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*This announcement includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.*



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 on GEM: 8002)**

**(Stock Code on Main Board: 2008)**

### **TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

On 23 September 2008, the Company made an application to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 4,954,412,000 Shares in issue; and (ii) the 48,076,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the GEM Share Option Schemes, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval in principle for the Transfer of Listing was granted by the Stock Exchange on 26 November 2008.

The last day of dealings in the Shares on GEM is 4 December 2008. Dealings in the Shares on the Main Board (Stock code: 2008) will commence at 9:30 a.m. on 5 December 2008.

## **TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD**

On 23 September 2008, the Company made an application to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 4,954,412,000 Shares in issue; and (ii) the 48,076,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the GEM Share Option Schemes, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval in principle for the Transfer of Listing was granted by the Stock Exchange on 26 November 2008.

All pre-conditions for the Transfer of Listing as set out under Rule 9A.02 of the Listing Rules have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

### **REASONS FOR THE TRANSFER OF LISTING**

The Company has been listed on GEM since 30 June 2000. The Group is principally engaged in the provision of satellite television broadcasting activities.

The Directors believe that listing of the Shares on the Main Board will enhance the corporate image of the Group and could improve trading liquidity of the Shares. The Directors also consider that listing of the Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group. As at the date of this announcement, no plan of change in nature of businesses of the Group following the Transfer of Listing is contemplated by the Directors.

The Transfer of Listing will not involve issue of any new Shares by the Company.

### **DEALINGS IN THE SHARES ON THE MAIN BOARD**

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 30 June 2000, the date on which the Shares were first listed on GEM. Subject to the continued compliance with the stock admission requirements on HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS once dealings in the Shares on the Main Board commence. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM is 4 December 2008. Dealings in the Shares on the Main Board (Stock code: 2008) will commence at 9:30 a.m. on 5 December 2008.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change will be made to the share certificate, the board lot size, which is 2,000 Shares each, the trading currency of the Shares, which is Hong Kong dollars and the branch share registrar of the Company in Hong Kong, which is Hong Kong Registrars Limited.

### **GEM SHARE OPTION SCHEMES**

As at the date of this announcement, outstanding options that had been granted pursuant to the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme would entitle the holders thereof to subscribe for 28,210,000 Shares and 19,866,000 Shares respectively. The scheme period of the Pre-IPO Share Option Scheme expired upon the listing of the Shares on GEM. Pursuant to the terms of the Post-IPO Share Option Scheme, the operation of the Post-IPO Share Option Scheme was conditionally terminated by the committee of Directors on 26 November 2008. Upon the listing of the Shares being transferred from GEM to the Main Board, termination of the Post-IPO Share Option Scheme will become effective and no further options may be offered or granted thereunder. All the outstanding options previously granted but unexercised under the GEM Share Option Schemes will remain valid and exercisable in accordance with their terms of issue after the Transfer of Listing.

The Company proposes to seek approval of the Shareholders to adopt a new share option scheme which will comply with the requirements of Chapter 17 of the Listing Rules as soon as practicable after the Transfer of Listing.

### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

The general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 20 June 2008 will remain valid and with effect when the listing of the Shares is transferred to the Main Board until the earliest of:-

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting.

## COMPETING INTERESTS

Today's Asia Limited has interests in approximately 37.42% of the share capital of the Company. Today's Asia Limited, together with its shareholder, Mr. LIU, are deemed to be the management shareholders of the Company as defined under the GEM Listing Rules.

