

Corporate Governance Report

企業管治報告書

Phoenix Satellite Television Holdings Limited (the “Company”) is committed to ensuring high standards of corporate governance in the interests of the shareholders of the Company (“Shareholders”) and devotes considerable effort to identifying and formalising best practices.

Corporate Governance Practices

The Company adopted its own code on corporate governance, which combined its existing principles and practices with most of the mandatory provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) – all with the objective of taking forward a corporate governance structure which builds on Phoenix’s own standards and experience, whilst respecting the benchmarks set in the Code.

The board (the “Board”) of directors of the Company (the “Directors”) monitored the progress on corporate governance practices of the Company throughout the year under view. The following summarises the corporate governance practices of the Company and explanations of deviations from the Code.

Unless otherwise disclosed herein, the Company has, throughout the year ended 31 December 2008, complied with the Code.

Distinctive Roles of Chairman and Chief Executive Officer

Code Provisions

Under the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Deviation and its Reasons

Mr. LIU Changle is both the chairman and chief executive officer of the Company since its incorporation. He is responsible for managing the Board and the businesses of the Company and its subsidiaries (collective, the “Group”).

On 26 November 2008, Mr. LIU entered into a non-competition deed taking effect on 5 December 2008 in favour of the Company in order to manage any potential competing interest with the Group. Details were set out in the announcement of the Company dated 26 November 2008.

鳳凰衛視控股有限公司(「本公司」)承諾確保達致高水準的企業管治，以符合本公司股東(「股東」)的利益，並竭力確定及制定最佳常規。

企業管治常規

本公司已採納其本身的企業管治守則，並將其現有原則及常規與香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載的企業管治常規守則(「該守則」)的大部份強制性條文合併——一切旨在構建鳳凰衛視本身的標準及經驗的企業管治架構，同時以該守則所載基準為準。

本公司董事(「董事」)會(「董事會」)於整個回顧年度內監控本公司的企業管治常規進展。下文概述本公司的企業管治常規，並闡釋偏離該守則的地方。

除本文另有披露外，本公司於截至二零零八年十二月三十一日止整個年度內均一直遵守該守則。

主席及行政總裁的獨有角色

守則條文

根據該守則，主席及行政總裁的角色應有區分且不應由同一人兼任。主席與行政總裁之間的職責分工須清晰訂明並以書面形式列載。

偏離及其原因

劉長樂先生自本公司註冊成立以來即一直擔任本公司主席兼行政總裁，負責管理董事會與本公司及其附屬公司(統稱為「本集團」)的業務。

為管理與本集團之間的任何潛在競爭權益，劉先生於二零零八年十一月二十六日以本公司為受益人訂立不競爭契約，該契約於二零零八年十二月五日生效。詳情載於本公司日期為二零零八年十一月二十六日的公告。

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Distinctive Roles of Chairman and Chief Executive Officer (Continued)

Deviation and its Reasons (Continued)

He has also unconditionally and irrevocably undertaken to the Company that he shall use his best endeavours to procure that his associates and the respective employees of his associates (except for those within the Group) observe the restrictions and undertakings contained in the Non-Competition Deed.

The Board considers that Mr. LIU's invaluable experience in the broadcasting industry is a great benefit to the Group. Through the supervision of the Board and the audit committee, balance of power and authority can be ensured and there is no imminent need to change the arrangement.

Appointments, Re-election and Removal Code Provisions

Under the Code, (i) non-executive directors should be appointed for a specific term, subject to re-election; and (ii) all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Deviation and its Reasons

Apart from the two executive Directors, Mr. LIU Changle and Mr. CHUI Keung, no other Directors are currently appointed with specific terms. According to the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation, but the chairman of the Board and/or the managing director shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. As such, with the exception of the chairman, all Directors are subject to retirement by rotation. The Board considers that there is no imminent need to amend the articles of association of the Company.

