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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: 8002)

CONTINUING CONNECTED TRANSACTION

On 15 November 2007, Phoenix HK through Shenzhou entered into the 2008 Contract with CNHK Media. CNHK Media has entered into the 2008 Contract for the ultimate benefits of the CMCC Group.

The Transaction constitutes a continuing connected transaction for the Company under Chapter 20 of the GEM Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements of the GEM Listing Rules.

A circular containing, inter alia, further details of the Transaction, the letter from the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders together with the notice of EGM, will be despatched to the Shareholders as soon as practicable.

2008 CONTRACT

Reference is made to the announcement of the Company dated 6 February 2007 relating to the 2007 Contract. As the transaction contemplated under the 2007 Contract will expire by 31 December 2007 and CNHK Media would like to continue to purchase advertising airtime at and/or sponsoring the programme "Phoenix News Express" being broadcasted on the Phoenix Chinese Channel operated by the Group thereafter, Phoenix HK through Shenzhou entered into the 2008 Contract with CNHK Media on 15 November 2007.

Pursuant to the 2008 Contract, CNHK Media shall purchase advertising airtime at and/or sponsoring the programme "Phoenix News Express" for the period from 1 January 2008 to 31 December 2008 for the sum of RMB28,050,000 (equivalent to HK\$29,452,500) for promoting the CMCC Group. Further, under the 2008 Contract, the parties will negotiate and agree on the terms for purchasing advertising airtime at and/or sponsoring programme(s) broadcasted

on the Phoenix InfoNews Channel for promoting the CMCC Group for the period from 1 January 2008 to 31 December 2008 the contract sum of which will be up to RMB10,950,000 (equivalent to HK\$11,497,500). Therefore, the total contract sum payable by CNHK Media under the 2008 Contract will not exceed RMB39,000,000 (equivalent to HK\$40,950,000).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, CNHK Media is engaged in the advertising agency business and it has entered into a contract with CMCC's advertising agent in the PRC relating to and including the purchase of advertising airtime at and/or sponsoring "Phoenix News Express" broadcasted on the Phoenix Chinese Channel and program(s) broadcasted on the Phoenix InfoNews Channel (if applicable) by CMCC's said advertising agent for the benefit and on behalf of the CMCC Group. As such, CNHK Media has entered into the 2008 Contract for the ultimate benefits of the CMCC Group.

Under the 2008 Contract, CNHK Media shall pay such sum of RMB28,050,000 (equivalent to HK\$29,452,500) relating to the purchase of advertising airtime at and/or sponsoring "Phoenix News Express" in cash by six instalments: (a) the 1st instalment of RMB7,012,500 (equivalent to HK\$7,363,125) (including an earnest deposit of RMB1,402,500 (equivalent to HK\$1,472,625)) on or before 31 December 2007; and (b) the 2nd to 6th instalments of RMB4,488,000 (equivalent to HK\$4,712,400) each on or before 20 February 2008, 18 April 2008, 20 June 2008, 20 August 2008 and 20 October 2008 respectively. The earnest deposit will be applied to partially set off against the amount of the 6th instalment payable by CNHK Media. The parties will negotiate and agree on the contract sum and term of payment relating to purchase of advertising airtime at and/or sponsoring programme(s) broadcasted on the Phoenix InfoNews Channel. Completion of the 2008 Contract is conditional upon the approval of the Independent Shareholders.

Shenzhou, CNHK Media and CMCC's said advertising agent, to the best of the Directors' knowledge, information and belief after 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 as defined in the GEM Listing Rules.

REASONS FOR THE TRANSACTION

The Group 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 the Group's turnover. By selling advertising airtime to the CMCC Group indirectly through CNHK Media, the Group is able to generate more income for its operation and business.

The aggregate contract sums for purchasing advertising airtime at and/or sponsoring the programme "Phoenix News Express" by CNHK Media for the period from 1 January 2007 to 31 December 2007 are RMB32,800,000 (equivalent to HK\$34,440,000). The aggregate contract sums for purchasing advertising airtime at and/or sponsoring the programme "Phoenix Horizons" broadcasted on the Phoenix InfoNews Channel by CNHK Media for the period from 1 July 2007 to 31 December 2007 are RMB4,713,675 (equivalent to HK\$4,949,359).

