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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 TRANSACTIONS

On 27 January 2011, Phoenix HK entered into the January Agreement and the May Agreement with Fortune Star Media for the licenses to respectively broadcast (1) seven films on Phoenix Chinese Channel and (2) nine films on Phoenix Movie Channel for license fees of US\$110,500 (approximately HK\$858,154) in total. Fortune Star Media is an associate of News Corporation, which through its subsidiary, Xing Kong Chuan Mei, holds approximately 17.46% interest of the Company. Thus, pursuant to rule 14A.11 of the Listing Rules, Fortune Star Media is a connected person of the Company.

The transactions contemplated in the January Agreement and the May Agreement constitute connected transactions under Chapter 14A of the Listing Rules and are by themselves exempt transactions under rule 14A.31(2) of the Listing Rules. However, based on aggregation with the transactions under the 2010 First Agreement and the 2010 Second Agreement entered into between Phoenix HK and Fortune Star respectively on 12 May 2010 and 19 November 2010, and the 2010 NGC Agreement entered into between Phoenix HK and NGC on 29 December 2010, the transactions contemplated under the January Agreement and the May Agreement are subject to reporting and announcement requirements of the Listing Rules.

THE JANUARY AGREEMENT AND THE MAY AGREEMENT

The Directors wish to announce that Phoenix HK, a wholly-owned subsidiary of the Company, and Fortune Star Media have on 27 January 2011 entered into the January Agreement and the May Agreement. Under the January Agreement, Phoenix HK obtains from Fortune Star Media a non-transferable and non-exclusive right to broadcast seven films from Fortune Star Media on Phoenix Chinese Channel for either 1 or 2 years during the period from 31 January 2011 to 30 January 2013. Under the May Agreement, Phoenix HK obtains from Fortune Star Media a non-transferable and non-exclusive right to broadcast nine films

from Fortune Star Media on Phoenix Movie Channel each for 4 years during the period from 1 May 2011 to 30 June 2015. The license fees of US\$110,500 including US\$43,000 for the January Agreement and US\$67,500 for the May Agreement, are payable in two instalments: (1) 50% of the license fees upon signing of the agreements; and (2) 50% upon receipts by Phoenix HK of the broadcast materials respectively for the January Agreement and the May Agreement.

The license fees were agreed after arm's length negotiations between the parties and were determined in accordance with normal commercial terms and with reference to terms available to independent third parties.

REASONS FOR ENTERING INTO THE JANUARY AGREEMENT AND THE MAY AGREEMENT

It is the ordinary course of the Company's business to obtain licences of programmes from various suppliers to cater for the need of our audience.

The Directors, including the independent non-executive Directors, are of the view that the terms of the January Agreement and the May Agreement and the transactions contemplated therein have been entered into in the ordinary and usual course of the Company's business on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

None of the Directors have a material interest in the January Agreement and the May Agreement and were required to abstain from voting on the Board resolutions in respect of the January Agreement and the May Agreement.

INFORMATION ON THE COMPANY

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

INFORMATION ON FORTUNE STAR MEDIA

The principal businesses of Fortune Star Media are television programming, distribution and syndication sales.

THE 2010 FIRST AGREEMENT, THE 2010 SECOND AGREEMENT AND THE 2010 NGC AGREEMENT

Phoenix HK entered into (1) the 2010 First Agreement with Fortune Star for a total of 26 films on 12 May 2010 at the consideration of US\$195,000 (approximately HK\$1,516,515, based on the actual exchange rate), and (2) the 2010 Second Agreement with Fortune Star for a total of 2 films on 19 November 2010 at the consideration of US\$8,000 (approximately HK\$62,002, based on the actual exchange rate), which were announced on 12 May 2010 and 19 November 2010 respectively pursuant to Chapter 14A of the Listing Rules.

Phoenix HK entered into the 2010 NGC Agreement with NGC for a total of 52 blocks of contents on 29 December 2010 at the consideration of US\$150,800 (approximately HK\$1,168,368, based on the actual exchange rate), which was announced on the same day pursuant to Chapter 14A of the Listing Rules.

