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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)

ANNOUNCEMENT CONNECTED TRANSACTIONS

On 11 April 2011, the Regal Fame Controlling Shareholders and Regal Fame entered into the Sale and Purchase Agreement with Phoenix BVI, a wholly-owned subsidiary of the Company, whereby Regal Fame conditionally agreed to sell its 25% shareholding in Phoenix Metropolis Media to Phoenix BVI for a consideration of HK\$64,250,000 and the Regal Fame Controlling Shareholders agreed to guarantee the due performance of Regal Fame's obligations under the Sale and Purchase Agreement.

On 11 April 2011, the Regal Fame Controlling Shareholders entered into the Capital Increase Agreement with PMM Beijing, a wholly-owned subsidiary of Phoenix Metropolis Media, whereby the Regal Fame Controlling Shareholders conditionally agreed to subscribe for an aggregate of 25% equity interests in PMM Beijing for an aggregate consideration of HK\$64,250,000.

The Sale and Purchase Agreement and the Capital Increase Agreement form part of an ongoing restructuring of the PMM Group which also involve among other things the grouping of various PRC operating subsidiaries of Phoenix Metropolis Media under PMM Beijing.

The Directors, including the independent non-executive Directors, are of the view that the Sale and Purchase Agreement and the Capital Increase Agreement have been entered into by the relevant parties thereto after arms-length negotiations and the respective terms of the said agreements are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

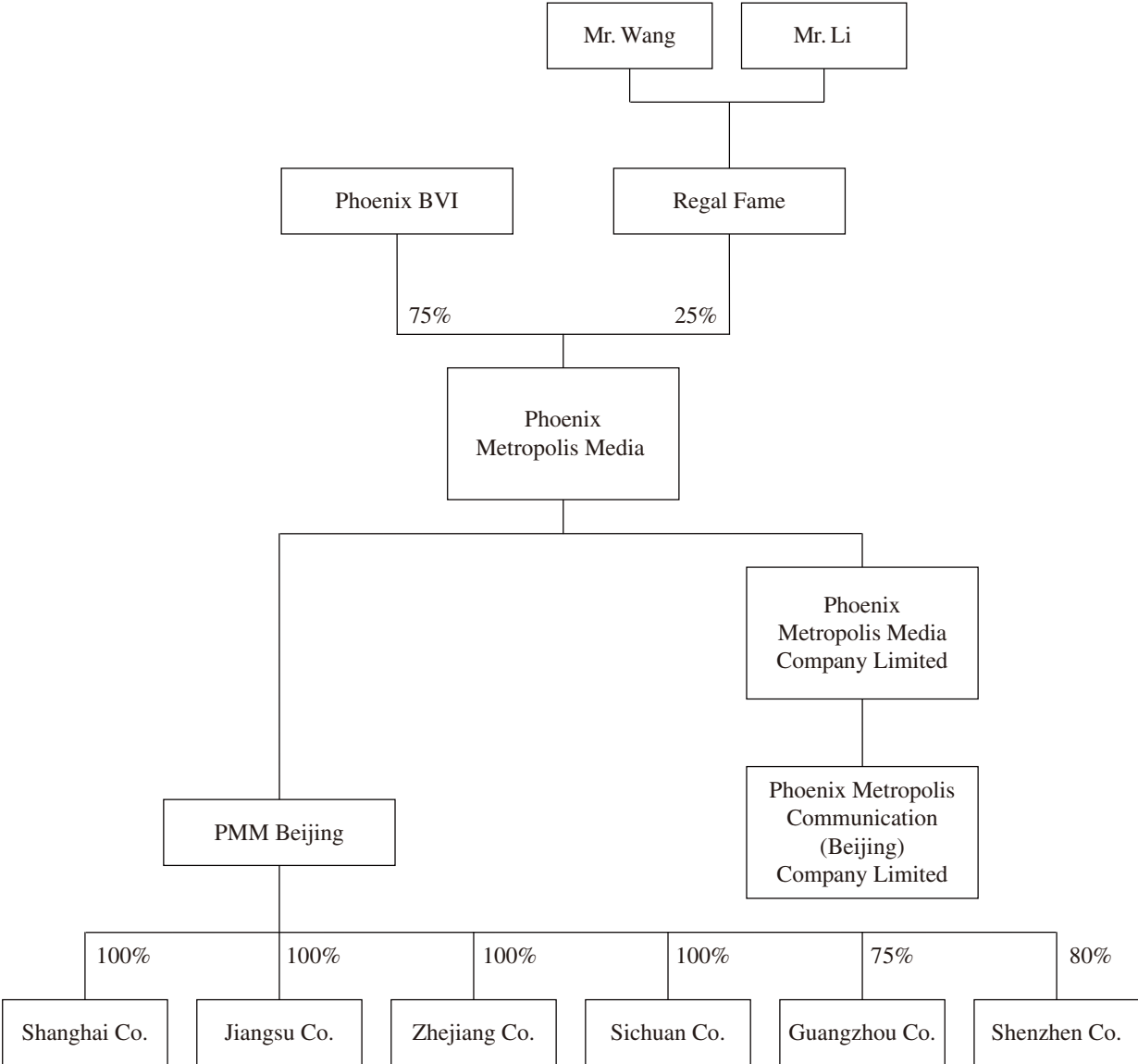
As Regal Fame and the Regal Fame Controlling Shareholders are respectively direct and indirect substantial shareholders of Phoenix Metropolis Media and Phoenix Metropolis Media is an indirect subsidiary of the Company, Regal Fame and the Regal Fame Controlling Shareholders are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Sale and Purchase Agreement and the Capital Increase Agreement constitute connected transactions of the Company under the Listing Rules. As one or more of the percentage ratios applicable to the transactions contemplated under the Sale and Purchase Agreement and the Capital Increase Agreement are more than 1% but less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

