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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 TRANSACTIONS OUTDOOR ADVERTISING CONTRACTS**

On 26 April 2016, PMM, a subsidiary of the Company, entered into (i) the 2016 CMGD Outdoor Advertising Contract with CMGD for a period commencing from 26 April 2016 and ending on 31 March 2017 at a maximum contract sum not exceeding RMB7,510,000 (equivalent to approximately HK\$8,959,430); and (ii) the 2016 CMC Outdoor Advertising Contract with CMC for a period commencing from 26 April 2016, and ending on 31 March 2017 at a maximum contract sum not exceeding RMB15,930,000 (equivalent to approximately HK\$19,004,490).

The Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for each of the Contracts alone, and the Outdoor Advertising Contracts (which are aggregated pursuant to Chapter 14A of the Listing Rules) exceed 0.1% but less than 5%, the 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.

### **INTRODUCTION**

Reference is made to the announcement of the Company dated 20 July 2015 in relation to the 2015 PRC Outdoor Advertising Contract and 2015 CMGD Outdoor Advertising Contract.

The Board wishes to announce that on 26 April 2016, PMM has entered into (i) the 2016 CMGD Outdoor Advertising Contract with CMGD, and (ii) the 2016 CMC Outdoor Advertising Contract with CMC.

## **2016 CMGD OUTDOOR ADVERTISING CONTRACT**

Pursuant to the 2016 CMGD Outdoor Advertising Contract, CMGD Group shall place advertisements on the outdoor LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 26 April 2016 to 31 March 2017 for promoting the customised mobile phone devices business of the CMCC Group. The maximum contract sum is not exceeding RMB7,510,000 (equivalent to approximately HK\$8,959,430). CMGD Group will be provided with a discount of 90% off the rate card published by PMM after taking into account of the local market condition and the advertising budget of CMGD Group.

Under the 2016 CMGD Outdoor Advertising Contract, CMGD Group shall, on a quarterly basis, pay the advertising costs relating to and for placement of advertisement on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for that quarter in cash in full to PMM within 20 business days immediately after the receipt of the invoice issued by PMM and an inspection report issued by a third party jointly engaged by both PMM and CMGD Group.

## **2016 CMC OUTDOOR ADVERTISING CONTRACT**

Pursuant to the 2016 CMC Outdoor Advertising Contract, CMC shall place advertisement on the outdoor LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 26 April 2016 to 31 March 2017 for the promotion of the CMCC Group. The maximum contract sum is RMB15,930,000 (equivalent to approximately HK\$19,004,490). CMC will be provided with a discount of 90% off the rate card published by PMM after taking into account of the local market condition and the advertising budget of CMC.

Under the 2016 CMC Outdoor Advertising Contract, CMC shall, on a quarterly basis, pay the advertising costs relating to and for placement of advertisement on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for that quarter in cash in full to PMM within 20 business days immediately after the receipt of the invoice issued by PMM and an inspection report issued by a third party jointly engaged by both PMM and CMC.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

PMM and/or its subsidiaries sell advertising airtime on the outdoor LED Panels operated by or licensed to them in their ordinary course of business. Income generated from the sale of advertising airtime forms the major part of their turnovers. By selling advertising airtime to the CMCC Group, the Group is able to generate more income for its operation and business.

The 2016 CMGD Outdoor Advertising Contract and 2016 CMC Outdoor Advertising Contract were entered into by the respective parties thereto after arm's length negotiation such that the advertising airtime on the outdoor LED Panels provided by the Group, through PMM, to other customers with similar purchase will be at rates no less favourable than that of the Contracts. The total contract sum under the Contracts were agreed between the parties with reference to the rate card published by PMM from time to time which contains the pricing structure for the sale of advertising airtime on the outdoor LED Panels, and the review of the marketing and promotional activities of CMGD Group and CMCC Group in the PRC for 2016 and 2017.

The Directors (including the independent non-executive Directors) considered that the 2016 CMGD Outdoor Advertising Contract and 2016 CMC Outdoor Advertising Contract were entered into on normal commercial terms or better and in the ordinary and usual course of business of PMM and/or its subsidiaries, and the terms thereof and the maximum contract sum of not exceeding RMB7,510,000 (equivalent to approximately HK\$8,959,430) for the 2016 CMGD Outdoor Advertising Contract and the maximum contract sum of not exceeding RMB15,930,000 (equivalent to approximately HK\$19,004,490) for the 2016 CMC Outdoor Advertising Contract are fair and reasonable and the Transactions are 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, abstained from voting on the Board resolutions approving the Contracts due to the fact that Mr. SHA Yuejia and Mr. GAO Nianshu are Directors nominated by a member of the 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 Contracts.

## **THE 2015 PRC OUTDOOR ADVERTISING CONTRACT AND THE 2015 CMGD OUTDOOR ADVERTISING CONTRACT**

PMM entered into the 2015 PRC Outdoor Advertising Contract with CMC on 20 July 2015 for placing of advertisement on the outdoor LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 20 July 2015 to 31 March 2016 for the sum of no more than RMB15,180,000 (equivalent to approximately HK\$18,958,302, RMB was converted into HK\$ at the rate of RMB1 to HK\$1.2489) for the promotion of the CMCC Group, the announcement of which was made on 20 July 2015 pursuant to Chapter 14A of the Listing Rules.