主席及行政總裁的獨有角色 (續)

偏離及其原因 (續)

劉先生亦無條件及不可撤回地向本公司承諾，彼將竭盡全力促使其聯繫人士及其聯繫人士的各僱員（本集團的各僱員除外）遵守不競爭契約所載的限制及承諾。

董事會認為，劉先生於廣播行業的寶貴經驗對本集團極為有利。透過董事會及審核委員會的監管，可確保權力及職權平衡，並無即時需要改變該安排。

委任、重選及免職

守則條文

根據該守則，(i)非執行董事應有指定任期（可予重選）；及(ii)所有為填補臨時空缺而獲委任的董事應在獲委任後的首次股東大會上接受股東選舉。每位董事（包括按指定任期獲委任者）須至少每三年輪值告退一次。

偏離及其原因

除兩位執行董事劉長樂先生及崔強先生以外，現時其他董事均沒有指定任期。根據本公司章程細則，於各股東週年大會上，當時的三分之一董事（或若其數目並非三(3)的倍數，則為最接近但不超過三分之一者）須輪值告退，惟董事會主席及／或董事總經理在任職期間毋須輪值告退，亦毋須計入每年須告退的董事人數內。因此，除主席外，所有董事均須輪值告退。董事會認為並無即時需要修訂本公司章程細則。

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Directors' Securities Transactions

The Company has adopted the required standard of dealings as set out in rules 5.48 to 5.67 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange and Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors, before and after the transfer of listing of its shares on the Main Board on 5 December 2008 respectively.

Having made specific enquiry of all Directors, the Directors have complied with the above-mentioned required standards of dealings regarding directors' securities transactions throughout the year ended 31 December 2008.

The Company has also adopted a code of conduct governing securities transactions by employees of the Group who may possess or have access to price sensitive information in relation to the Group or its securities.

Board of Directors

The Board is responsible for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company affairs.

The Board currently comprises three executive directors, five non-executive Directors and three independent non-executive Directors. Their brief biographical details are described in the annual report.

The Company considers that all of the independent non-executive Directors are independent and has received from each of the independent non-executive Directors the annual confirmation of independence required by the Listing Rules.

The Board meets at least four times a year to review the financial and operating performance of the Group.

董事的證券交易

於二零零八年十二月五日其股份轉往主板上市買賣前後，本公司已分別採納聯交所創業板上市規則第5.48條至第5.67條所載的規定買賣標準及上市規則附錄十所載的「董事進行證券交易的標準守則」，作為董事進行證券交易的操守指引。

經向所有董事作出特定查詢後，董事於截至二零零八年十二月三十一日止整個年度內一直遵守上述有關董事進行證券交易的規定買賣標準。

本公司亦已採納對可能擁有或獲得有關本集團或其證券股價敏感資料的本集團僱員所進行的證券交易施行監管的守則。

董事會

董事會負責領導及監控本公司，並共同負責指導及監督本公司事務以促使本公司繼續成功發展。

董事會現由三位執行董事、五位非執行董事及三位獨立非執行董事組成。董事會各位成員的履歷簡介載於年報。

本公司認為所有獨立非執行董事均為獨立人士，並已收到各位獨立非執行董事發出上市規則所規定的年度獨立確認書。

董事會每年至少會舉行四次會議，以檢討本集團的財政及經營表現。

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Board of Directors (Continued)

There were four Board meetings held in the financial year ended 31 December 2008. Individual attendance of each Board member at these meetings is as follows:

董事會 (續)

本公司已於截至二零零八年十二月三十一日止財政年度內舉行了四次董事會會議。各位董事會成員於該等會議上的個人列席情況如下：

Name of Director	董事姓名	Attended/ Eligible to attend 已列席／合資格列席
<i>Executive Directors</i>		
Mr. LIU Changle (Chairman & CEO)	劉長樂先生 (主席兼行政總裁)	3/4
Mr. CHUI Keung	崔強先生	3/4
Mr. WANG Ji Yan	王紀言先生	3/4
<i>Non-executive Directors</i>		
Mr. LU Xiangdong	魯向東先生	1/4
Mr. GAO Nianshu	高念書先生	3/4
Mr. Paul Francis AIELLO	Paul Francis AIELLO先生	1/4
Mr. LAU Yu Leung, John	劉禹亮先生	4/4
Mr. GONG Jianzhong	龔建中先生	1/4
<i>Independent Non-executive Directors</i>		
Dr. LO Ka Shui	羅嘉瑞醫生	4/4
Mr. LEUNG Hok Lim	梁學濂先生	4/4
Mr. Thaddeus Thomas BECZAK	Thaddeus Thomas BECZAK先生	4/4
<i>Alternate Director</i>		
Mr. GAO Jack Qunyao (appointed on 10 December 2008)	高群耀先生 (於二零零八年十二月十日獲委任)	0/0

During regular meetings of the Board, the Directors discussed and formulated the overall strategies of the Group, reviewed and monitored the business and financial performances and discussed the quarterly, half-yearly and annual results, as well as discussed and decided on other significant matters.

