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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)

**UPDATE ON
THE DISCLOSEABLE TRANSACTION
IN RELATION TO THE PROPOSED SPIN-OFF AND SEPARATE
LISTING OF PHOENIX NEW MEDIA LIMITED
ON THE NEW YORK STOCK EXCHANGE**

AND

**PRICING OF THE AMERICAN DEPOSITARY SHARES
AND COMMENCEMENT OF TRADING**

AND

**COMMENCEMENT OF DEALINGS IN THE SHARES
EX-ENTITLEMENT TO THE DISTRIBUTION-IN-SPECIE**

Reference is made to the announcements of the Company dated 18 January 2011, 26 April 2011 and 28 April 2011 in respect of the Proposed Spin-off and Offering of PNM.

The Board is pleased to announce that the pricing of the ADSs of PNM was fixed on 11 May 2011 (New York time), and the trading in the ADSs on NYSE will commence on 12 May 2011 (New York time).

The Offer Price of the ADSs was fixed at US\$11 (equivalent to approximately HK\$85.8 per ADS).

Pursuant to the Offering, an aggregate of 11,500,000 ADSs (representing in aggregate 92,000,000 new Class A Shares) and an aggregate of 1,267,500 ADSs (representing in aggregate 10,140,000 existing Class A Shares) will be sold by PNM and the Selling Shareholders, respectively, to the Underwriters, at the Offer Price, before any exercise of the Over-allotment Option. The Underwriters have an option to purchase up to an additional 1,915,125 ADSs, representing in aggregate up to 15,321,000 new Class A Shares, from PNM at the Offer Price, solely to cover over-allotments in the sale of the ADSs.

Pursuant to the expected timetable in relation to the Distribution-in-specie, the last day of dealings in the Shares cum-entitlement to the Distribution-in-specie was Thursday, 12 May 2011. Dealings in the Shares ex-entitlement to the Distribution-in-specie will commence on Friday, 13 May 2011. Shareholders are advised to exercise caution when dealing in the Shares.

Reference is made to the announcements of the Company dated 18 January 2011, 26 April 2011 and 28 April 2011 in respect of the Proposed Spin-off and the Offering. Save as otherwise defined, terms used in this announcement shall have the same meanings as those used in the announcement of the Company dated 28 April 2011 (“Announcement”).

PRICING AND COMMENCEMENT OF TRADING ON NYSE

The Board is pleased to announce that, as contemplated in the Announcement, the pricing of the ADSs of PNM was fixed on 11 May 2011 (New York time), and the trading in the ADSs on NYSE will commence on 12 May 2011 (New York time).

The final offer price of the ADSs (“Offer Price”) was fixed at US\$11 (equivalent to approximately HK\$85.8 per ADS). Pursuant to the Offering, an aggregate of 11,500,000 ADSs (representing in aggregate 92,000,000 new Class A Shares) and an aggregate of 1,267,500 ADSs (representing in aggregate 10,140,000 existing Class A Shares) will be sold by PNM and the Selling Shareholders, respectively, to the Underwriters, at the Offer Price. Each ADS will represent eight Class A Shares.

The Underwriters have an option to purchase up to an additional 1,915,125 ADSs, representing in aggregate up to 15,321,000 new Class A Shares, from PNM at the Offer Price, solely to cover over-allotments in the sale of the ADSs. Such Over-allotment Option may be exercised in whole or in part by the Underwriters at any time on or before 10 June 2011 (New York time).

The total number of ADSs to be sold under the Offering (assuming full exercise of the Over-allotment Option) corresponds with the offering size contemplated in the Announcement and will represent approximately 18.95% of the enlarged issued share capital of PNM. The Offer Price is however lower than the minimum offer price contemplated in the Announcement due to recent market conditions. Based upon the Offer Price, after deducting underwriting discounts, commissions and the estimated offering expenses payable by PNM, the net proceeds to be raised by PNM from the Offering will be approximately US\$113.6 million (equivalent to approximately HK\$886.1 million), assuming the Over-allotment Option is not exercised and excluding the net proceeds to be received by the Selling Shareholders. The net proceeds to be received by PNM from the Offering are currently expected to be used as to approximately US\$50 million (equivalent to approximately HK\$390 million) for content acquisition and production; as to approximately US\$35 million (equivalent to approximately HK\$273 million) for product development and technology infrastructure; as to approximately US\$25 million (equivalent to approximately HK\$195 million) for marketing and sales; and the remainder for other general corporate purpose, including potential facilities upgrade and for potential acquisition.

