No. 2-6 Dai King Street
Tai Po Industrial Estate
Tai Po
New Territories
Hong Kong

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting (or the adjourned meeting as the case may be).
3. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders present at the meeting personally or by proxy, the most senior shall alone be entitled to vote, whether in person or by proxy, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of joint holding.
4. The register of members of the Company will be closed from Monday, 6 December 2010 to Thursday, 9 December 2010, both days inclusive, during which period no transfer of Shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 3 December 2010.
5. A form of proxy for use at the meeting is enclosed.