Mr. LIU and Mr. CHAN Wing Kee beneficially own 93.3% and 6.7% respectively of Today's Asia Limited, which holds 100% of Vital Media Holdings Limited. Vital Media Holdings Limited holds 100% of Dragon Viceroy Limited which in turn beneficially holds approximately 26.85% of ATV. Primarily aiming at audiences in Hong Kong, ATV broadcasts its programmes via terrestrial transmission through two channels, one in Cantonese and the other in English. Signals of such two channels can also be received in certain parts of Guangdong Province of the PRC. In August 2002, ATV received the approval from the authorities in the PRC to broadcast its Home and World channels through the cable system in the Pearl Delta of Guangdong. ATV was also granted a non-domestic television programme service license in May 2004, in addition to its existing domestic free television programme service license. Commencing from 31 December 2007, in addition to the two channels mentioned in the foregoing, ATV launched six digital channels including one CCTV-4 Channel.

The Company understands that the injection of the Excluded Business into the Group will very likely require approval of the competent authorities in Hong Kong under the applicable laws and regulations. As such, the Excluded Business is excluded from the Group.

The Directors consider that the Group is capable of carrying on its businesses independently of, and at arm's length from the Excluded Business as (i) Today's Asia Limited is only an investor in ATV and Mr. LIU has no management role or responsibility in ATV; (ii) none of the Directors is a director in ATV, and the board of Directors operates independently from the board of directors of ATV; and (iii) the Group is not operationally or financially dependent on ATV.

The Directors are not aware of any plan of the controlling shareholder of the Company to inject the Excluded Business into the Group. If there is any change in such circumstances, the Company will comply with the relevant requirements under the Listing Rules.

Further, STAR engages in the development, production and broadcasting of television programming to 53 countries throughout Asia. STAR's programming is distributed primarily via satellite to local cable and direct-to-home operators for distribution to their subscribers. STAR currently offers the following Chinese-language channels including Channel [V] Mainland China, Channel [V] Taiwan, Star Chinese Movies and Xing Kong. Mr. Paul Francis AIELLO and Mr. LAU Yu Leung, John, non-executive Directors, are directors of some of the companies in STAR.

The Directors consider that the Group is capable of carrying on its businesses independently of, and at arm's length from STAR as (i) Mr. Paul Francis AIELLO and Mr. LAU Yu Leung, John are non-executive Directors who do not participate in the day-to-day operation and management of the businesses of the Group; (ii) according to Article 103 of the Articles of Association of the Company, a Director shall not vote (nor be counted in the quorum) on any resolution of the board of Directors approving any contract or arrangement or any other proposal in which he or any of his associate(s) is materially interested; (iii) the Group is not financially dependent on STAR; and (iv) although the Group is currently relying on certain services provided by STAR in performing its operation, the Group is able to find a replacement for such services when necessary.

Save as disclosed above, none of the Directors or controlling shareholder of the Company has any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 9A.09(10) of the Listing Rules.

#### **NON-COMPETITION UNDERTAKING**

In order to manage any potential competing interest between the Group and Mr. LIU, Mr. LIU has entered into the Non-Competition Deed in favour of the Company which will take effect upon the Transfer of Listing. Pursuant to the Non-Competition Deed, Mr. LIU has unconditionally and irrevocably undertaken to and covenanted with the Company (for itself and as trustee for each of the other members of the Group) that as long as (i) the securities of the Company are and remain listed on the Stock Exchange and (ii) he and/or his associate(s) is/are a controlling shareholder of the Company, he shall not, and shall use his best endeavours to procure that none of his associates (other than the Group), shall, carry on, participate or be engaged, concerned or interested, directly or indirectly, either for his/its own account or for any other person and whether as shareholder other than as a Shareholder, partner, agent or otherwise, in any of satellite television broadcasting, program production, program licensing and distribution, channel operations, outdoor advertising services on giant-sized LED (light-emitting diode) panels, multi-media business, and other related activities which competes or may compete directly or indirectly with the businesses carried on by the Group from time to time unless and until the Group ceases to carry on or be engaged in such businesses.

Such proposed non-competition undertakings of Mr. LIU shall not extend to the holding directly or indirectly of the following by Mr. LIU and/or any of his associates:

- (a) any interest in ATV; or
- (b) any interest in any company engaged in such competing businesses described above, provided that the amount of such interest (i) does not exceed 5% of the issued share capital of such company (if the company is listed on a stock exchange) or (ii) does not exceed 20% of the issued share capital of such company (if the company is not listed on a stock exchange); or
- (c) any interest in the securities of the Group.

