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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 CONTRACT**

On 18 May 2017, PMM, a subsidiary of the Company, entered into the 2017 CMC Outdoor Advertising Contract with CMC for the period commencing from the Effective Date to 31 March 2018 for promoting the businesses of the CMC Group at a maximum contract sum not exceeding RMB13,130,000 (equivalent to approximately HK\$14,817,205).

The Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the maximum contract sum under the 2017 CMC Outdoor Advertising Contract, MIGU Advertising Contract, the CMGG Advertising Contract, the 2016 CMGD Outdoor Advertising Contract and the 2016 CMC Outdoor Advertising Contract calculated on an aggregate basis exceed 0.1% but are less than 5%, the 2017 CMC Outdoor Advertising Contract and the Transactions are subject to reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 18 May 2017, PMM has entered into the 2017 CMC Outdoor Advertising Contract with CMC.

## **THE 2017 CMC OUTDOOR ADVERTISING CONTRACT**

Pursuant to the 2017 CMC Outdoor Advertising Contract, CMC may place advertisements on the outdoor LED Panels operated by or licensed to PMM in the PRC for the period commencing from the Effective Date to 31 March 2018 for promoting the businesses of the CMC Group. The maximum contract sum shall be RMB13,130,000 (equivalent to approximately HK\$14,817,205) (inclusive of sales tax). There is no minimum amount of advertisement required to be placed by CMC under the 2017 CMC Outdoor Advertising Contract.

The advertising fee of each advertisement will be agreed between PMM and CMC with reference to the rate card published by PMM from time to time which contains the pricing structure of the sale of advertisement airtime on the outdoor LED Panels. CMC will be provided with a discount around 90% off the rate card published by PMM after taking into account of the price offered by the major competitors of PMM, the actual local market condition and the advertising budget of CMC Group.

Under the 2017 CMC Outdoor Advertising Contract, CMC shall pay the advertising fees in arrears on a quarterly basis. Such advertising fees shall be paid by cheque, cash or telegraphic transfer within 20 business days immediately after receipt of invoice issued by PMM and the written confirmation issued by a third party consultancy company as agreed between the parties to monitor the broadcast conditions.

The actual transaction amounts incurred under the 2016 CMC Outdoor Advertising Contract during the contract term are RMB15,930,000 (equivalent to approximately HK\$17,977,005). The actual transaction amounts incurred between PMM and the CMCC Group for the period from 1 April 2016 to 30 April 2017 in aggregate are RMB20,605,600 (equivalent to approximately HK\$23,253,420).

## **REASONS FOR AND BENEFITS OF THE 2017 CMC OUTDOOR ADVERTISING CONTRACT**

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

The 2017 CMC Outdoor Advertising Contract was 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 2017 CMC Outdoor Advertising Contract. The total contract sum under the 2017 CMC Outdoor Advertising Contract was 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 evaluation of the marketing and promotional activities of CMC in the PRC for 2017 and 2018.

### **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 19.69% of the issued share capital of the Company, and CMC, being an indirect subsidiary of CMHKG, is an associate of Extra Step Investments Limited, CMC is a connected person of the Company under the Listing Rules and accordingly the 2017 CMC Outdoor Advertising Contract constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the maximum contract sum under the 2017 CMC Outdoor Advertising Contract, MIGU Advertising Contract, the CMGG Advertising Contract, the 2016 CMGD Outdoor Advertising Contract and the 2016 CMC Outdoor Advertising Contract calculated on an aggregate basis exceed 0.1% but are less than 5%, the 2017 CMC Outdoor Advertising Contract and the Transactions are subject to reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **VIEWS OF THE DIRECTORS**

The Directors (including the independent non-executive Directors) considered that the 2017 CMC Outdoor Advertising Contract was 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 relevant terms thereof and the maximum contract sum of RMB13,130,000 (equivalent to approximately HK\$14,817,205) are fair and reasonable and the Transactions are in the interests of the Company and the Shareholders as a whole.

Two of the Directors, namely Mr. SHA Yuejia and Mr. XIA Bing, have abstained from voting on the Board resolutions approving the 2017 CMC Outdoor Advertising Contract due to the fact that Mr. SHA Yuejia and Mr. XIA Bing are Directors nominated by a member of the CMCC Group. Save as disclosed above, none of the Directors has a material interest in the 2017 CMC Outdoor Advertising Contract.

## GENERAL

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

## TERMS USED IN THIS ANNOUNCEMENT

“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, at the conversion rate of RMB1 to HK\$1.193)
“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, at the conversion rate of RMB1 to HK\$1.193)
“2017 CMC Outdoor Advertising Contract”	the advertising contract entered into between PMM and CMC dated 18 May 2017 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 the Effective Date to 31 March 2018 for the sum of not exceeding RMB13,130,000 (equivalent to approximately HK\$14,817,205)
“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
“CMC Group”	CMC and its subsidiaries
“CMCC”	中國移動通信集團公司(China Mobile Communications Corporation), a state-owned enterprise 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
“CMGG”	中國移動通信集團貴州有限公司(China Mobile Group Guizhou Co., Ltd), a company established under the laws of the PRC
“CMGG Advertising Contract”	the advertising contract entered into between PMM and CMGG dated 25 January 2017 (as amended by a supplemental contract dated 25 January 2017) relating to the purchase of advertising airtime by CMGG on the LED Panels operated by or licensed to PMM and/or its subsidiaries in the PRC for the period from the effective date of the CMGG Advertising Contract (i.e. 25 January 2017) to 31 March 2017 for a sum of not exceeding RMB2,120,000 (equivalent to approximately HK\$2,374,824, at the conversion rate of RMB1 to HK\$1.1202)
“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, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Directors”	the director(s) of the Company, including independent non-executive director(s)
“Effective Date”	18 May 2017, being the date of signing of the 2017 CMC Outdoor Advertising Contract
“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
“MIGU”	咪咕文化科技有限公司 (MIGU Cultural and Technology Co., Ltd.), a company established under the laws of the PRC and a subsidiary of CMC
“MIGU Advertising Contract”	the advertising contract entered into between PMM and MIGU dated 21 March 2017 relating to the purchase of advertising airtime by MIGU on the LED Panels operated by or licensed to PMM in the PRC for the period of one year commencing from 21 March 2017
“MIGU Group”	MIGU and its subsidiaries
“PMM”	鳳凰都市傳媒科技股份有限公司 (Phoenix Metropolis Media Technology Company Limited*) (formerly known as 鳳凰都市(北京)廣告傳播有限公司 (Phoenix Metropolis Media (Beijing) Company Limited*)), 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 the 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 2017 CMC Outdoor Advertising Contract
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB1 = HK\$1.1285 has been adopted. No representation is made as to whether any amount in RMB or HK\$ can or could have been converted at the relevant dates at the above rates or any other rates at all.

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

Hong Kong, 18 May 2017

*As at the date of this announcement, the Board comprises:*

***Executive Directors***

*Mr. LIU Changle (Chairman) (also an alternate director of Mr. CHUI Keung), Mr. CHUI Keung (also an alternate director to Mr. LIU Changle) and Mr. WANG Ji Yan (also an alternate director of Mr. LIU Changle and Mr. CHUI Keung)*

***Non-executive Directors***

*Mr. SHA Yuejia, Mr. XIA Bing, Mr. GONG Jianzhong and Mr. SUN Yanjun*

***Independent Non-executive Directors***

*Mr. LEUNG Hok Lim, Mr. Thaddeus Thomas BECZAK, Mr. FANG Fenglei and Mr. HE Di*

***Alternate Director***

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

\* *For identification purposes only*