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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)

DISCLOSEABLE TRANSACTION SHAREHOLDER'S LOAN TO NON-WHOLLY OWNED SUBSIDIARY

The Company has, by written resolutions of the Directors dated 20 October 2009, approved Phoenix BVI to provide the Loan in the amount of RMB30,000,000 (approximately HK\$34,200,000) to Phoenix Metropolis Media, a 75%-indirectly owned subsidiary of the Company, being its pro rata share of an aggregate amount of RMB40,000,000 (approximately HK\$45,600,000) to be provided in aggregate by all the shareholders of Phoenix Metropolis Media.

As the applicable percentage ratio of the Loan when aggregated with the capital contribution of HK\$92,750,000 made by the Group to Phoenix Metropolis Media to date is more than 5% but less than 25%, the Loan remains a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 8 April 2008 and the circular to shareholders of the Company dated 29 April 2008.

Phoenix Metropolis Media is a 75%-indirectly owned subsidiary of the Company, engaging through its subsidiaries in the outdoor media business in the PRC. The business is being developed in some of the best locations in major cities in the PRC and further funding is required to support the significant capital expenditure required for the business.

THE LOAN

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The shareholders' loans are interest-free and repayable on demand. The Group will satisfy the Loan out of internal resources.

REASONS FOR AND BENEFITS OF THE LOAN

The Directors continue to be optimistic in the growth and future development of the outdoor media business in the PRC. Since its establishment in 2007, Phoenix Metropolis Media has constructed and now own more than 30 LED monitors in all the major cities of the PRC. Notwithstanding projected stable growth in advertising revenue, operational cashflow has lagged behind capital expenditure due to complicated approval procedures, and the shareholders' loans will provide Phoenix Metropolis Media with quick and cheap funding to construct additional LED monitors in various strategic locations which will propel Phoenix Metropolis Media to become number 1 in the PRC market in terms of the number of LED monitors owned, thereby further improving the competitiveness of Phoenix Metropolis Media. The shareholders' loans will be provided on a pro rata basis by the shareholders of Phoenix Metropolis Media. The Directors (including the independent non-executive Directors) consider that the provision of shareholders' loans to Phoenix Metropolis Media on a pro rata basis is fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE GROUP AND PHOENIX METROPOLIS MEDIA

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

Phoenix Metropolis Media is a company incorporated in Hong Kong with limited liability in 2007. Through wholly foreign-owned enterprises and/or joint venture companies established in the major cities of the PRC, Phoenix Metropolis Media engages in the outdoor media business in the PRC by way of providing outdoor advertising services on giant-sized LED panels.

The audited loss before and after taxation and minority interests of Phoenix Metropolis Media for the financial year ended 31 December 2008 prepared under HKFRS were both approximately HK\$789,367. The audited net asset value of Phoenix Metropolis Media as at 31 December 2008 prepared under HKFRS was approximately HK\$156,305,827.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio of the Loan when aggregated with the capital contribution of HK\$92,750,000 made by the Group to Phoenix Metropolis Media to date is more than 5% but less than 25%, the Loan remains a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Phoenix Metropolis Media is not a connected person of the Company by virtue of Note 1 to Rule 14A.11(5), nor is it a company falling under Rule 14A.13(2)(a)(ii), therefore the Loan does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

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 such or any other rates or at all.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“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, including independent non-executive directors
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LED”	light-emitting diode
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	shareholders' loan in the amount of RMB30,000,000 (approximately HK\$34,200,000) to be made by Phoenix BVI to Phoenix Metropolis Media
“Phoenix BVI”	Phoenix Satellite Television (B.V.I.) Holding Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company

“Phoenix Metropolis Media”	Phoenix Metropolis Media Holdings Limited (formerly known as Phoenix Metropolis Media Company Limited), a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China
“Regal Fame”	Regal Fame Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
LIU Changle
Chairman

Hong Kong, 20 October 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. CHEUNG Chun On, Daniel, 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. Dr. GAO Jack Qunyao is the Alternate Director to Mr. CHEUNG Chun On, Daniel and Mr. LAU Yu Leung, John.