The 2008 Contract was entered into by the parties after arm's length negotiation such that the advertising airtime provided by the Group to other customers will be at rates no less favourable than that of the 2008 Contract. The maximum aggregate cap amount under the 2008 Contract is RMB39,000,000 (equivalent to HK\$40,950,000) which was agreed between the parties with reference to the rate card published by the Group from time to time which contains the pricing structure for the sale of advertising airtime on its satellite television channels, the advertising airtime purchased by CNHK Media in 2007, and the expected growth in the marketing and promotional activities of the CMCC Group for 2008.

The Directors (including the independent non-executive Directors) consider that the 2008 Contract was entered into in the ordinary and usual course of business of the Group and the terms thereof are normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As CMHKG is a substantial shareholder of the Company holding approximately 19.9 per cent. 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 GEM Listing Rules. The Transaction constitutes a continuing connected transaction for the Company under Chapter 20 of the GEM Listing Rules. As the revenue ratio for the 2008 Contract is more than 2.5%, the Transaction is subject to the reporting, announcement and independent shareholders' approval requirements of the GEM Listing Rules.

The Company will convene the EGM for the purpose of seeking the approval of the Independent Shareholders for the Transaction. According to the GEM Listing Rules, CMCC and its associates will abstain from voting in respect of the resolution relating to the Transaction at the EGM. The vote of the Independent Shareholders on such resolution will be taken by poll.

An Independent Board Committee will be constituted to advise the Independent Shareholders in relation to the Transaction. CIMB-GK Securities (HK) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transaction. The qualification of CIMB-GK Securities (HK) Limited will be included in the circular of the Company relating to the Transaction.

A circular containing, inter alia, further details of the Transaction, the letter from the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders together with the notice of EGM, will be despatched to the Shareholders as soon as practicable.

GENERAL

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

CMCC is the ultimate controlling shareholder of China Mobile Limited which in turn is a leading mobile telecommunications service provider in the PRC, providing mobile telecommunications and related services in all 31 provinces, directly-administered municipalities and autonomous regions 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\$1.05. 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

“associates”	has the meaning ascribed to it under the GEM Listing Rules
“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”	the group of companies comprising CMCC and its subsidiaries
“CMHKG”	China Mobile (Hong Kong) Group Limited, a company incorporated in Hong Kong with limited liability and is a subsidiary of CMCC
“CNHK Media”	中港傳媒有限公司(CNHK Media Limited), a company established under the laws of the PRC
“Company”	Phoenix Satellite Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“2007 Contract”	the advertising contract entered into between Shenzhou and CNHK Media dated 2 February 2007 relating to the purchase of advertising airtime by CNHK Media for the period from 1 April 2007 to 31 December 2007
“2008 Contract”	the advertising contract entered into between Shenzhou and CNHK Media dated 15 November 2007 relating to the purchase of advertising airtime by CNHK Media for the period from 1 January 2008 to 31 December 2008
“Director(s)”	the director(s) of the Company, including independent non-executive director(s)

“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the 2008 Contract and the transaction contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“Independent Board Committee”	the independent board committee of the Company
“Independent Shareholders”	the Shareholders other than CMCC and its associates
“Phoenix HK”	Phoenix Satellite Television Company Limited, a company incorporated in Hong Kong with limited liability and is a 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
“Shenzhou”	神州電視有限公司 (Shenzhou Television Company Limited), a company incorporated under the laws of the PRC and is the PRC advertising agent of Phoenix HK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the 2008 Contract for the period from 1 January 2008 to 31 December 2008

By Order of the Board
LIU Changle
Chairman

Hong Kong, 15 November 2007

The announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: – (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As at the date of this announcement, the executive directors of the Company are Mr. LIU Changle, Mr. CHUI Keung and Mr. WANG Ji Yan, the non-executive directors of the Company are Mr. LU Xiangdong, Mr. GAO Nianshu, Mr. Paul Francis AIELLO, Mr. LAU Yu Leung John and Mr. GONG Jianzhong and the independent non-executive directors of the Company are Dr. LO Ka Shui, Mr. LEUNG Hok Lim and Mr. Thaddeus Thomas BECZAK.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.phoenixtv.com.