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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  
THE CMGG ADVERTISING CONTRACT**

On 25 January 2017, PMM, a subsidiary of the Company, entered into the CMGG Advertising Contract with CMGG for a period commencing from the effective date of the CMGG Advertising Contract and ending on 31 March 2017 for promoting the businesses of the CMGG Group at a maximum contract sum not exceeding RMB2,120,000 (equivalent to approximately HK\$2,374,824).

The Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for (i) the maximum contract sum under CMGG Advertising Contract, the 2016 CMGD Outdoor Advertising Contract and the 2016 CMC Outdoor Advertising Contract and (ii) the transaction amounts incurred during the period between 1 January 2016 and 31 March 2016 under the 2015 CMGD Outdoor Advertising Contract and the 2015 CMC Outdoor Advertising Contract (which are required to be aggregated pursuant to Chapter 14A of the Listing Rules) exceed 0.1% but are less than 5%, the CMGG Advertising Contract and the Transactions are subject to reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 25 January 2017, PMM has entered into the CMGG Advertising Contract with CMGG.

## **THE CMGG ADVERTISING CONTRACT**

Pursuant to the CMGG Advertising Contract, CMGG shall place advertisements on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from the effective date of the CMGG Advertising Contract to 31 March 2017 for promoting the businesses of the CMGG Group. The maximum contract sum shall be RMB2,120,000 (equivalent to approximately HK\$2,374,824). There is no minimum amount of advertisement required to be placed by CMGG under the CMGG Advertising Contract. CMGG Group will be provided with a discount of 90% off the rate card published by PMM after taking into account of the local market condition and the advertising budget of CMGG Group. The rate card of PMM is updated annually. It is initially determined after taking into account of the price of other competitors. The subsequent annual adjustment is usually made with reference to the revenue and broadcast conditions for the preceding year.

Under the CMGG Advertising Contract, CMGG shall pay for the advertising costs in accordance with the following manners: (a) CMGG shall pay 70% of the advertising costs within 15 business days immediately after the receipt of invoice issued by PMM; (b) the remaining 30% of the balance of the advertising costs shall be paid within 15 business days immediately after receiving the written confirmation from CMGG.

## **REASONS FOR AND BENEFITS OF THE CMGG ADVERTISING CONTRACT**

PMM and/or its subsidiaries sell advertising airtime on the outdoor LED Panels operated by or licensed to them in their ordinary course of business. Income generated from the sale of advertising airtime forms the major part of their turnovers. By selling advertising airtime to the CMGG Group, the Group is able to generate more income for its operation and business.

The CMGG Advertising Contract was entered into by the respective parties thereto after arm's length negotiation such that the advertising airtime on the LED Panels provided by the Group, through PMM, to other customers with similar purchase will be at rates no less favourable than that of the CMGG Advertising Contract. The total contract sum under the CMGG Advertising Contract was agreed between the parties with reference to the rate card published by PMM from time to time which contains the pricing structure for the sale of advertising airtime on the LED Panels, and the review of the marketing and promotional activities of CMGG Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As Extra Step Investments Limited, a wholly-owned subsidiary of CMHKG, is a substantial shareholder of the Company, which, as at the date of this announcement, held approximately 19.66% of the issued share capital of the Company, and both CMC and its subsidiary, CMGD, being indirect subsidiaries of CMHKG, are associates of Extra Step Investments Limited, CMC and CMGD Group are connected persons of the Company under the Listing Rules and accordingly the CMGG Advertising Contract constitute continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for (i) the maximum contract sum under CMGG Advertising Contract, the 2016 CMGD Outdoor Advertising Contract and the 2016 CMC Outdoor Advertising Contract, and (ii) the aggregate transaction amounts of approximately RMB4,758,677 (equivalent to approximately HK\$5,330,670) incurred during the period between 1 January 2016 and 31 March 2016 under the 2015 CMGD Outdoor Advertising Contract and 2015 CMC Outdoor Advertising Contract (which are required to be aggregated pursuant to Chapter 14A of the Listing Rules) exceed 0.1% but are less than 5%, the CMGG Advertising Contract and the Transactions are subject to reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **VIEWS OF THE DIRECTORS**

The Directors (including the independent non-executive Directors) considered that the CMGG Advertising Contract was entered into on normal commercial terms or better and in the ordinary and usual course of business of PMM and/or its subsidiaries, and the terms thereof and the maximum contract sum of RMB2,120,000 (equivalent to approximately HK\$2,374,824) is fair and reasonable and the Transactions are in the interests of the Company and the Shareholders as a whole.

Two of the Directors, namely Mr. SHA Yuejia and Mr. XIA Bing, have abstained from voting on the Board resolutions approving the CMGG Advertising Contract due to the fact that Mr. SHA Yuejia and Mr. XIA Bing are Directors nominated by a member of the CMCC Group. Save as disclosed above, none of the Directors has a material interest in the CMGG Advertising Contract.

