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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 TRANSACTION**

On 14 June 2011, Phoenix Beijing entered into the Outdoor Advertising Contract with Shenzhen Media. Shenzhen Media has entered into the Outdoor Advertising Contract for the ultimate benefits of CMCC Group.

The Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios for the Outdoor Advertising Contract are more than 0.1% but less than 5%, pursuant to Rule 14A.34(1) of the Listing Rules, the Transaction is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement of the Listing Rules.

### **OUTDOOR ADVERTISING CONTRACT**

Shenzhen Media would like to place advertisement on LED Panels operated by Phoenix Beijing and/or PMM Group for the period commencing from 14 June 2011 until 31 March 2012. Phoenix Beijing entered into the Outdoor Advertising Contract with Shenzhen Media on 14 June 2011.

Pursuant to the Outdoor Advertising Contract, Shenzhen Media shall place advertisement for and on behalf of CMCC Group on LED Panels operated by Phoenix Beijing and/or PMM Group in PRC for the period from 14 June 2011 to 31 March 2012 for promoting CMCC Group. The total contract sum is no more than RMB18,000,000 (equivalent to HK\$21,571,200), which is also the maximum aggregate value of the Outdoor Advertising Contract. Based on the actual sales sum, Shenzhen Media will be provided with (a) a discount rate for up to 72% of the actual sales and (b) 12% of the actual advertising time for free for the period from 1 January 2012 to 31 December 2012.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Shenzhen Media is engaged in the advertising agency business and it has entered into a contract with CMCC in the PRC relating to and including for placement of advertisement on the LED Panels operated by Phoenix Beijing and/or PMM Group for the benefit and on behalf of CMCC Group. As such, Shenzhen Media has entered into the Outdoor Advertising Contract for the ultimate benefits of CMCC Group.

Under the Outdoor Advertising Contract, Shenzhen Media shall pay the total contract sum relating to and for placement of advertisement on the LED Panels operated by Phoenix Beijing and/or PMM Group in cash in full to Phoenix Beijing and/or PMM Group before display of the advertisement on the LED Panels.

For the contract sum paid by CMCC Group for placement of advertisement in Beijing and Guangdong Province, Shenzhen Media may deduct 15% of which as the agency fee. For the contract sum paid by CMCC Group for placement of advertisement in anywhere in China other than Beijing and Guangdong Province, Shenzhen Media may deduct 5% of which as the agency fee. If CMCC Group pays the contract sum directly to Phoenix Beijing, Phoenix Beijing shall pay the agency fee to Shenzhen Media within three working days upon receipt of the contract sum.

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

## **REASONS FOR THE TRANSACTION**

Phoenix Beijing and/or PMM Group sell advertising time on their LED Panels in their ordinary course of business. Income from sale of advertising time forms the major part of their turnover. By selling advertising time to CMCC Group indirectly through Shenzhen Media, the Group is able to generate more income for its operation and business.

The total contract sum for purchasing advertising time on the LED Panels operated by Phoenix Beijing and/or PMM Group for the period from 14 June 2011 to 31 March 2012 is no more than RMB18,000,000 (equivalent to HK\$21,571,200).

The Outdoor Advertising Contract was entered into by the parties after arm's length negotiation such that the advertising time on LED Panels provided by the Group to other customers will be at rates no less favorable than that of the Outdoor Advertising Contract.

The Directors (including the Independent Non-executive Directors) consider that the Outdoor Advertising Contract was entered into on normal commercial terms and in the ordinary and usual course of business of Phoenix Beijing, and the terms thereof and the total contract sum of RMB18,000,000 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors have a material interest in the Outdoor Advertising Contract and were required to abstain from voting on the Board resolutions in respect of the Outdoor Advertising Contract.

## **IMPLICATIONS UNDER THE LISTING RULES**

As CMHKG is a substantial shareholder of the Company holding approximately 19.69% issued share capital of the Company through its wholly-owned subsidiary namely Extra Step Investments Limited. CMCC, being the ultimate holding company of CMHKG, is a connected person of the Company under the Listing Rules. The Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Outdoor Advertising Contract are more than 0.1% but less than 5%, pursuant to Rule 14A.34(1) of the Listing Rules, the Transaction is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement of the Listing Rules.

## **GENERAL**

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

CMCC is the ultimate controlling shareholder of China Mobile Limited which in turn is a leading mobile telecommunications service 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. The ordinary shares of China Mobile Limited are listed on the Stock Exchange and its American depositary shares are listed on the New York Stock Exchange.

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.1984. 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.

## **DEFINITIONS**

“associates”	has the meaning ascribed to it under the Listing Rules
“CMCC”	中國移動通信集團公司(China Mobile Communications Corporation), a state-owned company established under the laws of the PRC
“CMCC Group”	CMCC and its associates
“CMHKG”	China Mobile (Hong Kong) Group Limited, a company incorporated in Hong Kong with limited liability and is a subsidiary of CMCC

“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
“Director(s)”	the director(s) of the Company, including independent non-executive director(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LED Panels”	giant-sized light-emitting diode panels
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Outdoor Advertising Contract”	the advertising contract entered into between Phoenix Beijing and Shenzhen Media dated 14 June 2011 relating to the purchase of advertising time by Shenzhen Media for the period from 14 June 2011 to 31 March 2012
“Phoenix Beijing”	Phoenix Metropolis Media (Beijing) Company Limited, 鳳凰都市（北京）廣告傳播有限公司, a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“Phoenix Metropolis Media”	Phoenix Metropolis Media Holdings Limited (formerly known as Phoenix Metropolis Media Company Limited), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“PMM Group”	all the subsidiaries of Phoenix Metropolis Media
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of ordinary shares of HK\$0.10 each in the issued share capital of the Company

“Shenzhen Media”	深圳市中港文化傳播有限責任公司, a company established under the laws of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Outdoor Advertising Contract for the period from 14 June 2011 to 31 March 2012
“%”	per cent.

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

Hong Kong, 14 June 2011

*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; 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); Dr. GAO Jack Qun Yao (alternate to Mr. CHEUNG Chun On, Daniel)*