在董事會的定期會議期間，董事會商討並制定本集團的整體策略，檢討及監察有關業務及財務表現，並討論季度、半年度及年度業績，以及商討決定其他重大事宜。

The management is responsible for the day-to-day operations of the Group. For significant matters that are specifically delegated by the Board, the management must report back to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group.

管理層負責本集團的日常經營業務。至於董事會所特指的重大事宜，管理層須在代表本集團作出決定或訂立任何契約前先行向董事會報告並取得董事會的事先批准。

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Board Committees

Audit Committee

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions set out in the Code.

The primary duties of the audit committee are to review the Company's annual report and accounts, half-yearly report and quarterly reports and to provide advices and comments thereon to the Board. The audit committee meets at least four times a year with management to review the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters.

The audit committee currently comprises one non-executive Director, namely Mr. LAU Yu Leung, John and three independent non-executive Directors, namely Mr. Thaddeus Thomas BECZAK (Chairman of the audit committee), Dr. LO Ka Shui and Mr. LEUNG Hok Lim.

The audit committee held four meetings in 2008. Details of the attendance record of the audit committee meetings are as follows:

Name of Director	董事姓名	Attended/ Eligible to attend 已列席／合資格列席
<i>Independent Non-executive Directors</i>		
Mr. Thaddeus Thomas BECZAK (Chairman)	Thaddeus Thomas BECZAK先生 (主席)	4/4
Dr. LO Ka Shui	羅嘉瑞醫生	4/4
Mr. LEUNG Hok Lim	梁學濂先生	4/4
<i>Non-executive Director</i>		
Mr. LAU Yu Leung, John	劉禹亮先生	4/4

The audit committee reviewed the Group's audited results for the year ended 31 December 2008 with management and the Company's external auditors and recommended its adoption by the Board.

董事委員會

審核委員會

本公司已成立審核委員會，其職權範圍是根據香港會計師公會建議的指引及該守則所載的強制性條文以書面方式釐定。

審核委員會主要負責審議本公司的年報及賬目、半年度業績報告及季度業績報告，以及就此向董事會提供意見及建議。審核委員會每年至少舉行四次會議，與管理層一起審議本集團所採納的會計原則及慣例，並商討審核、內部監控和財務申報事宜。

審核委員會現由一名非執行董事劉禹亮先生及三名獨立非執行董事Thaddeus Thomas BECZAK先生(審核委員會主席)、羅嘉瑞醫生及梁學濂先生組成。

審核委員會於二零零八年舉行了四次會議。各位委員會成員於該等會議上的個人列席情況如下：

審核委員會已與管理層及本公司的外聘核數師一起審議了本集團截至二零零八年十二月三十一日止年度的經審核業績，並建議董事會採納。

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Board Committees (Continued)

Remuneration Committee

The Company established the remuneration committee with written terms of reference in alignment with the mandatory provisions set out in the Code.

The principal responsibilities of the remuneration committee include making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management staff of the Company.

The remuneration committee now comprises two non-executive Directors, namely Mr. GAO Nianshu and Mr. LAU Yu Leung John and three independent non-executive Directors, namely Dr. LO Ka Shui, Mr. LEUNG Hok Lim and Mr. Thaddeus Thomas BECZAK.

In 2008, the remuneration committee recommended to the Board the bonus payments and increment in salary and housing allowance (if any) for the executive Directors and senior management staff by way of written resolutions passed by all the committee members.

Ad Hoc Committee

The Company has adopted the terms of reference of the ad hoc committee to deal with ad hoc matters, which set out detailed directions as to the powers delegated to the ad hoc committee. Any two Directors shall form a quorum for the transaction of business.

Directors' and Auditors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Group.

The Directors' responsibilities in the preparation of the financial statements and the auditors' responsibilities are set out in the Independent Auditors' Report.

