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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)

### **CONNECTED TRANSACTION**

The Board is pleased to announce that on 10 March 2009, Phoenix HK entered into the Transfer Agreement with JBC, pursuant to which JBC agreed to transfer its entire 40% interest in Jiangsu JV to Phoenix HK. As at the date of this announcement, Jiangsu JV is owned as to 60% by Phoenix HK and Phoenix HK has contributed RMB9,000,000 to its registered capital; and 40% by JBC and JBC has not yet made any contribution to its share of registered capital. Following the completion of the Transfer Agreement, Jiangsu JV will be owned as to 100% by Phoenix HK and Phoenix HK is required to contribute an additional RMB6,000,000 in cash to the registered capital of Jiangsu JV.

As JBC is a connected person of the Company by virtue of its 40% interest in Jiangsu JV, a non-wholly owned subsidiary of the Company prior to the completion of the Transfer Agreement, the Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules, which is subject to the reporting and announcement requirements set out in rules 14A.45 to 14A.47 of the Listing Rules.

#### **TRANSFER AGREEMENT**

**Date**

10 March 2009

**Parties**

Phoenix HK; and

JBC

**Consideration**

Nil

## Description

The Board is pleased to announce that on 10 March 2009, Phoenix HK entered into the Transfer Agreement with JBC. Pursuant to the Transfer Agreement, JBC agreed to transfer its entire 40% interest in Jiangsu JV to Phoenix HK. As at the date of this announcement, Jiangsu JV is owned as to 60% by Phoenix HK and Phoenix HK has contributed RMB9,000,000 to its registered capital; and 40% by JBC and JBC has not yet made any contribution to its share of registered capital. Upon completion of the transfer and Phoenix HK is required to contribute an additional RMB6,000,000 in cash, together with the original contribution of RMB9,000,000, Phoenix HK's aggregate contribution in the registered capital of Jiangsu JV would amount to RMB15,000,000, representing 100% interest in Jiangsu JV. Phoenix HK's contribution will be financed by its internal resources.

The shareholding structure of Jiangsu JV prior to and after the completion of the Transfer Agreement are set out below:

Shareholders	Capital contribution prior to the completion of the Transfer Agreement (RMB)	Shareholding prior to the Transfer Agreement	Contribution pursuant to the Transfer Agreement (RMB)	Aggregate capital contribution after the completion of the Transfer Agreement (RMB)	Shareholding after the completion of the Transfer Agreement
Phoenix HK	9,000,000	60.00%	6,000,000	15,000,000	100.00%
JBC	0	0%	0	0	0%
TOTAL	<u>9,000,000</u>	<u>60.00%</u>	<u>6,000,000</u>	<u>15,000,000</u>	<u>100.00%</u>

Jiangsu JV has a term of 10 years and is principally engaged in design, production, publication and agency for domestic and foreign advertisement of all kinds, consultancy of enterprise management, organisation, planning and technical support services for large-scale activities.

Upon completion of the Transfer Agreement, Jiangsu JV will cease to be a sino-foreign joint venture and the existing joint venture agreement will be terminated.

## INFORMATION ABOUT JIANGSU JV

As at 31 December 2008, the unaudited net asset value of Jiangsu JV was approximately RMB7,020,000. Both the unaudited net loss before and after taxation and extraordinary items attributable to Jiangsu JV for the period from 18 April 2008 (the date of incorporation) to 31 December 2008 were approximately RMB1,990,000.

## **REASONS FOR THE TRANSFER AGREEMENT**

The Board considers that the Transfer Agreement shall ensure continuation of the business of Jiangsu JV without interruption and represents a good opportunity to obtain both control and management of it.

The Directors (including the Independent Non-executive Directors) consider that the Transfer Agreement is on normal commercial terms, which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS FOR THE COMPANY**

As JBC is a connected person of the Company by virtue of its 40% interest in Jiangsu JV, a non-wholly owned subsidiary of the Company, prior to the completion of the Transfer Agreement, the Transfer Agreement constitutes a connected transaction of the Company under rule 14A.13 of the Listing Rules.

As the relevant percentage ratios of additional capital contribution by Phoenix HK under the Transfer Agreement is less than 2.5%, approval from independent Shareholders is not required pursuant to the provisions of the Listing Rules and the Transfer Agreement is only subject to the reporting and announcement requirements set out in rules 14A.45 to 14A.47 of the Listing Rules.

## **INFORMATION RELATING TO THE COMPANY**

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

The principal business of JBC is investment, management and operation of state-owned assets; retail and wholesale of newspaper and magazine; organisation of literary and artistic activities; conference and exhibition services; domestic trade and import and export business; design, production, agency and publication of domestic and foreign advertisement.

## **DEFINITIONS**

“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
“Director(s)”	the director(s) of the Company, including independent non-executive director(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“JBC”	江蘇省廣播電視集團有限公司(Jiangsu Broadcasting Corporation), a company incorporated under the laws of the PRC
“Jiangsu JV”	江蘇鳳凰都市傳媒有限公司(Jiangsu Phoenix Metropolis Media Company Limited), a company incorporated under the laws of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Phoenix HK”	Phoenix Satellite Television Company Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned 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 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Agreement”	An agreement dated 10 March 2009 entered into between Phoenix HK and JBC in respect of the transfer of interest in Jiangsu JV

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

Hong Kong, 10 March 2009

*As at the date of this announcement, the board of Directors comprises Mr. LIU Changle (Chairman), Mr. CHUI Keung and Mr. WANG Ji Yan as the Executive Directors; Mr. LU Xiangdong, Mr. GAO Nianshu, Mr. Paul Francis AIELLO, Mr. LAU Yu Leung John and Mr. GONG Jianzhong as the Non-executive Directors; Dr. LO Ka Shui, Mr. LEUNG Hok Lim and Mr. Thaddeus Thomas BECZAK as the Independent Non-executive Directors. Mr. GAO Jack Qunyao is the Alternate Director to Mr. Paul Francis AIELLO and Mr. LAU Yu Leung, John.*