

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)**

### **CONNECTED TRANSACTIONS**

On 19 November 2010, Phoenix HK entered into the 2010 Second Agreement with Fortune Star for the licence to broadcast two films for a license fee of US\$8,000 (approximately HK\$62,002). Fortune Star is an indirect wholly-owned subsidiary of News Corporation, which through its subsidiary, Xing Kong Chuan Mei, holds approximately 17.47% interest of the Company. Thus, pursuant to rule 14A.11 of the Listing Rules, Fortune Star is a connected person of the Company.

The transaction contemplated in the 2010 Second Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules and is by itself an exempt transaction under rule 14A.31(2) of the Listing Rules. However, based on aggregation with the transaction under the 2010 First Agreement entered into between Phoenix HK and Fortune Star on 12 May 2010, the transaction contemplated under the 2010 Second Agreement is subject to reporting and announcement requirements of the Listing Rules.

### **THE 2010 SECOND AGREEMENT**

The Directors wish to announce that Phoenix HK, a wholly-owned subsidiary of the Company, and Fortune Star have on 19 November 2010 entered into the 2010 Second Agreement. Under the 2010 Second Agreement, Phoenix HK obtains from Fortune Star a non-exclusive right to broadcast two films on the Phoenix Chinese Channel for the period from 22 November 2010 to 21 November 2012. The licence fee of US\$8,000 is payable by remittance to the bank account as designated by Fortune Star by two instalments: (1) US\$4,000 which represents 50% of the licence fee is payable upon signing of the Agreement; and (2) US\$4,000 which represents 50% of the licence fee is payable upon receipt of the master materials.

The license fee was agreed after arm's length negotiations between the parties and was determined in accordance with normal commercial terms and with reference to terms available to independent third parties.

## **REASONS FOR ENTERING INTO THE 2010 SECOND AGREEMENT**

It is the ordinary course of the Company's business to obtain licence of programmes from various suppliers to cater for the need of our audience.

The Directors, including the independent non-executive Directors, are of the view that the terms of the 2010 Second Agreement and the transaction contemplated therein have been entered into in the ordinary and usual course of the Company's business on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

## **INFORMATION ON THE COMPANY**

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

## **INFORMATION ON FORTUNE STAR**

The principal business of Fortune Star is movie syndication.

## **THE 2010 FIRST AGREEMENT**

Before the 2010 Second Agreement, Phoenix HK entered into the 2010 First Agreement with Fortune Star for a total of 26 films on 12 May 2010 at the consideration of US\$195,000 (approximately HK\$1,516,515, based on the actual exchange rate), which was announced on the same day pursuant to Chapter 14A of the Listing Rules.

## **IMPLICATION UNDER THE LISTING RULES**

Phoenix HK is the wholly-owned subsidiary of the Company. Fortune Star is an indirect wholly-owned subsidiary of News Corporation, which through its subsidiary, Xing Kong Chuan Mei, holding approximately 17.47% interest in the Company, is an associate of the substantial shareholder of the Company (as defined in the Listing Rules). Accordingly, Fortune Star is a connected person of the Company under Chapter 14A.11 of the Listing Rules.

The transaction contemplated in the 2010 Second Agreements constitutes connected transaction under Chapter 14A of the Listing Rules and by itself is a de minimis transaction exempt from the reporting, announcement and independent shareholders' approval requirements under rule 14A.31(2) of the Listing Rules. However, pursuant to rule 14A.25 of the Listing Rules, the Stock Exchange will aggregate a series of connected transactions as if they were one transaction if they were all completed within a 12-month period or are otherwise related. Since the 2010 First Agreement was signed on 12 May 2010 which is within 12 months of the 2010 Second Agreement, it is required to aggregate with the 2010 Second Agreement. The aggregated consideration of the 2010 First Agreement and the 2010 Second Agreement is US\$203,000 (approximately HK\$1,578,517). Since the revenue ratios under the 2010 First Agreement and the 2010 Second Agreement are in aggregate more than 0.1% but less than 5%, the 2010 Second Agreement is subject to the reporting and announcement requirements of the Listing Rules.

## DEFINITIONS

“2010 First Agreement”	The Licence Agreement signed between Phoenix HK and Fortune Star on 12 May 2010
“2010 Second Agreement”	The Licence Agreement signed between Phoenix HK and Fortune Star on 19 November 2010
“associate(s)”	shall have the meaning ascribed thereto in Rule 1.01 of the Listing Rules
“Company”	Phoenix Satellite Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company, including independent non-executive directors
“Fortune Star”	Fortune Star Entertainment (HK) Limited, an indirect wholly-owned subsidiary of News Corporation
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Phoenix Chinese Channel”	a general entertainment channel operated by the Group and targeting audiences across Asia, South East Asia, Australia and the Middle East
“Phoenix HK”	Phoenix Satellite Television Company Limited, a wholly-owned subsidiary of the Company
“PRC”	The People Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United State dollars, the lawful currency of the United States of America

“Xing Kong Chuan Mei” Xing Kong Chuan Mei Group Co., Ltd, which owns approximately 17.47% interest in the Company, is the substantial shareholder of the Company (as defined in the Listing Rules)

“%” per cent

*Note:* For the purpose of illustration only and unless otherwise provided herein, the US\$ amounts shown in this announcement have been translated into HK\$ based on the exchange rate of US\$1.00 to HK\$7.7502 and it does not constitute a representation that any amounts were or may have been exchanged.

By Order of the Board  
**Liu Changle**  
*Chairman*

Hong Kong, 19 November 2010

*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. GAO Nianshu; Mr. SHA Yuejia; Mr. Jan KOEPPEN; Mr. CHEUNG Chun On, Daniel and Mr. GONG Jianzhong*

***Independent Non-executive Directors***

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

***Alternate Directors***

*Ms. Ella Betsy WONG (alternate to Mr. Jan KOEPPEN) and Dr. GAO Jack Qunyao (alternate to Mr. CHEUNG Chun On, Daniel)*