

*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)**

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

Reference is made to the announcement and the circular of the Company dated 17 June 2010 and 14 July 2010 respectively relating to the Transactions which at the time constituted a major transaction for the Company under Chapter 14 of the Listing Rules and were approved in writing by a closely allied group of Shareholders on 9 June 2010 in lieu of a general meeting pursuant to Rule 14.44 of the Listing Rules.

Due to a combination of factors including the increase in material and labour costs, increase in floor area of approximately 8,000 square metres and variations to the relevant design drawings and specifications of the Phoenix International Media Centre, the total budget for the Transactions, which was previously estimated to be RMB850 million (approximately HK\$1,041,505,000), is expected to be increased by RMB230 million (approximately HK\$281,819,000) to RMB1.08 billion (approximately HK\$1,323,324,000).

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the revised budget of the Transactions of RMB1.08 billion exceeds 5% but is less than 25%, the Transactions constitute a discloseable transaction of the Company subject only to the reporting and announcement requirements but exempt from the shareholders' approval requirement.

Reference is made to the announcement and the circular of the Company dated 17 June 2010 and 14 July 2010 respectively relating to the Transactions which at the time constituted a major transaction for the Company under Chapter 14 of the Listing Rules and were approved in writing by a closely allied group of Shareholders on 9 June 2010 in lieu of a general meeting pursuant to Rule 14.44 of the Listing Rules.

The Company is pleased to report that construction of the superstructure of the Phoenix International Media Centre is almost complete and work on the exterior façade has commenced, as has the mechanical engineering work. The Phoenix International Media Centre is expected to be delivered by the Main Contractor to Phoenix Oriental BJ for acceptance in the second half of 2012. On completion, the total floor area of the Phoenix International Media Centre is expected to be approximately 73,000 square metres, of which approximately 40% is expected to be occupied by the Group for its operations in Beijing and the rest to be held for rental income or capital appreciation.

Phoenix Oriental BJ has recently been advised by the Main Contractor that due to a combination of factors including the increase in material and labour costs, increase in floor area of approximately 8,000 square metres and variations to the design drawings and specifications of the Phoenix International Media Centre, the total budget for the Transactions, which was previously estimated to be RMB850 million (approximately HK\$1,041,505,000) is expected to be increased by RMB230 million (approximately HK\$281,819,000) to RMB1.08 billion (approximately HK\$1,323,324,000). As at 30 November 2011, an aggregate sum of approximately RMB539 million (approximately HK\$660,436,700) has been paid by Phoenix Oriental BJ under the Transactions.

The increased budget amount of RMB230 million is expected to be financed by the pro-rata injection of funds into Phoenix Oriental BJ by the Group and the other equity holders of Phoenix Oriental BJ in the form of additional registered capital and/or shareholders' loans.

The fair value of the Land and the improvements thereon as at 30 June 2011 as valued by an independent firm of valuers was approximately RMB783,000,000 (approximately HK\$959,409,900). No revenue or profit has yet been generated by the Land (or the improvements thereon).

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

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

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

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the proposed injection by the Group of its pro-rata share of additional registered capital and/or shareholders' loans into Phoenix Oriental BJ is less than 5%, the proposed injection of funds by the Group is not a discloseable transaction of the Company and is not subject to the reporting, announcement or shareholders' approval requirement under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the revised budget of the Transactions of RMB1.08 billion exceeds 5% but is less than 25%, the Transactions constitute a discloseable transaction of the Company subject only to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

“Company”	Phoenix Satellite Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company, including independent non-executive directors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the site of approximately 18,822 square metres situated in the South-Western corner of Chaoyang Park, Chaoyang District, Beijing, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Contractor”	北京天潤建設工程有限公司 (Beijing Tianrun Construction Engineering Co., Ltd.), a company established under the laws of the PRC
“Main Contractor Agreements”	collectively the main contractor (general terms) agreement, main contractor (specific terms) agreement and supplemental agreement, all dated 17 June 2010 and made between the Main Contractor and Phoenix Oriental BJ, and documents relating to the aforesaid agreements in respect of the Phoenix International Media Centre

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

In this announcement, save as otherwise provided, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.2253. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 23 December 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 Qunyao (alternate to Mr. CHEUNG Chun On, Daniel)*