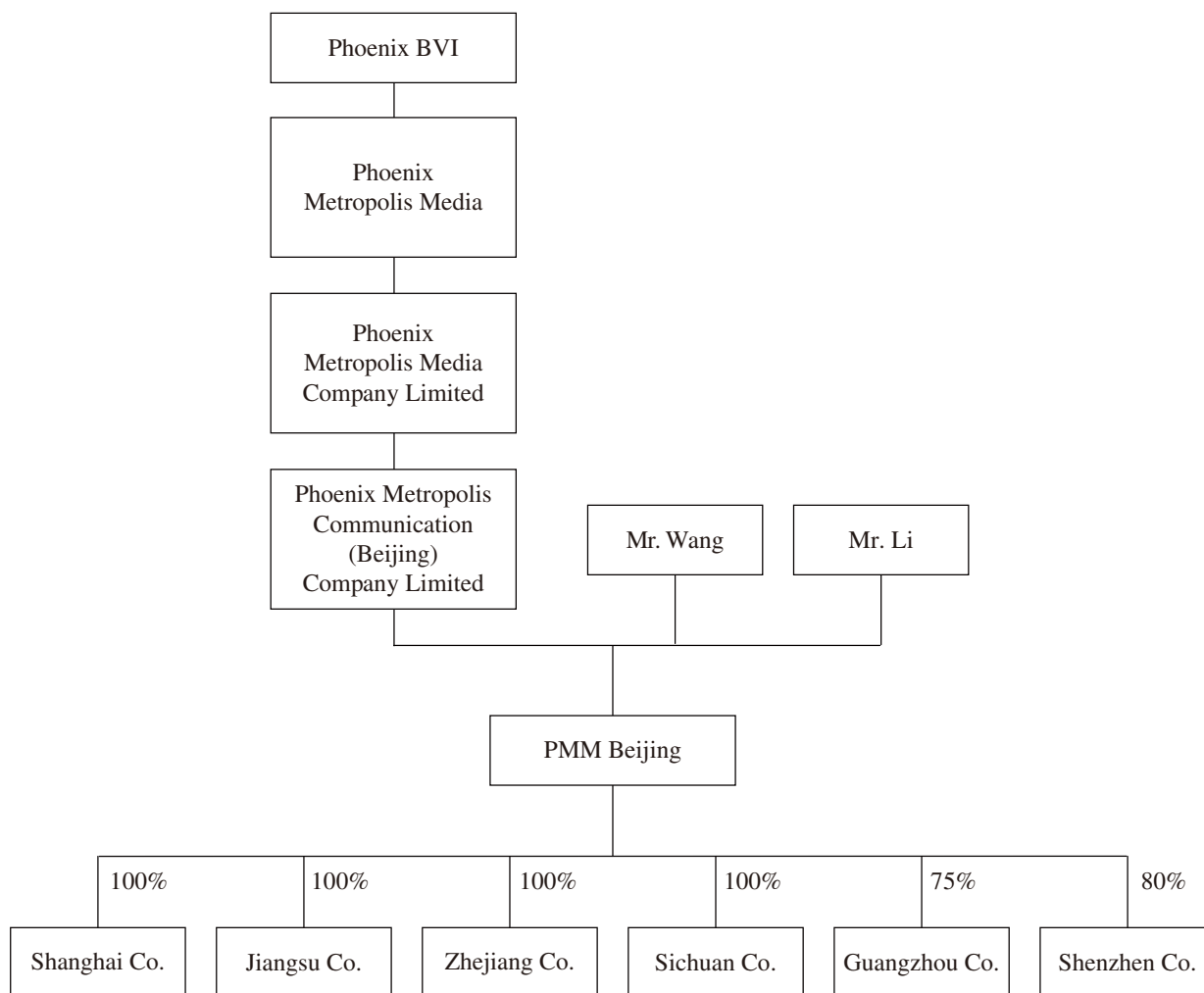
Phoenix Metropolis Media is an investment holding company incorporated in Hong Kong in May 2007 and is held as to 75% and 25% by Phoenix BVI and Regal Fame respectively. The subsidiaries of Phoenix Metropolis Media are engaged in the outdoor media business in the PRC. To date, Phoenix BVI and Regal Fame have injected on a pro-rata basis an aggregate of HK\$202,476,000 into Phoenix Metropolis Media of which HK\$157,000,000 were in the form of capital and HK\$45,476,000 were in the form of shareholder's loans.

