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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 18 June 2013, PMM entered into the 2013 Outdoor Advertising Contract with Shenzhen Media for the period commencing from 1 July 2013 and ending on 31 December 2014. Shenzhen Media has entered into the 2013 Outdoor Advertising Contract for the ultimate benefits of CMCC Group. A similar agreement was entered into between PMM and Shenzhen Media on 3 August 2012 which will be expired on 30 June 2013.

The Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios for the 2013 Outdoor Advertising Contract are more than 0.1% but less than 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.

INTRODUCTION

Reference is made to the announcement of the Company dated 3 August 2012 in respect of the 2012 Outdoor Advertising Contract. The 2012 Outdoor Advertising Contract will be expired on 30 June 2013.

The Board wishes to announcement that on 18 June 2013, PMM has entered into the 2013 Outdoor Advertising Contract with Shenzhen Media for a period commencing from 1 July 2013 and ending on 31 December 2014.

Details of the Transaction are set out as follows:

2013 OUTDOOR ADVERTISING CONTRACT

Pursuant to the 2013 Outdoor Advertising Contract, Shenzhen Media shall place advertisement for and on behalf of CMCC Group in Guangdong Province on LED Panels operated by PMM and/or its subsidiaries for the period from 1 July 2013 to 31 December 2014 for promoting CMCC Group. The maximum aggregate contract sum is no more than RMB10,000,000 (equivalent to approximately HK\$12,640,000), and the maximum annual value of the 2013 Outdoor Advertising Contract should be no more than RMB5,000,000 (equivalent to approximately HK\$6,320,000). Shenzhen Media will place advertisement by way of bulk purchase, based on the actual sales sum in a calendar year, Shenzhen Media will be provided with (a) a discount for 70.7% of the rate card published by PMM and (b) 12% of the actual advertising time for free for the period until 31 December of the following year.

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 in Guangdong Province on the LED Panels operated by PMM and/or its subsidiaries for the benefit and on behalf of CMCC Group. As such, Shenzhen Media has entered into the 2013 Outdoor Advertising Contract for the ultimate benefits of CMCC Group.

Under the 2013 Outdoor Advertising Contract, Shenzhen Media shall pay the total contract sum relating to and for placement of advertisement on the LED Panels operated by PMM and/or its subsidiaries in cash in full to PMM and/or its subsidiaries within 15 business days immediately after Shenzhen Media has received the contract sum from CMCC Group, and that the total contract sum shall be fully settled within 60 days commencing from the day on which the advertisement ceases to display on the LED Panels. For the contract sum paid by CMCC Group for placement of advertisement, Shenzhen Media may deduct 15% of which as the agency fee.

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

PMM and/or its subsidiaries sell advertising time on their LED Panels in their ordinary course of business. Income from sale of advertising time forms the major part of their turnovers. By selling advertising time to CMCC Group indirectly through Shenzhen Media, the Group is able to generate more income for its operation and business.

The 2013 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, through PMM, to other customers will be at rates no less favorable than that of the 2013 Outdoor Advertising Contract. The total contract sum under the 2013 Outdoor 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 advertisement on the LED Panels, the advertisements placed by Shenzhen Media under the 2012 Outdoor Advertising Contract for Guangdong Province, and the review of the marketing and promotional activities of the CMCC Group for 2013 and 2014.

The Directors (including the independent non-executive Directors) consider that the 2013 Outdoor Advertising Contract was entered into on normal commercial terms and in the ordinary and usual course of business of PMM and/or its subsidiaries, and the terms thereof and the maximum aggregate contract sum of RMB10,000,000 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Two Directors of the Company, namely Mr. SHA Yuejia and Mr. GAO Nianshu, are Directors nominated by a member of CMCC Group have accordingly abstained from voting on the Board resolutions approving the 2013 Outdoor Advertising Contract. Save as disclosed above, none of the Directors has a material interest in the 2013 Outdoor Advertising Contract.

IMPLICATIONS UNDER THE LISTING RULES

As CMHKG is a substantial shareholder of the Company holding approximately 19.67% issued share capital of the Company through its wholly-owned subsidiary namely Extra Step Investments Limited, CMCC, 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 ratios for the 2013 Outdoor Advertising Contract are more than 0.1% but less than 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 in the PRC.

CMCC 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\$1.2640. 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

“2012 Outdoor Advertising”	the advertising contract entered into between PMM and Shenzhen Media dated 3 August 2012 relating to the purchase of advertising time by Shenzhen Media for the period from 3 August 2012 to 30 June 2013
“2013 Outdoor Advertising”	the advertising contract entered into between PMM and Shenzhen Media dated 18 June 2013 relating to the purchase of advertising time in Guangdong Province by Shenzhen Media for the period from 1 July 2013 to 31 December 2014
“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
“CMCC Group”	CMCC and its associates
“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 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
“PMM”	Phoenix Metropolis Media Technology Company Limited*, 鳳凰都市傳媒科技股份有限公司 (formerly known as Phoenix Metropolis Media (Beijing) Company Limited*, 鳳凰都市(北京)廣告傳播有限公司), a joint stock 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 Special Administrative Region, 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 2013 Outdoor Advertising Contract for the period from 1 July 2013 to 31 December 2014
“%”	per cent.

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

Hong Kong, 18 June 2013

As at the date of this announcement, the board of directors of the Company comprises:

Executive Directors

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

Non-executive Directors

Mr. SHA Yuejia; Mr. GAO Nianshu; Mr. Jan KOEPPEN; Mr. CHEUNG Chun On, Daniel and Mr. GONG Jianzhong

Independent Non-executive Directors

Dr. LO Ka Shui; Mr. LEUNG Hok Lim; Mr. Thaddeus Thomas BECZAK and Mr. FANG Fenglei

Alternate Directors

Ms. Ella Betsy WONG (alternate to Mr. Jan KOEPPEN) and Dr. GAO Jack Qunyao (alternate to Mr. CHEUNG Chun On, Daniel)

** For identification purpose only*