

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 29 December 2010, Phoenix HK entered into an agreement with NGC for the license to broadcast fifty-two (52) blocks of contents from the National Geographic Channel for a license fee of not exceeding US\$150,800 (approximately HK\$1,168,368). NGC is an indirect non-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, NGC is a connected person of the Company.

The transaction contemplated in the 2010 NGC 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 transactions under the 2010 First Agreement and the 2010 Second Agreement entered into between Phoenix HK and Fortune Star respectively on 12 May 2010 and 19 November 2010, the transaction contemplated under the 2010 NGC Agreement is subject to reporting and announcement requirements of the Listing Rules.

THE 2010 NGC AGREEMENT

The Directors wish to announce that Phoenix HK, a wholly-owned subsidiary of the Company, and NGC have on 29 December 2010 entered into the 2010 NGC Agreement. Under the 2010 NGC Agreement, Phoenix HK obtains from NGC a non-transferable and non-exclusive right to broadcast fifty-two (52) blocks of contents from the National Geographic Channel on the Phoenix Chinese Channel for the period from 1 January 2011 to 31 December 2011. The license fee of not exceeding US\$150,800 (approximately HK\$1,168,368) is payable by remittance to the bank account as designated by NGC by two installments: (1) US\$75,400 of the license fee is payable within 30 days after signing the Agreement; and (2) the remainder of the license fee is payable within 30 days after the receipt by Phoenix of the broadcast materials of the fifty-two (52) blocks.

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 NGC 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 NGC 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.

None of the Directors have a material interest in the 2010 NGC Agreement and were required to abstain from voting on the Board resolutions in respect of the 2010 NGC Agreement.

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 NGC

The principal businesses of NGC are television programming, distribution, advertising and syndication sales.

THE 2010 FIRST AGREEMENT AND 2010 SECOND AGREEMENT

Before the 2010 NGC Agreement, Phoenix HK entered into (1) 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) and (2) the 2010 Second Agreement with Fortune Star for a total of 2 films on 19 November 2010 at the consideration of US\$8,000 (approximately HK\$62,002, based on the actual exchange rate), which were announced on 12 May 2010 and 19 November 2010 respectively pursuant to Chapter 14A of the Listing Rules.

IMPLICATION UNDER THE LISTING RULES

Phoenix HK is the wholly-owned subsidiary of the Company. NGC is an indirect non-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, NGC is a connected person of the Company under Chapter 14A.11 of the Listing Rules.

The transaction contemplated in the 2010 NGC Agreement 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 entered into on 12 May 2010 and the 2010 Second Agreement was entered into on 19 November 2010, both of which are within 12 months of the 2010 NGC Agreement, they are required to aggregate with the 2010 NGC Agreement. The aggregated consideration of the 2010 First Agreement, the 2010 Second Agreement and the 2010 NGC Agreement (based on the upper limit of US\$150,800) is US\$353,800 (approximately HK\$2,746,885). Since the revenue ratios under the 2010 First Agreement, the 2010 Second Agreement and the 2010 NGC Agreement are in aggregate more than 0.1% but less than 5%, the 2010 NGC Agreement is subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

“2010 First Agreement”	The License Agreement signed between Phoenix HK and Fortune Star on 12 May 2010
“2010 Second Agreement”	The License Agreement signed between Phoenix HK and Fortune Star on 19 November 2010
“2010 NGC Agreement”	The License Agreement signed between Phoenix HK and NGC on 29 December 2010
“associate(s)”	shall have the meaning ascribed thereto in Rule 1.01 of the Listing Rules
“Board”	the board of directors of the Company
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NGC”	NGC Network Asia, LLC, an indirect non-wholly owned subsidiary of News Corporation

“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\$7.7478 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, 29 December 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); 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; 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)