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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

ADVERTISING CONTRACT IN RELATION TO SALE OF ADVERTISING AIRTIME AT THE GROUP'S CHANNELS

On 28 December 2015, Phoenix HK, through Shenzhou, entered into the 2016 Contract with CNHK Media. CNHK Media has entered into the 2016 Contract for the ultimate benefits of the CMCC Group.

Pursuant to the 2016 Contract, CNHK Media agreed to purchase advertising airtime at the Phoenix Chinese Channel and the Phoenix InfoNews Channel respectively for the period from 1 January 2016 to 31 December 2016 for the sum not exceeding RMB30,000,000 (equivalent to approximately HK\$36,351,000) for promoting the CMCC Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, CNHK Media has entered into a contract with a subsidiary of CMCC in the PRC relating to and including the purchase of advertising airtime at the Phoenix Chinese Channel and the Phoenix InfoNews Channel for the benefit and on behalf of the CMCC Group. As such, CNHK Media has entered into the 2016 Contract for the ultimate benefits of the CMCC Group.

The New Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios under the 2016 Contract are more than 0.1% but less than 5%, the New Transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2016 CONTRACT

Reference is made to the announcement of the Company dated 20 July 2015 relating to the 2015 Contract. As the transactions contemplated under the 2015 Contract will expire on 31 December 2015 and CNHK Media would like to purchase advertising airtime at the Phoenix Chinese Channel and the Phoenix InfoNews Channel operated by the Group for the period from 1 January 2016 to 31 December 2016, Phoenix HK, through Shenzhou, entered into the 2016 Contract with CNHK Media on 28 December 2015.

Pursuant to the 2016 Contract, CNHK Media agreed to purchase advertising airtime at the Phoenix Chinese Channel and the Phoenix InfoNews Channel respectively for the period from 1 January 2016 to 31 December 2016 for the sum not exceeding RMB30,000,000 (equivalent to approximately HK\$36,351,000) for promoting the CMCC Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, CNHK Media has entered into a contract with a subsidiary of CMCC in the PRC relating to and including the purchase of advertising airtime at the Phoenix Chinese Channel and the Phoenix InfoNews Channel for the benefit and on behalf of the CMCC Group. As such, CNHK Media has entered into the 2016 Contract for the ultimate benefits of the CMCC Group.

Under the 2016 Contract, for any New Transactions with broadcasting period of 31 days or less, CNHK Media shall pay the advertising cost in full upon signing the individual contracts. For any New Transactions placed by CNHK Media with broadcasting period exceeding 31 days, CNHK Media shall pay for the advertising costs for each individual contract in accordance with the following manners: (a) for advertisements with Lead Time exceeding 30 days, CNHK Media shall pay 10% of the advertising costs as deposit within 7 days after the signing of the individual contracts, the first instalment of not less than 25% of the advertising costs shall be paid by CNHK Media at least 15 days prior to the commencement of the broadcasting period and the balance of the advertising costs shall be paid in accordance with the payment term to be agreed by Shenzhou and CNHK Media under the individual contract; (b) for advertisements with Lead Time of more than 7 days but not more than 30 days, CNHK Media shall pay 10% of the advertising costs as deposit upon signing of the individual contract, the first instalment of not less than 25% of the advertising costs shall be paid by CNHK Media at least 7 days prior to the commencement of the broadcasting period and the balance of the advertising costs shall be paid in accordance with the payment term to be agreed by Shenzhou and CNHK Media under individual contract; (c) for advertisements with Lead Time of 7 days or less, CNHK Media shall pay 10% of the advertising costs as deposit together with a first instalment of not less than 25% of the advertising costs upon signing of the individual contract, and the balance of the advertising costs shall be paid in accordance with the payment term to be agreed by Shenzhou and CNHK Media under the individual contract.

Shenzhou and CNHK Media, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent third parties which are (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.

REASONS FOR THE NEW TRANSACTIONS

Phoenix HK sells advertising airtime on its satellite television channels in its ordinary course of business. Income from sale of advertising airtime forms the major part of its turnover. By selling advertising airtime to the CMCC Group indirectly through CNHK Media, Phoenix HK is able to generate more income for its operation and business.

The 2016 Contract was entered into by the parties after arm's length negotiation such that the advertising airtime provided by Phoenix HK to other customers will be at rates no less favourable than that of the 2016 Contract. The contract sum under the 2016 Contract was agreed between the parties with reference to the rate card published by Phoenix HK from time to time which contains the pricing structure for the sale of advertising airtime on its satellite television channels, and the expected number of the marketing and promotional activities of the CMCC Group for the tenure of the 2016 Contract.

The Directors, including the independent non-executive Directors, are of the view that the 2016 Contract was entered into in the ordinary and usual course of business of Phoenix HK and the terms thereof are on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Three Directors, namely Mr. SHA Yuejia, Mr. GAO Nianshu and Dr. LO Ka Shui, have abstained from voting on the Board resolutions approving the New Transactions due to the fact that Mr. SHA Yuejia and Mr. GAO Nianshu are Directors nominated by a member of CMCC Group and Dr. LO Ka Shui is an independent non-executive director of China Mobile Limited. Save as disclosed above, none of the Directors has a material interest in the 2016 Contract.

IMPLICATIONS UNDER THE LISTING RULES

As CMHKG is a substantial shareholder of the Company holding approximately 19.66% of the 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 New Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios under the 2016 Contract are more than 0.1% but less than 5%, the New Transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television operator broadcasting into the PRC and it also provides new media services.

CMHKG is the substantial shareholder of China Mobile Limited which is a leading mobile telecommunications service provider in the PRC, providing mobile telecommunications and related services in all 31 provinces, autonomous regions and directly-administered municipalities and 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\$1.2117. 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

“2015 Contract”	the advertising contract entered into between Shenzhou (acting as the advertising agent of Phoenix HK) and CNHK Media dated 20 July 2015 relating to the purchase of advertising airtime by CNHK Media for the period from 20 July 2015 to 31 December 2015, both dates inclusive
“2016 Contract”	the advertising contract entered into between Shenzhou (acting as the advertising agent of Phoenix HK) and CNHK Media dated 28 December 2015 relating to the purchase of advertising airtime by CNHK Media for the period from 1 January 2016 to 31 December 2016, both dates inclusive
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“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 (中國移動(香港)集團有限公司), a company incorporated in Hong Kong with limited liability and is a subsidiary of CMCC
“CNHK Media”	CNHK Media Limited (中港傳媒有限公司), a company incorporated in Hong Kong with limited liability
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company, including independent non-executive directors of the Company
“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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lead Time”	the period between the signing of an individual contract of the New Transactions and the commencement of the broadcasting period of the advertisement
“New Transactions”	the transactions contemplated under the 2016 Contract for the period from 1 January 2016 to 31 December 2016, both dates inclusive
“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

“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
“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”	神州電視有限公司 (Shenzhen Television Company Ltd.*), a company established under the laws of the PRC and is the PRC advertising agent of Phoenix HK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 28 December 2015

As at the date of this announcement, the Board 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. GONG Jianzhong and Mr. SUN Yanjun

Independent Non-executive Directors

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

Alternate Director

Mr. LAU Wai Kei, Ricky (alternate to Mr. SUN Yanjun)

* For identification purpose only