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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 26 June 2009, 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.

The Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratio for the Outdoor Advertising Contract are more than 0.1% but less than 2.5%, 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 for the period commencing from 26 June 2009 until 31 December 2009. Phoenix Beijing entered into the Outdoor Advertising Contract with Shenzhen Media on 26 June 2009.

Pursuant to the Outdoor Advertising Contract, Shenzhen Media shall place advertisement for and on behalf of CMCC on LED Panels operated by Phoenix Beijing for the period from 26 June 2009 to 31 December 2009 for promoting CMCC. The total contract sum is no more than RMB11,000,000 (equivalent to HK\$12,540,000), which is also the maximum aggregate annual value of the Outdoor Advertising Contract.

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 for the benefit and on behalf of CMCC. As such, Shenzhen Media has entered into the Outdoor Advertising Contract for the ultimate benefits of CMCC.

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 in cash in full to Phoenix Beijing before display of the advertisement on the LED Panels.

For the contract sum paid by CMCC for placement of advertisement, Shenzhen Media may deduct 15% of which as the agency fee. If CMCC pays the contract sum directly to Phoenix Beijing, Phoenix Beijing shall pay the agency fee to Shenzhen Media within three business 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 sells advertising time on its LED Panels in its ordinary course of business. Income from sale of advertising time forms the major part of its turnover. By selling advertising time to CMCC 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 for the period from 26 June 2009 to 31 December 2009 is no more than RMB11,000,000 (equivalent to HK\$12,540,000).

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 favourable 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 RMB11,000,000 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As CMHKG is a substantial shareholder of the Company holding approximately 19.84% issued share capital of the Company through its wholly-owned subsidiary namely Extra Step Investments Limited, China Mobile Communications Corporation, 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 ratio for the Outdoor Advertising Contract are more than 0.1% but less than 2.5%, 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.

China Mobile Communications Corporation is the ultimate controlling shareholder of China Mobile Limited which in turn 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 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\$1.14. 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, and its associates

“CMHKG”	China Mobile (Hong Kong) Group Limited, a company incorporated in Hong Kong with limited liability and is a subsidiary of China Mobile Communications Corporation
“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 26 June 2009 relating to the purchase of advertising time by Shenzhen Media for the period from 26 June 2009 to 31 December 2009
“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 a 75% indirectly held 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

“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 26 June 2009 to 31 December 2009
“%”	per cent.

By Order of the Board
LIU Changle
Chairman

Hong Kong, 26 June 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.