

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Phoenix Satellite Television Holdings Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the stockbroker or other registered dealers in securities through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME BY A SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of Phoenix Satellite Television Holdings Limited to be held at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Friday, 8 June 2012 at 4:00 p.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 3:00 p.m. shall have been concluded or adjourned) is set out on pages 9 to 10 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend the extraordinary general meeting in person, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time fixed for the meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting if you so wish.

23 May 2012

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the respective meanings set out opposite them:

“Affiliate”	any company which is (a) a holding company of PNM; or (b) a subsidiary of a holding company of PNM; or (c) a subsidiary of PNM; or (d) a controlling shareholder of PNM; or (e) a company controlled by a controlling shareholder of PNM; or (f) a company controlled by PNM; or (g) an associated company of a holding company of PNM; or (h) an associated company of PNM
“Board”	the board of Directors for the time being or a duly authorized committee thereof
“Class A Share(s)”	the class A ordinary shares of US\$0.01 each (or such other amount as such ordinary shares may be divided or consolidated or converted into) in the share capital of PNM
“Class B Share(s)”	the class B ordinary shares of US\$0.01 each (or such other amount as such ordinary shares may be divided or consolidated or converted into) in the share capital of PNM
“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
“Directors”	the directors of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be held at No. 2–6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Friday, 8 June 2012 at 4:00 p.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 3:00 p.m. shall have been concluded or adjourned), notice of which is set out on pages 9 to 10 of this Circular
“Eligible Person”	(a) any executive, employee or director of PNM or any Affiliate; and (b) any consultant, adviser, agent, business partner, joint venture partner, service provider or contractor who, as determined at the sole discretion of the board of directors of PNM, has or may have contribution to PNM or any Affiliate

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 May 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	an option to subscribe for PNM Shares granted pursuant to the PNM Share Option Scheme and for the time being subsisting
“PNM”	Phoenix New Media Limited, a company incorporated in the Cayman Islands and an indirect non-wholly-owned subsidiary of the Company as at the Latest Practicable Date, the shares of which are listed by way of American Depositary Shares on the New York Stock Exchange in the United States
“PNM RSU and RS Scheme”	has the meaning as defined under the sub-section headed “Background” under the Section headed “II. Refreshment of Scheme Mandate Limit under the PNM Share Option Scheme” in the Letter from the Board in this circular
“PNM Shareholder”	a registered holder of issued PNM Shares from time to time
“PNM Shares”	shares of PNM, and for the purposes of the description of shares of PNM issued or issuable under the PNM Share Option Scheme or the PNM RSU and RS Scheme in this circular, means Class A Shares
“PNM Share Option Scheme”	PNM’s share option scheme in the form adopted by the Shareholders on 20 June 2008 or any amended form

DEFINITIONS

“Scheme Mandate Limit”	the total number of PNM Shares which may be issued upon exercise of all options to be granted under the PNM Share Option Scheme and any other schemes of PNM which must not in aggregate exceed 10% of the PNM Shares in issue as at the date of the relevant resolution passed at a general meeting of the Company approving the scheme mandate limit, as stipulated in Note 1 to Rule 17.03(3) of the Listing Rules
“Scheme Mandate Limit Refreshment Proposal”	the proposal to refresh the Scheme Mandate Limit under the PNM Share Option Scheme as described in the Letter from the Board in this circular under the heading “Refreshment of Scheme Mandate Limit under the PNM Share Option Scheme”
“Shares”	the shares of HK\$0.10 each in the capital of the Company (or shares of such nominal amount as shall result from any subdivision or consolidation of such shares from time to time)
“Shareholder(s)”	registered holder(s) of issued Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

LIU Changle (*Chairman*)
CHUI Keung
WANG Ji Yan

Non-executive Directors:

SHA Yuejia
GAO Nianshu
Jan KOEPPEN
CHEUNG Chun On, Daniel
GONG Jianzhong

Independent Non-executive Directors:

LO Ka Shui
LEUNG Hok Lim
Thaddeus Thomas BECZAK

Alternate Directors:

Ella Betsy WONG
GAO Jack Qunyao

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business:

No. 2-6 Dai King Street
Tai Po Industrial Estate
Tai Po
New Territories
Hong Kong

23 May 2012

To the Shareholders,

Dear Sir or Madam,

**PROPOSAL FOR REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME BY A SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with information on the Scheme Mandate Limit Refreshment Proposal for your consideration and, if thought fit, approval at the EGM to be held on Friday, 8 June 2012.

LETTER FROM THE BOARD

II. REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE PNM SHARE OPTION SCHEME

Background

The PNM Share Option Scheme was approved and adopted by the Shareholders at the extraordinary general meeting of the Company held on 20 June 2008. The purpose of the PNM Share Option Scheme is to enable PNM to grant Options to Eligible Persons as incentives or rewards for their contribution or potential contribution to PNM and/or the Affiliates.