Notwithstanding the ADSs were priced below the minimum offer price contemplated in the Announcement, the Directors, including the independent non-executive Directors, are of the view that the terms of the Proposed Spin-off are fair and reasonable and in the interests of the Shareholders as a whole.

Upon completion of the Offering and the Distribution-in-specie, PNM will be owned as to approximately 50.89% (on a fully diluted basis assuming full exercise of the Over-allotment Option) by the Company and will remain a non-wholly owned subsidiary of the Company.

DISTRIBUTION-IN-SPECIE

Under the Distribution-in-specie, Qualifying Shareholders holding not less than 10,000 Shares whose names appeared in the register of members of the Company on the Record Date will be entitled to receive one Distribution ADS for every whole multiple of 10,000 Shares held on the Record Date. Shareholders holding less than 10,000 Shares whose names appeared in the register of members of the Company on the Record Date will not receive any Distribution ADS or cash payment in lieu.

Qualifying Shareholders holding not less than 10,000 Shares whose names appeared in the register of members of the Company on the Record Date and who have elected to receive a cash payment in lieu of all the Distribution ADSs to which they would otherwise be entitled will be entitled to receive an amount of approximately HK\$85.8 per ADS or HK\$0.00858 for every Share held by them on the Record Date.

Fractional entitlements to Distribution ADSs will not be distributed to Qualifying Shareholders holding 10,000 Shares or more on the Record Date and will be paid in cash. Non-Qualifying Shareholders, and those Shareholders who are PNM Affiliates, who hold 10,000 Shares or more on the Record Date will receive cash in lieu of the relevant number of Distribution ADSs to which they would otherwise have been entitled and will be entitled to receive an amount of approximately HK\$85.8 per ADS or HK\$0.00858 in respect of each Share held by them.

In each case referred to above, the cash payment per ADS of HK\$85.8 or per Share of HK\$0.00858 has been calculated based on the Offer Price of US\$11 per Distribution ADS, translated into Hong Kong dollars at an exchange rate of US\$1.00:HK\$7.80. The cash payments to be received by the relevant Shareholders will be rounded down to the nearest Hong Kong dollar. Cash amounts of less than HK\$100 will not be distributed but will be retained for the benefit of the Company.

Completion of the Offering is expected to occur on or about 17 May 2011 (New York time). Cheques for all cash payments are expected to be despatched by ordinary post to the address specified in the register of members, at the risk of the relevant Shareholder, and Distribution ADSs are expected to be delivered to those entitled to receive them, in each case, on or about 31 May 2011 (New York time for distribution of the Distribution ADSs). A further announcement will be made when those cheques are despatched and Distribution ADSs transferred.

EXPECTED TIMETABLE FOR DISTRIBUTION-IN-SPECIE

The expected timetable for the Distribution-in-specie is as follows:

Events	2011
Latest day for dealing in the Shares cum-entitlement to the Distribution-in-specie	Thursday, 12 May
First day of dealing in the Shares ex-entitlement to the Distribution-in-specie	Friday, 13 May
Latest time for lodging transfers of Shares cum-entitlement to the Distribution-in-specie	4:30 pm on Monday, 16 May
Register of members closes from.	Tuesday, 17 May to Thursday, 19 May (both days inclusive)
Record Date for determining the entitlement to the Distribution-in-specie	Thursday, 19 May
Latest time for lodging the Form of Election	4:30 pm on Thursday, 19 May
Register of members re-opens on	Friday, 20 May
Distribution of Distribution ADSs or dispatch of cheques for cash payment in lieu thereof on or about	Tuesday, 31 May (New York time for distribution of the Distribution ADSs)

Except as otherwise stated above, all times refer to Hong Kong local time.

Based on the expected timetable, the last day of dealings in the Shares cum-entitlement to the Distribution-in-specie was Thursday, 12 May 2011. Dealings in the Shares ex-entitlement to the Distribution-in-specie will commence on Friday, 13 May 2011. The register of members of the Company will be closed from Tuesday, 17 May 2011 to Thursday, 19 May 2011 (both days inclusive) for the purpose of determining the Distribution-in-specie, and will be re-opened on Friday, 20 May 2011. No transfer of the Shares may be registered during such book close period.

In order to qualify for the Distribution-in-specie, all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company by no later than 4:30 p.m. on Monday, 16 May 2011. The Form of Election must be returned on or before 4:30 p.m. on Thursday, 19 May 2011.

Please note that the timetable is subject to change depending on the timetable of the Offering. If there are changes to the above timetable, the Company will publish an announcement to inform the Shareholders.

For illustrative purpose of this announcement, US\$1 = HK\$7.8.

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

Hong Kong, 12 May 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)