PMM entered into 2015 CMGD Outdoor Advertising Contract on 20 July 2015 with CMGD for the purchase of advertising airtime by CMGD on the outdoor LED panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 20 July 2015 to 31 March 2016 for a maximum contract sum of no more than RMB7,360,000 (approximately HK\$9,191,904, RMB was converted into HK\$ at the rate of RMB1 to HK\$1.2489) for promoting the customised mobile phone devices business of the CMCC Group, the announcement of which was made on 20 July 2015 pursuant to Chapter 14A of the Listing Rules.

## **IMPLICATIONS UNDER THE LISTING RULES**

As Extra Step Investments Limited, a wholly-owned subsidiary of CMHKG, is a substantial shareholder of the Company, which, as at the date of this announcement, held approximately 19.66% of the issued share capital of the Company, and both CMC and its subsidiary, CMGD, being indirect subsidiaries of CMHKG, are associates of Extra Step Investments Limited, CMC and CMGD Group are connected persons of the Company under the Listing Rules and accordingly the Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for each of the Contracts alone, and the Outdoor Advertising Contracts (which are aggregated pursuant to Chapter 14A of the Listing Rules) exceed 0.1% but less than 5%, the 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 in the PRC and it also provides new media services.

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

CMC, a wholly-owned subsidiary of China Mobile Limited, acts as China Mobile Limited's network and business coordination center in PRC.

CMGD is a subsidiary of CMC. The CMGD Group is mainly engaged in is providing electronic communication product design and selling services in the PRC.

Unless otherwise stated in this announcement and for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 to HK\$1.1930. Such exchange rates have been used, where applicable, for the purpose of illustration only and do not constitute representations that any amounts were or may have been exchanged at these or any other rates or at all.

## DEFINITIONS

“2015 CMGD Outdoor Advertising Contract”	the advertising contract entered into between PMM and CMGD dated 20 July 2015 relating to the purchase of advertising airtime by CMGD on the LED panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 20 July 2015 to 31 March 2016 for the sum of not exceeding RMB7,360,000 (equivalent to approximately HK\$9,191,904, RMB was converted into HK\$ at the rate of RMB1 to HK\$1.2489)
“2015 PRC Outdoor Advertising Contract”	the advertising contract entered into between PMM and CMC dated 20 July 2015 relating to the purchase of advertising airtime by CMC on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 20 July 2015 to 31 March 2016 for the sum of no more than RMB15,180,000 (equivalent to approximately HK\$18,958,302, RMB was converted into HK\$ at the rate of RMB1 to HK\$1.2489)
“2016 CMGD Outdoor Advertising Contract”	the advertising contract entered into between PMM and CMGD dated 26 April 2016 relating to the purchase of advertising airtime by CMGD Group on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 26 April 2016 to 31 March 2017 for the sum of no more than RMB7,510,000 (equivalent to approximately HK\$8,959,430)
“2016 CMC Outdoor Advertising Contract”	the advertising contract entered into between PMM and CMC dated 26 April 2016 relating to the purchase of advertising airtime by CMC on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from 26 April 2016 to 31 March 2017 for the sum of not exceeding RMB15,930,000 (equivalent to approximately HK\$19,004,490)
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CMC”	中國移動通信有限公司 (China Mobile Communication Co., Ltd.), a company established under the laws of the PRC with limited liability

“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
“CMGD”	中國移動通信集團終端有限公司 (China Mobile Group Device Co., Ltd.), a company established under the laws of the PRC
“CMGD Group”	CMGD and/or its branch companies
“CMHKG”	China Mobile (Hong Kong) Group Limited, a company incorporated in Hong Kong with limited liability and is a subsidiary of CMCC
“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
“Contracts”	2016 CMGD Outdoor Advertising Contract and 2016 CMC Outdoor Advertising Contract
“Director(s)”	the director(s) of the Company, including independent non-executive director(s)
“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
“LED Panels”	giant-sized light-emitting diode panels
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Outdoor Advertising Contracts”	the 2015 PRC Outdoor Advertising Contract, the 2016 CMC Outdoor Advertising Contract, the 2015 CMGD Outdoor Advertising Contract and the 2016 CMGD Outdoor Advertising Contract

“PMM”	Phoenix Metropolis Media Technology Company Limited*, 鳳凰都市傳媒科技股份有限公司 (formerly known as 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 is 45.54% indirectly held by the Company. As the Group is able to govern the financial and operating policies of PMM by virtue of de-facto control, PMM is thus regarded as a 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 of the People’s Republic of China 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Contracts
“%”	per cent.

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

Hong Kong, 26 April 2016

\* *For identification purpose only*

*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) 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 director to Mr. SUN Yanjun)*