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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 23 December 2011, Phoenix HK entered into the 2012 Fortune Star Agreements with Fortune Star Media for the licence to broadcast 30 films for a license fee of a total sum of US\$210,500 (approximately HK\$1,635,711).

On 23 December 2011, Phoenix HK entered into the 2012 NGC Agreement with NGC for the licence to broadcast 52 blocks of contents from the National Geographic Channel for a license fee of not exceeding US\$150,800 (approximately HK\$1,171,806).

Both Fortune Star Media and NGC are associates of News Corporation, which through its subsidiary, Xing Kong Chuan Mei, holds approximately 17.4% interest of the Company. Thus pursuant to rule 14A.11 of the Listing Rules, Fortune Star Media and NGC are connected persons of the Company.

The transactions contemplated in the 2012 Fortune Star Agreements and the 2012 NGC Agreement constitute connected transactions under Chapter 14A of the Listing Rules and are by each of themselves exempt transactions under rule 14A.31(2) of the Listing Rules. However, based on aggregation with the transactions under: (1) the 2010 NGC Agreement entered into between Phoenix HK and NGC on 29 December 2010; (2) the January Agreement and the May Agreement both entered into between Phoenix HK and Fortune Star Media on 27 January 2011; and (3) the 2011 Agreement entered into between Phoenix HK and Fortune Star Media on 9 June 2011, the transactions contemplated under the 2012 Fortune Star Agreements and the 2012 NGC Agreement are subject to reporting and announcement requirements of the Listing Rules.

The Directors wish to announce that Phoenix HK, an indirect wholly-owned subsidiary of the Company has on 23 December 2011 entered into (1) the 2012 Fortune Star Agreements with Fortune Star Media and (2) the 2012 NGC Agreement with NGC.

THE 2012 FORTUNE STAR AGREEMENTS

Under the 2012 Fortune Star Agreements, Phoenix HK obtains from Fortune Star Media the non-exclusive right to broadcast a total of 30 films on the Phoenix Chinese Channel, Phoenix Hong Kong Channel and Phoenix Movies Channel during the period from 1 January 2012 to 30 April 2016. The total licence fee of US\$210,500 (approximately HK\$1,635,711) is payable to the bank account as designated by Fortune Star Media by two instalments: (1) 50% of the licence fee is payable upon signing of the 2012 Fortune Star Agreements; and (2) the remaining 50% of the licence fee is payable upon receipt of the programme materials in accordance with each of the 2012 Fortune Star Agreements.

The other terms for each of the 2012 Fortune Star Agreements are provided as follows:

1) Phoenix Chinese Licence Agreement

Film Licensed	:	five films
Term	:	one year or two years
Commencement Date	:	20 January 2012
Licence Fee	:	US\$30,000 (approximately HK\$233,118)

2) Phoenix Hong Kong Licence Agreement

Film Licensed	:	fourteen films
Term	:	one year
Commencement Date	:	1 January 2012 or 1 February 2012
Licence Fee	:	US\$98,000 (approximately HK\$761,519)

3) Phoenix Movies Licence Agreement

Film Licensed	:	eleven films
Term	:	four years
Commencement Date	:	1 May 2012
Licence Fee	:	US\$82,500 (approximately HK\$641,075)

The licence fee for each of the 2012 Fortune Star Agreements was agreed after arm's length negotiations between the parties and was determined in accordance with normal commercial terms and with reference to terms available to independent third parties.

THE 2012 NGC AGREEMENT

Under the 2012 NGC Agreement, Phoenix HK obtains from NGC the non-exclusive right to broadcast 52 blocks of contents from the National Geographic Channel on the Phoenix Chinese Channel for a term of 1 year commencing from 1 January 2012. The licence fee of not exceeding US\$150,800 (approximately HK\$1,171,806) is payable to the bank account as designated by NGC by two instalments: (1) the first instalment of US\$75,400 shall be paid by

31 January 2012, upon receipt of invoice from NGC; and (2) the remaining licence fee shall be paid by 31 October 2012, upon receipt of invoice from NGC. The licence fee was agreed after arm's length negotiations between the parties and was determined in accordance with normal commercial terms and with reference to terms available to independent third parties. Subject to NGC's prior written approval, Phoenix HK is entitled to be reimbursed of the cost of the tapes, the actual materials and repackaging and delivery of the subtitles, the voiceovers and the edited programs by Phoenix HK.

REASONS FOR ENTERING INTO THE 2012 FORTUNE STAR AGREEMENTS AND THE 2012 NGC AGREEMENT

It is the ordinary course of the Company's business to obtain licence 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 2012 Fortune Star Agreements and the 2012 NGC 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 2012 Fortune Star Agreements and the 2012 NGC Agreement and were required to abstain from voting on the Board resolutions in respect of the 2012 Fortune Star Agreements and the 2012 NGC Agreement.

