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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)

VARIATIONS TO TERMS OF CAPITAL INCREASE CONTRACT

On 21 December 2007, the parties to the Capital Increase Contract entered into the Amended Contract reflecting the proposed amendments of the Commerce Department. The Subscription remains as a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

References are made to the announcement of the Company dated 27 June 2007 (the “**Announcement**”) and the circular of the Company dated 17 July 2007 relating to the proposed subscription of 50% of the enlarged registered capital of JV Co. (as defined in the Announcement), which constitutes a discloseable transaction for the Company. Capitalized terms in this announcement shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

As disclosed in the Announcement, the capital contribution to be made by Phoenix Pictures under the Capital Increase Contract shall be conditional, among other things, on the approval by the Ministry of Commerce and/or its local branches for the Subscription and the conversion of JV Co. into a Sino-foreign equity joint venture enterprise. The parties to the Capital Increase Contract have been advised by 北京市商務局 (the Commerce Department of Beijing) (the “**Commerce Department**”) to make certain amendments to the Capital Increase Contract to facilitate its approval thereof. At the advice of the Commerce Department, the parties shall enter into an amended and restated capital increase contract instead of a supplemental contract to the Capital Increase Contract.

Therefore, on 21 December 2007, the parties to the Capital Increase Contract entered into an amended and restated capital increase contract (the “**Amended Contract**”) reflecting the proposed amendments of the Commerce Department. The major amendments to the Capital Increase Contract are summarized below:

	Capital Increase Contract	Amended Contract
Subscription of enlarged registered capital	Phoenix Pictures shall make its capital contribution in foreign currency within (i) seven days after the issuance of the new business licence of JV Co. upon its conversion into a Sino-foreign equity joint venture enterprise or (ii) seven days after all the conditions precedent have been satisfied, whichever is later. For the other relevant parties to the Capital Increase Contract, they shall make their respective capital contributions in RMB within seven days after the issuance of the new business licence of JV Co. upon its conversion into a Sino-foreign equity joint venture enterprise.	Phoenix Pictures shall make its capital contribution in HK\$ and the other parties shall make their respective capital contributions in RMB. Each party shall make its respective capital contribution upon the application and registration of JV Co. for conversion into a Sino-foreign equity joint venture enterprise.
Conditions precedent	The capital contribution to be made by Phoenix Pictures shall be subject to the satisfaction of certain conditions precedent details of which have been set out in the subsection headed “Conditions Precedent” under the section headed “Capital Increase Contract” in the Announcement. If any of the conditions is not fulfilled within six months from the date of the Capital Increase Contract (or such later date as the parties to the Capital Increase Contract may agree), Phoenix Pictures shall be entitled to unilaterally terminate the Capital Increase Contract, the JV Contract and the Articles.	In the event that the PRC competent authorities shall not approve the Subscription and the conversion of JV Co. into a Sino-foreign equity joint venture enterprise, the Amended Contract, the JV Contract and the Articles shall not take effect and each party shall not be liable for any obligations thereunder.

Capital Increase Contract

Amended Contract

Business scope

After Phoenix Pictures has made its capital contribution, JV Co. shall only engage in the business relating to the development and management of Phoenix International Media Centre but not otherwise.

After Phoenix Pictures has made its capital contribution, JV Co. shall only engage in the business relating to the development, sale and management of Phoenix International Media Centre but not otherwise.

Allocation of gross floor area of the Project

Upon completion of the Project, the gross floor area of Phoenix International Media Centre shall be allocated and distributed among the parties in proportion to their respective equity interest in JV Co. Phoenix Pictures shall have priority in selecting the floors and locations in Phoenix International Media Centre for constructing the theatres and television production studios, and installing professional facilities. Upon completion of the transfers of titles of the allocated area to the respective parties to the Capital Increase Contract, the parties shall proceed to liquidate JV Co.

The parties shall share the profits and risks of JV Co. in proportion to their respective equity interest therein.

Upon completion of the Project, all the parties can unanimously consent to terminate the JV Contract and liquidate JV Co. The balance of the assets and real properties of JV Co. after liquidation shall be distributed to the parties in proportion to their respective equity interest therein, provided that Phoenix Pictures shall have priority in selecting the theatres and television production studios, and the professional facilities.

Save as disclosed above, all the major terms and conditions of the Capital Increase Contract have been restated in the Amended Contract. All the parties (except JV Co.) shall also enter into the amended JV Contract and the amended Articles to incorporate the relevant agreed terms of the Amended Contract.

The Subscription remains as a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

The Directors consider that the entering into of the Amended Contract is in the interests of the Company and its Shareholders as a whole.

By Order of the Board
LIU Changle
Chairman

Hong Kong, 21 December 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.ifeng.com.