The PMM Group is undergoing a corporate restructuring exercise which involve among other things (i) the grouping of various operating subsidiaries of Phoenix Metropolis Media in the PRC under PMM Beijing and (ii) the transferring of 25% interest of the Regal Fame Controlling Shareholders in the PMM Group from the level of Phoenix Metropolis Media to the level of PMM Beijing. The Sale and Purchase Agreement and the Capital Increase Agreement and the transactions contemplated therein relate to the restructuring step described in (ii) above.

The corporate structure of the PMM Group prior to the restructuring was as follows:



The proposed corporate structure of the PMM Group upon completion of the restructuring will be as follows:



The Company and Regal Fame believe that the reorganization of the operating subsidiaries of the PMM Group under PMM Beijing and the transferring of the 25% interest of the Regal Fame Controlling Shareholders in the PMM Group from an oversea company (i.e. Phoenix Metropolis Media) to a company within the PRC (i.e. PMM Beijing) will facilitate the procuring of financing (whether by way of equity or debt financing) by PMM Beijing from within the PRC for the business development and expansion of PMM Beijing and its subsidiaries.

THE SALE AND PURCHASE AGREEMENT

On 11 April 2011, the Regal Fame Controlling Shareholders, Regal Fame and Phoenix BVI entered into the Sale and Purchase Agreement whereby Regal Fame conditionally agreed to sell and Phoenix BVI conditionally agreed to purchase 25% of the issued share capital of Phoenix Metropolis Media for a consideration of HK\$64,250,000.

Completion of the Sale and Purchase Agreement will take place within ten days after the fulfillment of certain conditions including, among others, the completion of the acquisition of six existing PRC operating subsidiaries of Phoenix Metropolis Media by PMM Beijing and the issuance by the relevant PRC authority of a new business license for PMM Beijing which will reflect the equity capital subscriptions by the Regal Fame Controlling Shareholders under the Capital Increase Agreement.

The Regal Fame Controlling Shareholders have agreed to guarantee the due performance of Regal Fame's obligations under the Sale and Purchase Agreement.