INFORMATION ON THE GROUP

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.

INFORMATION ON NGC

The principal businesses of NGC are television programming and distribution.

THE 2010 NGC AGREEMENT, THE JANUARY AGREEMENT, THE MAY AGREEMENT AND THE 2011 AGREEMENT

Phoenix HK entered into the 2010 NGC Agreement with NGC on 29 December 2010 for a total of 52 blocks of contents 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.

Phoenix HK entered into the January Agreement and the May Agreement with Fortune Star Media on 27 January 2011 for the licence to broadcast (1) seven films on Phoenix Chinese Channel and (2) nine films on Phoenix Movies Channel at the consideration of US\$110,500 (approximately HK\$858,154, based on the actual exchange rate), which was announced on the same day pursuant to Chapter 14A of the Listing Rules.

Phoenix HK entered into the 2011 Agreement with Fortune Star Media on 9 June 2011 for the licence to broadcast eleven films on Phoenix Hong Kong Channel at the consideration of US\$77,000 (approximately HK\$598,059, 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 an indirect wholly-owned subsidiary of the Company. Both Fortune Star Media and NGC are associates of News Corporation, which through its subsidiary, Xing Kong Chuan Mei, holding approximately 17.4% interest in the Company, is an associate of the substantial shareholder of the Company (as defined in the Listing Rules). Accordingly, Fortune Star Media and NGC are connected persons of the Company under Chapter 14A.11 of the Listing Rules.

The transactions contemplated in the 2012 Fortune Star Agreements and the 2012 NGC Agreement constitute connected transactions under Chapter 14A of the Listing Rules and by each of 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 (1) the 2010 NGC Agreement was signed on 29 December 2010; (2) the January Agreement and the May Agreement were signed on 27 January 2011; and (3) the 2011 Agreement was signed on 9 June 2011, all of which are within 12 months of the 2012 Fortune Star Agreements and the 2012 NGC Agreement and the counterparties to each of the agreements are associates of News Corporation and are connected persons of the Company, they are therefore required to aggregate with the 2012 Fortune Star Agreements and the 2012 NGC Agreement. The aggregated consideration of the 2010 NGC Agreement, the January Agreement, the May Agreement, the 2011 Agreement, the 2012 Fortune Star Agreements and the 2012 NGC Agreement is US\$699,600 (approximately HK\$5,436,312). Since the revenue ratios under the 2010 NGC Agreement, the January Agreement, the May Agreement, the 2011 Agreement, the 2012 Fortune Star Agreements and the 2012 NGC Agreement are in aggregate more than 0.1% but less than 5%, the 2012 Fortune Star Agreements and the 2012 NGC Agreement are subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

“2010 NGC Agreement”	the licence agreement signed between Phoenix HK and NGC on 29 December 2010
“2011 Agreement”	the licence agreement signed between Phoenix HK and Fortune Star Media on 9 June 2011
“2012 Fortune Star Agreements”	collectively Phoenix Chinese Licence Agreement, Phoenix Hong Kong Licence Agreement and Phoenix Movies Licence Agreement
“2012 NGC Agreement”	the licence agreement signed between Phoenix HK and NGC on 23 December 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 Main Board of the Stock Exchange
“Directors”	the directors of the Company, including independent non-executive directors
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“January Agreement”	the licence agreement signed between Phoenix HK and Fortune Star Media on 27 January 2011 regarding the licence to broadcast seven films on Phoenix Chinese Channel
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“May Agreement”	the licence agreement signed between Phoenix HK and Fortune Star Media on 27 January 2011 regarding the licence to broadcast nine films on Phoenix Movies Channel
“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 audiences across Asia, South East Asia, Australia and the Middle East
“Phoenix Chinese Licence Agreement”	the licence agreement signed between Phoenix HK and Fortune Star Media dated 23 December 2011 for Phoenix Chinese Channel to broadcast five films
“Phoenix HK”	Phoenix Satellite Television Company Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company

“Phoenix Hong Kong Channel”	a general entertainment channel in Cantonese language operated by the Group and targeting Cantonese-speaking audiences in the Pearl River Delta and across South East Asia
“Phoenix Hong Kong Licence Agreement”	the licence agreement signed between Phoenix HK and Fortune Star Media dated 23 December 2011 for Phoenix Hong Kong Channel to broadcast fourteen films
“Phoenix Movies Channel”	a movie channel operated by the Group and targeting audiences in the PRC
“Phoenix Movies Licence Agreement”	the licence agreement signed between Phoenix HK and Fortune Star Media dated 23 December 2011 for Phoenix Movies Channel to broadcast eleven films
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholders”	holder(s) of ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Xing Kong Chuan Mei”	Xing Kong Chuan Mei Group Co., Ltd, which owns approximately 17.4% 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\$7.7706 and it does not constitute a representation that any amounts were or may have been exchanged.

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

Hong Kong, 23 December 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)