

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

On 29 December 2008, Phoenix HK through Shenzhou entered into the 2009 Contract with CNHK Media. CNHK Media has entered into the 2009 Contract for the ultimate benefits of the CMCC Group.

The Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratio for the 2009 Contract are more than 0.1% but less than 2.5%, pursuant to Rule 14A.34(1) of the Listing Rules, the Transaction is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement of the Listing Rules.

2009 CONTRACT

Reference is made to the circular of the Company dated 3 December 2007 relating to the 2008 Contract. As the transaction contemplated under the 2008 Contract will expire by 31 December 2008 and CNHK Media would like to continue to purchase advertising airtime (i) at and/or sponsoring the programme "Phoenix News Express" being broadcasted on the Phoenix Chinese Channel and (ii) at and/or sponsoring the programme "Financial Journal" being broadcasted on the Phoenix InfoNews Channel operated by the Group thereafter, Phoenix HK through Shenzhou entered into the 2009 Contract with CNHK Media on 29 December 2008.

Pursuant to the 2009 Contract, CNHK Media shall purchase advertising airtime (i) at and/or sponsoring the programme “Phoenix News Express” on the Phoenix Chinese Channel and (ii) at and/or sponsoring the programme “Financial Journal” on the Phoenix InfoNews Channel for the period from 1 January 2009 to 30 June 2009 for promoting the CMCC Group. The total contract sum is RMB17,956,250 (equivalent to HK\$20,380,344), which is also the maximum aggregate annual value of the 2009 Contract.

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 at and/or sponsoring “Financial Journal” broadcasted on the Phoenix InfoNews Channel by CMCC’s said advertising agent for the benefit and on behalf of the CMCC Group. As such, CNHK Media has entered into the 2009 Contract for the ultimate benefits of the CMCC Group.

Under the 2009 Contract, CNHK Media shall pay the total contract sum relating to the purchase of advertising airtime at and/or sponsoring in cash by three instalments: (a) the 1st instalment of 10% the total contract sum being earnest deposit on or before 30 December 2008; (b) the 2nd to 3rd instalments of 50% of the total contract sum each on or before 30 December 2008 and 16 March 2009 respectively. The earnest deposit will be applied to partially set off against the amount of the 3rd instalment payable by CNHK Media.

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 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 total contract sum for purchasing advertising airtime at and/or sponsoring the programmes “Phoenix News Express” and “Financial Journal” by CNHK Media for the period from 1 January 2009 to 30 June 2009 is RMB17,956,250 (equivalent to HK\$20,380,344).

The 2009 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 2009 Contract.

The Directors (including the Independent Non-executive Directors) consider that the 2009 Contract was entered into in the ordinary and usual course of business of the Group, and the terms thereof and the total contract sum of RMB17,956,250 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As CMHKG is a substantial shareholder of the Company holding approximately 19.84 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 Listing Rules. The Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratio for the 2009 Contract are more than 0.1% but less than 2.5%, pursuant to Rule 14A.34(1) of the Listing Rules, the Transaction is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement 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.

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\$1.135. 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 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 the Stock Exchange
“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
“2009 Contract”	the advertising contract entered into between Shenzhou and CNHK Media dated 29 December 2008 relating to the purchase of advertising airtime by CNHK Media for the period from 1 January 2009 to 30 June 2009
“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 PRC

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“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
“Shenzhen”	神州電視有限公司 (Shenzhen 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 2009 Contract for the period from 1 January 2009 to 30 June 2009

By Order of the Board
LIU Changle
Chairman

Hong Kong, 29 December 2008

As at the date of this announcement, the board of Directors comprises Mr. LIU Changle (Chairman), Mr. CHUI Keung and Mr. WANG Ji Yan as the Executive Directors; Mr. LU Xiangdong, Mr. GAO Nianshu, Mr. Paul Francis AIELLO, Mr. LAU Yu Leung John and Mr. GONG Jianzhong as the Non-executive Directors; Dr. LO Ka Shui, Mr. LEUNG Hok Lim and Mr. Thaddeus Thomas BECZAK as the Independent Non-executive Directors. Dr. GAO Jack Qunyao is the Alternate Director to Mr. Paul Francis AIELLO and Mr. LAU Yu Leung, John.