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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 TRANSACTION

On 5 May 2009, Phoenix HK through Shenzhou entered into the New Contract with CNHK Media. CNHK Media has entered into the New Contract for the ultimate benefits of the CMCC Group.

The New Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules and, by itself, is subject to the reporting and announcement requirements of the Listing Rules only. However, based on aggregation with the transaction under the 2009 Contract, the New Transaction is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

A circular containing, inter alia, further details of the New 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.

NEW CONTRACT

Reference is made to the announcement of the Company dated 29 December 2008 relating to the 2009 Contract. As the transaction contemplated under the 2009 Contract will expire by 30 June 2009 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 has entered into the New Contract with CNHK Media on 5 May 2009.

Pursuant to the New Contract, CNHK Media shall purchase advertising airtime at and/or sponsoring the programme “Phoenix News Express” on the Phoenix Chinese Channel and the programme “Financial Journal” on the Phoenix InfoNews Channel for the period from 1 July 2009 to 31 December 2009 for the sum of RMB17,956,250 (equivalent to HK\$20,380,344) for promoting the CMCC Group.

To the best of the Directors’ knowledge, information and belief 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” and “Financial Journal” by CMCC’s said advertising agent for the benefit and on behalf of the CMCC Group. As such, CNHK Media has entered into the New Contract for the ultimate benefits of the CMCC Group.

Under the New Contract, CNHK Media shall pay such sum of RMB17,956,250 (equivalent to HK\$20,380,344) by three instalments: (a) the 1st instalment of RMB1,795,625 (equivalent to HK\$2,038,034) being 10% of the total contract sum as earnest deposit on or before 30 June 2009; (b) the 2nd instalment of RMB8,978,125 (equivalent to HK\$10,190,172) being 50% of the total contract sum on or before 30 June 2009, and (c) the 3rd instalment of RMB8,978,125 (equivalent to HK\$10,190,172) being the remaining 50% of the total contract sum on or before 16 October 2009. The earnest deposit will be applied to partially set off against the amount of the 3rd instalment payable by CNHK Media. If the New Contract and the transaction contemplated thereunder have not been approved by the Independent Shareholders by 30 June 2009, the New Transaction shall be terminated immediately. In such event, any sum paid by CNHK Media under the New Contract will be refunded to it without interest.

Shenzhou, CNHK Media and CMCC’s said advertising agent, to the best of the Directors’ knowledge, information and belief 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 NEW 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.

Under the 2009 Contract, the aggregate contract sum for purchasing advertising airtime at and/or sponsoring the programmes (i) “Phoenix News Express” broadcasted on the Phoenix Chinese Channel and (ii) “Financial Journal” broadcasted on Phoenix InfoNews

Channel for the period from 1 January 2009 to 30 June 2009 is RMB17,956,250 (equivalent to HK\$20,380,344).

The New 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 the New Contract. The contract sum under the New Contract is RMB17,956,250 (equivalent to HK\$20,380,344) which was determined by reference to i) 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; and ii) the duration of advertising airtime purchased by CNHK Media under the 2009 Contract in the first half of 2009. When aggregated with the contract sum of the 2009 Contract of RMB17,956,250 (equivalent to HK\$20,380,344), the maximum aggregate cap amount is RMB35,912,500 (equivalent to HK\$40,760,688).

The Directors (excluding the independent non-executive Directors whose opinion will be included in the circular to be despatched to the Shareholders) consider that the New 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 LISTING RULES

As CMHKG is a substantial shareholder of the Company holding approximately 19.84% issued share capital of the Company through its wholly-owned subsidiary, CMCC being the ultimate holding company of CMHKG is a connected person of the Company under the Listing Rules. The New Transaction constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. Each of the applicable percentage ratios for the New Transaction by itself is less than 2.5%. However, pursuant to Rule 14A.27 of the Listing Rules, the transactions contemplated under the 2009 Contract and the New Contract are aggregated for the purpose of calculating the applicable percentage ratios. As the revenue ratios under the 2009 Contract and the New Contract are in aggregate more than 2.5%, the New Transaction is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

The Company will convene the EGM for the purpose of seeking the approval of the Independent Shareholders for the New Transaction. According to the Listing Rules, CMCC and its associates will abstain from voting in respect of the resolution relating to the New 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 New 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 New Transaction.

A circular containing, inter alia, further details of the New 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 services provider in the PRC, providing mobile telecommunications and related services in all 31 provinces, autonomous regions and directly-administered municipalities 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

“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)
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the New Contract and the transaction contemplated thereunder
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Contract”	the advertising contract entered into between Shenzhou and CNHK Media dated 5 May 2009 relating to the purchase of advertising airtime by CNHK Media for the period from 1 July 2009 to 31 December 2009
“New Transaction”	the transaction contemplated under the New Contract for the period from 1 July 2009 to 31 December 2009
“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
“%”	per cent.

By Order of the Board
LIU Changle
Chairman

Hong Kong, 5 May 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.