The existing Scheme Mandate Limit under the PNM Share Option Scheme is 32,000,000 PNM Shares, being 10% of the PNM Shares in issue as at the date of adoption of the PNM Share Option Scheme on 20 June 2008. As at the Latest Practicable Date, PNM had granted Options (other than the Options granted to Specific Grantees (as defined below) as detailed below) carrying rights to subscribe for 37,757,025 PNM Shares (out of which Options in respect of 5,757,025 PNM Shares had been lapsed and re-granted) under the aforesaid existing Scheme Mandate Limit, of which 6,903,665 PNM Shares had been issued pursuant to the exercise of such Options (other than the Options granted to Specific Grantees (as defined below) as detailed below), and of which Options (other than the Options granted to Specific Grantees (as defined below) as detailed below) carrying rights to subscribe for 25,041,011 PNM Shares had lapsed or had been cancelled; Options (other than the Options granted to Specific Grantees (as defined below) as detailed below) carrying rights to subscribe for 5,812,349 PNM Shares remained outstanding and had yet to be exercised. The grant of the above Options by PNM complied with the existing Scheme Mandate Limit at all material times.

At the extraordinary general meeting of the Company held on 20 June 2008, the Shareholders also approved the specific grant of Options to certain Eligible Persons ("**Specific Grantees**") entitling them to subscribe for an aggregate of 67,000,000 PNM Shares and resolved that such grant of Options to the Specific Grantees not be counted as granted under the existing Scheme Mandate Limit referred to above. As at the Latest Practicable Date, PNM had granted Options carrying rights to subscribe for 67,000,000 PNM Shares to the Specific Grantees, of which 41,617,791 PNM Shares had been issued pursuant to the exercise of such Options, and of which Options carrying rights to subscribe for 13,661,171 PNM Shares had lapsed or had been cancelled; Options carrying rights to subscribe for 11,721,038 PNM Shares remained outstanding and had yet to be exercised.

In March 2011, PNM adopted an equity incentive scheme under which a committee authorized by the board of directors of PNM may grant PNM Shares and PNM Share units (which are promises of PNM to issue and deliver PNM Shares) subject to vesting, transfer, forfeiture and other restrictions to employees or directors of PNM or its Affiliates as incentives or awards (the "**PNM RSU and RS Scheme**"). No subscription price is payable by the recipients of the restricted PNM Shares or restricted PNM Share units under the PNM RSU and RS Scheme. As at the

LETTER FROM THE BOARD

Latest Practicable Date, PNM had granted 19,008,200 restricted PNM Shares and restricted PNM Share units carrying rights to receive 10,050,958 PNM Shares, of which restricted PNM Share units carrying rights to receive 1,338,516 PNM Shares had lapsed or had been cancelled. The PNM RSU and RS Scheme is not governed by Chapter 17 of the Listing Rules.

To enable the Company to continue to exercise over 50% of the votes in general meetings of PNM even after the allotment and issue of shares by PNM pursuant to the PNM Share Option Scheme and the PNM RSU and RS Scheme, the shareholders of PNM adopted a new set of memorandum and articles of association of PNM with effect from 17 May 2011 pursuant to which all of the ordinary shares of PNM held by the Company were re-designated as Class B Shares and all other ordinary shares of PNM (including those to be allotted and issued under the PNM Share Option Scheme and the PNM RSU and RS Scheme) were re-designated as Class A Shares. Holders of the Class A Shares and Class B Shares shall have the same rights except for voting and conversion rights. Each Class A Share is entitled to one vote at any general meetings of PNM, whereas each Class B Share is entitled to 1.3 votes and is convertible at any time into one Class A Share. Class A Shares are not, however, convertible into Class B Shares under any circumstances. As at the Latest Practicable Date, the Company held 317,325,360 Class B Shares entitling the Company to exercise 56.77% of the voting power at general meetings of PNM.

Proposal for refreshment of Scheme Mandate Limit

Given the depletion of the existing Scheme Mandate Limit, the Directors propose a refreshment of the Scheme Mandate Limit. Pursuant to rule 4.1(b) of the PNM Share Option Scheme, PNM may seek approval from the PNM Shareholders and the Company may seek approval from the Shareholders in general meetings to refresh the Scheme Mandate Limit provided that the total number of PNM Shares which may be issued upon exercise of all options to be granted under all share option schemes of PNM under the Scheme Mandate Limit as “refreshed” must not exceed 10% of the Class A Shares in issue as at the date of the approval by the Shareholders of the “refreshed” Scheme Mandate Limit. As PNM may not issue any new Class B Shares, or any options, warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any Class B Shares pursuant to its articles of association, the Company proposes to refresh the Scheme Mandate Limit to grant Options to subscribe for Class A Shares only, but not Class B Shares. Apart from the PNM Share Option Scheme, PNM has no other share option scheme in issue as at the Latest Practicable Date. Options previously granted under the PNM Share Option Scheme (including those outstanding, cancelled or lapsed in accordance with the rules of the said share option scheme or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as “refreshed”.

