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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**

Reference is made to the announcement of the Company dated 16 June 2004 relating, inter alia, to the Fox News Feed Services Agreement. The term of the Fox News Feed Services Agreement was three years from 26 July 2004 to 25 July 2007. After expiration of the term of the Fox News Feed Services Agreement, the News Corporation Group continued to provide the Services to the Group for fees calculated at the same rates as set out in the Fox News Feed Services Agreement until 31 December 2008.

Since the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules were on an annual basis more than 0.1% but less than 2.5%, the continuing connected transactions relating to the Services were subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

#### **FOX NEWS FEED SERVICES AGREEMENT**

Reference is made to the announcement of the Company dated 16 June 2004 relating, inter alia, to the Fox News Feed Services Agreement. Fox had provided the following services to the Group under the Fox News Feed Services Agreement:

- (1) to Phoenix HK and Phoenix InfoNews Channel:
  - (a) a non-exclusive license to subscribe to the Edge, including access to the Edge intranet web site and feeds and the right to air the Fox News Channel (these rights were also extended to Phoenix Chinese Channel and Phoenix Chinese News and Entertainment Channel);

- (b) (i) to use non-exclusively the office space including certain facilities in Fox's then existing Washington and New York Bureaus, and (ii) to access the workspace at Fox's existing Los Angeles, Chicago and Atlanta Bureaus subject to availability; and
  - (c) to access occasionally Fox's camera hook up at the United Nations, interview positions in various places in the United States and live shots from Fox's satellite truck positions for events that Fox was already covering, subject to availability;
- (2) to Phoenix HK and Phoenix North America Chinese Channel a non-exclusive license to subscribe to the Edge, including access to the Edge intranet web site and feeds; and
- (3) Fox might from time to time, at the request of Phoenix HK, provide additional services and/or facilities (other than the services in (1) and (2) above) to Phoenix HK upon such terms and at such fees as the parties might agree on a case by case basis.

The term of the Fox News Feed Services Agreement was three years from 26 July 2004 to 25 July 2007. After expiration of the term of the Fox News Feed Services Agreement, the parties had negotiated for renewal thereof but no agreement was entered into by the parties. In order to avoid discontinuity with the services offered by the Group, the Group kept on using the Services provided by the News Corporation Group after arm's length negotiations between the parties. For the period from 26 July 2007 to 31 December 2008, the News Corporation Group continued to provide the Services to the Group for fees calculated at the same rates as set out in the Fox News Feed Services Agreement. Such rates were generally in line with the market prices of similar services provided by other service providers.

The Directors (including the independent non-executive Directors) consider that the transactions relating to the Services were entered into in the ordinary and usual course of business of the Group and the terms thereof were normal commercial terms, and were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The amount of fees paid by Phoenix HK to the News Corporation Group for the Services for the financial years ended 31 December 2007 and 2008 were approximately HK\$3,719,000 and HK\$2,618,309 respectively. Since the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules were on an annual basis more than 0.1% but less than 2.5%, the continuing connected transactions relating to the Services were subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under 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.

Fox is a 24-hour all news cable channel which is currently available to U.S. cable and direct broadcast service households. Fox, through its Fox News Edge service, licenses news feeds to affiliates of Fox and other subscribers to use as part of local news telecasts. News Corporation is the ultimate holding company of Xing Kong Chuan Mei Group Co., Ltd., which in turn owns approximately 17.58% interest in the Company. As Fox is a subsidiary of News Corporation, Fox is a connected person of the Company under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“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
“Directors”	the directors of the Company, including the independent non-executive directors
“Edge”	Fox’s news service, currently entitled Fox News Edge, including news stories, daily feeds and special news on various topics
“Fox”	Fox News Network, L.L.C., which is a subsidiary of News Corporation
“Fox News Channel”	a 24-hour United States domestic cable news channel operated by Fox currently entitled the Fox News Channel
“Fox News Feed Services Agreement”	the agreement entered into between Phoenix HK and Fox on 15 June 2004 for a term of 3 years whereby Fox shall provide news feed services, office space and other ancillary services to the Group
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Sock Exchange

“News Corporation”	The News Corporation Limited, the ultimate holding company of Xing Kong Chuan Mei Group Co., Ltd., which in turn owns approximately 17.58% interest in the Company
“News Corporation Group”	News Corporation and its subsidiaries
“Phoenix Chinese Channel”	a general entertainment television channel operated by the Group and targeting audiences across Asia, South East Asia, Australia and the Middle East
“Phoenix Chinese News and Entertainment Channel”	a general entertainment television channel operated by the Group and targeting Chinese audiences in Europe
“Phoenix HK”	Phoenix Satellite Television Company Limited, a wholly-owned subsidiary of the Company
“Phoenix InfoNews Channel”	a news television channel operated by the Group and covering about 150 countries with audiences across Asia, South East Asia, Australia, the Middle East, North America and etc.
“Phoenix North America Chinese Channel”	a general entertainment channel operated by the Group and targeting Chinese audiences in North America
“PRC”	the People’s Republic of China
“Services”	services provided by Fox to the Group as described in the Fox News Feed Services Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**LIU Changle**  
*Chairman*

Hong Kong, 26 March 2009

*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. Mr. GAO Jack Qunyao is the Alternate Director to Mr. Paul Francis AIELLO and Mr. LAU Yu Leung, John.*