董事委員會 (續)

薪酬委員會

本公司已成立薪酬委員會，委員會以書面列明職權範圍，以符合該守則所載的強制性條文。

薪酬委員會的主要職責包括向董事會提供有關本公司所有董事及高級管理人員薪酬的政策及架構的建議，並檢討本公司全體執行董事及高級管理人員的特定酬金組合。

薪酬委員會現包括兩名非執行董事高念書先生及劉禹亮先生以及三名獨立非執行董事羅嘉瑞醫生、梁學濂先生及Thaddeus Thomas BECZAK先生。

於二零零八年，薪酬委員會以全體委員會成員通過書面決議案方式向董事會建議有關執行董事及高級管理人員的花紅及增加薪金及房屋津貼(如有)。

特別委員會

本公司已採納特別委員會的職權範圍(其載有關授予特別委員會權力的詳盡指示)，以處理特別事宜。就任何事務而言，任何兩名董事均可構成法定人數。

董事及核數師的財務報表責任

董事確認彼等負責編製本集團的財務報表。

董事編製財務報表的責任及核數師的責任均載於獨立核數師報告書內。

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Internal Control

The Board has overall responsibility for the establishment, maintenance and review of the Group's system of internal control. Pursuant to the Code Provision C.2.1, the Board conducted a review on the effectiveness of the Group's system of internal control and considered that the system was effective.

During 2008, the Board, through the audit committee and with the assistance of an external advisor, reviewed the effectiveness of the Group's system of internal control. A risk assessment workshop with senior management was held and testing was also performed on material controls using management control self-assessments.

External Auditor

PricewaterhouseCoopers ("PwC") has been appointed as the external auditor of the Company by Shareholders at the annual general meeting.

The remuneration in respect of services provided by PwC for the Group is analysed as follows:

內部監控

董事會全面負責本集團內部監控系統的建立、維護及檢討。根據守則條文第C.2.1條，董事會已就本集團內部監控系統的有效性進行檢討，並認為該系統仍為有效。

於二零零八年，董事會已透過審核委員會及外聘顧問的協助，就本集團內部監控系統的有效性進行檢討。高級管理層已舉行風險評估小組會議，本集團亦使用管理監控自評進行重大監控的測試。

外聘核數師

羅兵咸永道會計師事務所(「羅兵咸永道」)已於股東週年大會上獲本公司股東委任為本公司的外聘核數師。

羅兵咸永道為本集團所提供服務的酬金分析如下：

		31 December 2008 二零零八年 十二月三十一日 HK\$ 港元	31 December 2007 二零零七年 十二月三十一日 HK\$ 港元
Audit Service	審核服務	3,020,000	2,835,000
Tax Service	稅務服務	699,000	867,000
Advisory Service	顧問服務	1,570,000	700,000
Total	總計	5,289,000	4,402,000

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Investor Relations

The Board puts a high regard on investor relationship in particular, fair disclosure and comprehensive and transparent reporting of the Group's performance and activities.

Shareholders are encouraged to attend the annual general meeting of the Company ("AGM") and the Directors always makes efforts to fully address any questions raised by the shareholders at the AGM.

There was no change in the articles of association of the Company during the year under review.

The Company provides extensive information about Phoenix to the investors and potential investors through the Company website www.ifeng.com. Hard copies of the annual report, half-year report and quarterly report (if any) are sent to all the Shareholders, which are also available on the company website and the professional investor relation website on www.irasia.com/listco/hk/phoenixtv.

Conclusion

The Company strongly believes that good corporate governance can safeguard the effective allocation of resources and protect Shareholders' interest and the management tries to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

On behalf of the Board

LIU Changle

Chairman

13 March 2009

投資者關係

董事會高度重視投資者關係，特別是對本集團表現及業務作出公平披露以及全面而具透明度的報告。

本公司鼓勵股東出席本公司的股東週年大會（「股東週年大會」），且董事總是盡力解答股東於股東週年大會上所提出的任何問題。

於回顧年度內，本公司的組織章程細則並無改變。

本公司透過本公司網站www.ifeng.com向投資者及潛在的投資者提供有關鳳凰衛視的廣泛資料。本公司向所有股東發送年報、中期報告及季度報告（如有）的印刷本，且該等資料可從本公司網站及專業投資者關係網站www.irasia.com/listco/hk/phoenixtv獲得。

結論

本公司堅信，良好的企業管治可保障資源的有效分配及維護股東利益，而管理層將會盡力維持、加強及改善本集團企業管治的標準及質素。

代表董事會

主席

劉長樂

二零零九年三月十三日