IMPLICATION UNDER THE LISTING RULES

Phoenix HK is the wholly-owned subsidiary of the Company. Fortune Star Media is an associate of News Corporation, which through its subsidiary, Xing Kong Chuan Mei, holding approximately 17.46% interest in the Company, is an associate of the substantial shareholder of the Company (as defined in the Listing Rules). Accordingly, Fortune Star Media is a connected person of the Company under Chapter 14A.11 of the Listing Rules.

The transactions contemplated in the January Agreement and May Agreement constitute connected transactions under Chapter 14A of the Listing Rules and by themselves are de minimis transactions exempt from the reporting, announcement and independent shareholders' approval requirements under rule 14A.31(2) of the Listing Rules. However, pursuant to rule 14A.25 of the Listing Rules, the Stock Exchange will aggregate a series of connected transactions as if they were one transaction if they were all completed within a 12-month period or are otherwise related. Since the 2010 First Agreement was entered into on 12 May 2010, the 2010 Second Agreement was entered into on 19 November 2010 and the 2010 NGC Agreement was entered into on 29 December 2010, all of which are within 12 months of the January Agreement and the May Agreement and the counterparties to the each of the agreements are associates of News Corporation, a connected person of the Company, they are therefore required to aggregate with the January Agreement and the May Agreement. The aggregated consideration of the 2010 First Agreement, the 2010 Second Agreement, the 2010 NGC Agreement, the January Agreement and the May Agreement is US\$ 464,300 (approximately HK\$3,605,039). Since the revenue ratios under the 2010 First Agreement, the 2010 Second Agreement, the 2010 NGC Agreement, the January Agreement and the May Agreement are in aggregate more than 0.1% but less than 5%, the January Agreement and the May Agreement are subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

“2010 First Agreement”	The License Agreement signed between Phoenix HK and Fortune Star on 12 May 2010
“2010 Second Agreement”	The License Agreement signed between Phoenix HK and Fortune Star on 19 November 2010
“2010 NGC Agreement”	The License Agreement signed between Phoenix HK and NGC on 29 December 2010
“January Agreement”	The License Agreement signed between Phoenix HK and Fortune Star Media on 27 January 2011 regarding the license to broadcast 7 movies from January 2011

“May Agreement”	The License Agreement signed between Phoenix HK and Fortune Star Media on 27 January 2011 regarding the license to broadcast 9 movies from May 2011
“associate(s)”	shall have the meaning ascribed thereto in Rule 1.01 of the Listing Rules
“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
“Directors”	the directors of the Company, including independent non-executive directors
“Fortune Star”	Fortune Star Entertainment (HK) Limited, an indirect wholly-owned subsidiary of News Corporation
“Fortune Star Media”	Fortune Star Media Limited, an associate of News Corporation
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NGC”	NGC Network Asia, LLC, an indirect non-wholly owned subsidiary of News Corporation
“Phoenix Chinese Channel”	a general entertainment channel operated by the Group and targeting audience across Asia, South East Asia, Australia and the Middle East.
“Phoenix Movies Channel”	a movie channel operated by the Group and targeting Chinese audience in the PRC
“Phoenix HK”	Phoenix Satellite Television Company Limited, a wholly-owned subsidiary of the Company
“PRC”	The People Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholders”	the shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United State dollars, the lawful currency of the United States of America
“Xing Kong Chuan Mei”	Xing Kong Chuan Mei Group Co., Ltd, which owns approximately 17.46% interest in the Company, is the substantial shareholder of the Company (as defined in the Listing Rules)
“%”	per cent

Note: For the purpose of illustration only and unless otherwise provided herein, the US\$ amounts shown in this announcement have been translated into HK\$ based on the exchange rate of US\$1.00 to HK\$7.7661 and it does not constitute a representation that any amounts were or may have been exchanged.

By Order of the Board
Liu Changle
Chairman

Hong Kong, 27 January 2011

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

Non-executive Directors

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

Independent Non-executive Directors

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

Alternate Directors

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