The limit on the number of the PNM Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the PNM Share Option Scheme, and any other share option schemes of PNM (as may be approved and adopted by the Company in general meeting from time to time) must not exceed 30% of the relevant class of securities of PNM in issue from time to time.

LETTER FROM THE BOARD

On the basis of 314,101,077 Class A Shares in issue as at the Latest Practicable Date and assuming no PNM Shares will be issued (whether pursuant to the PNM Share Option Scheme or the PNM RSU and RS Scheme or otherwise) or repurchased by PNM prior to the EGM, the Scheme Mandate Limit may be “refreshed” to enable grant of further Options to subscribe for up to 31,410,107 Class A Shares, representing 10% of the Class A Shares in issue as at the date of the EGM. As mentioned above, as at the Latest Practicable Date, the Company held 317,325,360 Class B Shares entitling the Company to exercise 56.77% of the votes in general meetings of PNM. On the assumption that all of the Options under the “refreshed” Scheme Mandate Limit are granted and exercised, all the existing Options are exercised, all the existing PNM Share units are vested and exercised and no other PNM Shares are issued or repurchased by PNM, the voting rights at general meetings of PNM exercisable by the Company shall be reduced from 56.77% to about 53% on a fully diluted basis, and on such basis PNM shall continue to remain a non-wholly owned subsidiary of the Company.

The Directors consider that despite further grant of Options under the refreshed Scheme Mandate Limit may have dilutive effect to the Company’s equity interest in PNM, the refreshment of the Scheme Mandate Limit is fair and reasonable, and in the interests of the Company and Shareholders as a whole as the PNM Share Option Scheme can continue to serve its purpose of providing incentives and rewards to Eligible Persons to work towards contributing to PNM and/or the Affiliates and in turn enhancing the value of PNM and/or its Affiliates and for the benefit of the Group as a whole.

The refreshment of the Scheme Mandate Limit is conditional upon the passing of an ordinary resolution to approve the Scheme Mandate Limit Refreshment Proposal by the Shareholders at the EGM and by the shareholders of PNM at a general meeting of PNM.

III. EXTRAORDINARY GENERAL MEETING

Pages 9 to 10 of this circular contain a notice convening the EGM which will be held at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Friday, 8 June 2012 at 4:00 p.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 3:00 p.m. shall have been concluded or adjourned) at which an ordinary resolution will be proposed to seek the Shareholders’ approval of the Scheme Mandate Limit Refreshment Proposal.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy to the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time fixed for the meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Announcement on the results of the poll vote will be made by the Company after the EGM.

IV. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

V. RECOMMENDATION

The Directors believe that the Scheme Mandate Limit Refreshment Proposal is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Scheme Mandate Limit Refreshment Proposal.

Yours faithfully,

By order of the Board

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED

LIU Changle

Chairman

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Phoenix Satellite Television Holdings Limited (the “**Company**”) will be held at No. 2–6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Friday, 8 June 2012 at 4:00 p.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 3:00 p.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution, which will be proposed as ordinary resolution of the Company:–

ORDINARY RESOLUTION

“**THAT** conditional upon the approval of the shareholders of Phoenix New Media Limited (“**PNM**”), the existing scheme mandate limit in respect of the granting of options to subscribe for class A ordinary shares of PNM (the “**PNM Shares**”) under the share option scheme of the PNM adopted by the Company on 20 June 2008 (the “**PNM Share Option Scheme**”) be refreshed and renewed provided that the total number of PNM Shares which may be allotted and issued pursuant to the grant or exercise of options under the PNM Share Option Scheme and all other share option schemes of PNM (excluding options previously granted, outstanding, cancelled, lapsed or exercised) shall not exceed 10% of the PNM Shares in issue as at the date of passing of this resolution (the “**Refreshed Limit**”), the directors of the Company be and are hereby authorized to execute all such documents and take all such steps as they may deem necessary, desirable or expedient to effect the Refreshed Limit, and the directors of PNM be and are hereby authorized to execute all such documents and take all such steps as they may deem necessary, desirable or expedient for PNM to grant options under the PNM Share Option Scheme up to the Refreshed Limit and to exercise all the powers of PNM to allot, issue and deal with the PNM Shares pursuant to the exercise of such options.”

By Order of the Board
Yeung Ka Keung
Company Secretary

Hong Kong, 23 May 2012

NOTICE OF EGM

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business:

No. 2–6 Dai King Street
Tai Po Industrial Estate
Tai Po
New Territories
Hong Kong

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting (or the adjourned meeting as the case may be).
3. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders present at the meeting personally or by proxy, the most senior shall alone be entitled to vote, whether in person or by proxy, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of joint holding.
4. The register of members of the Company will be closed from Monday, 4 June 2012 to Friday, 8 June 2012, both dates inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 1 June 2012.
5. A form of proxy for use at the meeting is enclosed.