THE CAPITAL INCREASE AGREEMENT

On 11 April 2011, the Regal Fame Controlling Shareholders (namely Mr. Wang and Mr. Li) and PMM Beijing entered into the Capital Increase Agreement whereby the Mr. Wang and Mr. Li respectively agreed to subscribe for 15% and 10% (on a diluted basis) of the equity interests in PMM Beijing for the respective considerations of HK\$38,550,000 and HK\$25,700,000 and agreed to inject the funds into PMM Beijing's designated bank account within the time specified in a written notice to be issued to them by PMM Beijing upon the approval by the relevant PRC administrative bureau for industry and commerce of the capital injection by Mr. Wang and Mr. Li.

REASONS FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT AND THE CAPITAL INCREASE AGREEMENT

The Sale and Purchase Agreement and the Capital Increase Agreement and the transactions contemplated therein are part of the proposed restructuring of the PMM Group described in the paragraph headed "Introduction" above.

To date, Phoenix BVI and Regal Fame have together injected a total of HK\$202,476,000 into Phoenix Metropolis Media to finance the development and expansion of the outdoor media business in the PRC of the PMM Group. The Company and Regal Fame believe that the restructuring, which involve among other things the reorganization of the operating subsidiaries of the PMM Group under PMM Beijing and the transferring of the 25% interest of the Regal Fame Controlling Shareholders in the PMM Group from Phoenix Metropolis Media to PMM Beijing will facilitate the procuring of financing (whether by way of equity or debt financing) by PMM Beijing from sources within the PRC.

INFORMATION ON THE COMPANY, REGAL FAME AND THE PMM GROUP

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

Regal Fame is a company incorporated in the British Virgin Islands whose principal business is investment holding. The Regal Fame Controlling Shareholders together have a 70% shareholding in Regal Fame.

Phoenix Metropolis Media is a company incorporated in Hong Kong with limited liability in May 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.

IMPLICATIONS UNDER THE LISTING RULES

As Regal Fame and the Regal Fame Controlling Shareholders are respectively direct and indirect substantial shareholders of Phoenix Metropolis Media which is an indirect subsidiary of the Company, Regal Fame and the Regal Fame Controlling Shareholders are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Sale and Purchase Agreement and the Capital Increase Agreement constitute connected transactions of the Company under the Listing Rules. As one or more of the percentage ratios applicable to the transactions contemplated under the Sale and Purchase Agreement and the Capital Increase Agreement are more than 1% but less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors, including the independent non-executive Directors, are of the view that the Sale and Purchase Agreement and the Capital Increase Agreement have been entered into by the relevant parties thereto after arms-length negotiations and the respective terms of the said agreements are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

None of the Directors has a material interest in the Sale and Purchase Agreement or the Capital Increase Agreement or was required to abstain from voting on the board resolutions in respect of the Sale and Purchase Agreement and the Capital Increase Agreement.

DEFINITIONS

“Capital Increase Agreement”	the agreement dated 11 April 2011 and made between PMM Beijing, Mr. Wang and Mr. Li in relation to the subscription by Mr. Wang and Mr. Li of 15% and 10% respectively of equity capital in PMM Beijing
“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 Main Board of The Stock Exchange of Hong Kong Limited
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Main Board”	the securities market operated by The Stock Exchange of Hong Kong Limited prior to the establishment of GEM (excluding the options market) and which continues to be operated by The Stock Exchange of Hong Kong Limited in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Mr. Wang”	Wang Yanjun, a 40% shareholder of Regal Fame
“Mr. Li”	Li Bin, a 30% shareholder of Regal Fame
“Phoenix BVI”	Phoenix Satellite Television (B.V.I.) Holding Limited, a company incorporated in the British Virgin Islands with limited liability and 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 and a 75% indirectly held subsidiary of the Company
“PMM 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 a 75% indirectly held subsidiary of the Company
“PMM Group”	Phoenix Metropolis Media and its subsidiaries
“PRC”	the People’s Republic of China
“Regal Fame”	Regal Fame Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Regal Fame Controlling Shareholders”	Mr. Wang and Mr. Li
“Sale and Purchase Agreement”	the agreement dated 11 April 2011 and made between Mr. Wang, Mr. Li, Regal Fame and Phoenix BVI in relation to the sale by Regal Fame of its 25% shareholding in Phoenix Metropolis Media to Phoenix BVI

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

Hong Kong, 11 April 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; Mr. GONG Jianzhong

Independent Non-executive Directors

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

Alternate Directors

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