## **GENERAL**

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television broadcasting and provision of new media services.

CMHKG is the substantial shareholder of China Mobile Limited which 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 throughout 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.

CMC, a wholly-owned subsidiary of China Mobile Limited, acts as China Mobile Limited's network and business coordination center in PRC.

CMGG is a subsidiary of CMC. The CMGG Group is mainly engaged in mobile telecommunications, data, VoIP phone and multimedia businesses.

## TERMS USED IN THIS ANNOUNCEMENT

- “2015 CMGD Outdoor Advertising Contract” the advertising contract entered into between PMM and CMGD dated 20 July 2015 relating to the purchase of advertising airtime by CMGD Group on the LED Panels operated by or licensed to PMM and/ or its subsidiaries in the PRC for the period from 20 July 2015 to 31 March 2016 for the sum of not exceeding RMB7,360,000 (equivalent to approximately HK\$9,191,904, at the conversion rate of RMB1 to HK\$1.2489)
- “2015 CMC Outdoor Advertising Contract” the advertising contract entered into between PMM and CMC dated 20 July 2015 relating to the purchase of advertising airtime by CMC on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 20 July 2015 to 31 March 2016 for the sum of not exceeding RMB15,180,000 (equivalent to approximately HK\$18,958,302, at the conversion rate of RMB1 to HK\$1.2489)
- “2016 CMGD Outdoor Advertising Contract” the advertising contract entered into between PMM and CMGD dated 26 April 2016 relating to the purchase of advertising airtime by CMGD Group on the LED Panels operated by or licensed to PMM and/ or its subsidiaries in the PRC for the period from 26 April 2016 to 31 March 2017 for the sum of no more than RMB7,510,000 (equivalent to approximately HK\$8,959,430, at the conversion rate of RMB1 to HK\$1.193)
- “2016 CMC Outdoor Advertising Contract” the advertising contract entered into between PMM and CMC dated 26 April 2016 relating to the purchase of advertising airtime by CMC on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 26 April 2016 to 31 March 2017 for the sum of not exceeding RMB15,930,000 (equivalent to approximately HK\$19,004,490, at the conversion rate of RMB 1 to HK\$1.193)
- “CMGG Advertising Contract” the advertising contract entered into between PMM and CMGG dated 25 January 2017 (as amended by a supplemental contract dated 25 January 2017) relating to the purchase of advertising airtime by CMGG on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from the effective date of the CMGG Advertising Contract to 31 March 2017

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CMC”	中國移動通信有限公司(China Mobile Communication Co., Ltd.), a company established under the laws of the PRC with limited liability
“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
“CMGD”	中國移動通信集團終端有限公司 (China Mobile Group Device Co., Ltd.), a company established under the laws of the PRC
“CMGD Group”	CMGD and/or its branch companies
“CMGG”	中國移動通信集團貴州有限公司 (China Mobile Group Guizhou Co., Ltd.), a company established under the laws of the PRC
“CMGG Group”	CMGG and its subsidiaries
“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, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	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 People’s Republic of China
“LED Panels”	Giant-sized light-emitting diode panels
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PMM”	鳳凰都市傳媒科技股份有限公司(Phoenix Metropolis Media Technology Company Limited* )(formerly known as 鳳凰都市（北京）廣告傳播有限公司(Phoenix Metropolis Media (Beijing) Company Limited*)), a company incorporated in the PRC with limited liability and is 45.54% indirectly held by the Company. As the Group is able to govern the financial and operating policies of PMM by virtue of de-facto control, PMM is thus regarded as a subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the CMGG Advertising Contract
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB 1 = HK\$1.1202 has been adopted. No representation is made as to whether any amounts in RMB or HK\$ can or could have been converted at the relevant dates at the above rates or any other rates at all.

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

Hong Kong, 25 January 2017

*As at the date of this announcement, the Board comprises:*

***Executive Directors***

*Mr. LIU Changle (Chairman) (also an alternate director of Mr. CHUI Keung), Mr. CHUI Keung (also an alternate director to Mr. LIU Changle) and Mr. WANG Ji Yan (also an alternate director of Mr. LIU Changle and Mr. CHUI Keung)*

***Non-executive Directors***

*Mr. SHA Yuejia, Mr. XIA Bing, Mr. GONG Jianzhong and Mr. SUN Yanjun*

***Independent Non-executive Directors***

*Mr. LEUNG Hok Lim, Mr. Thaddeus Thomas BECZAK, Mr. FANG Fenglei and Mr. HE Di*

***Alternate Director***

*Mr. LAU Wai Kei, Ricky (alternate director to Mr. SUN Yanjun)*

\* *For identification purposes only*