Mr. LIU has further 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.

#### **RELATED PARTY TRANSACTIONS WITH ATV**

The Group has entered into certain related party transactions with ATV and its associates, details of which have, pursuant to the applicable reporting requirements under the GEM Listing Rules, been disclosed in the published annual reports of the Company for the relevant reporting periods. Notwithstanding the existence of such related party transactions, given that such related party transactions are of insignificant value and replaceable, the Directors consider that the Group is capable of carrying on its businesses independently of, and at arm's length from, ATV and its associates.

#### **CONTINUING CONNECTED TRANSACTIONS WITH STAR**

The Group has entered into certain continuing connected transactions with Star Group Limited and its associates, details of which have, pursuant to the applicable reporting requirements under the GEM Listing Rules, been disclosed in the published annual reports of the Company for the relevant reporting periods. Notwithstanding the existence of such continuing connected transactions, for the reasons set out under the section headed "Competing Interests" of this announcement, the Directors consider that the Group is capable of carrying on its businesses independently of, and at arm's length from, Star Group Limited and its associates.

#### **DOCUMENTS AVAILABLE FOR VIEWING**

The following documents are available for viewing on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at <http://www.ifeng.com>:-

- (a) the annual report of the Company for the year ended 31 December 2007 including, inter alia, directors' report and financial statements for the year ended 31 December 2007;
- (b) the interim report of the Company for the six months ended 30 June 2008 and the third quarterly report of the Company for the nine months ended 30 September 2008;
- (c) the Memorandum and Articles of Association of the Company;
- (d) the circular of the Company dated 27 February 2007 in respect of continuing connected transaction involving sale of advertising airtime and/or sponsoring of programme being broadcasted on a channel operated by the Group, and re-election of Directors;



- (e) the circular of the Company dated 14 May 2007 for approving general mandates to allot and issue new Shares and repurchase Shares, and re-election of Directors;
- (f) the circular of the Company dated 17 July 2007 in respect of a discloseable transaction involving the Group's subscription of the enlarged registered capital in a joint venture company;
- (g) the circular of the Company dated 3 December 2007 in respect of continuing connected transaction involving sale of advertising airtime and/or sponsoring of programme being broadcasted on channels operated by the Group;
- (h) the circular of the Company dated 29 April 2008 in respect of a discloseable transaction involving capital contribution by the Group into a joint venture company;
- (i) the circular of the Company dated 7 May 2008 for approving general mandates to allot and issue new Shares and repurchase Shares, and re-election of Directors;
- (j) the circular of the Company dated 4 June 2008 for approving the share option scheme of a subsidiary of the Company and grant of options thereunder; and
- (k) the announcements and other corporate communications published by the Company prior to the date of this announcement as required under the GEM Listing Rules and the Listing Rules.

## **DEFINITIONS**

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

“ATV”	Asia Television Limited, a Hong Kong based television broadcasting company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Phoenix Satellite Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Directors”	the directors of the Company, including independent non-executive directors
“Excluded Business”	the business of ATV described under the section headed “Competing Interests” in this announcement

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM Share Option Schemes”	the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Mr. LIU”	Mr. LIU Changle
“Non-Competition Deed”	the deed of non-competition dated 26 November 2008 entered into between the Company and Mr. LIU
“Post-IPO Share Option Scheme”	the Post-IPO Share Option Scheme adopted by the Company on 7 June 2000 and amended from time to time
“PRC”	the People’s Republic of China
“Pre-IPO Share Option Scheme”	the Pre-IPO Share Option Scheme adopted by the Company on 7 June 2000 and amended from time to time
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company



“STAR”	Star Group Limited and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Listing”	the transfer of listing of the Shares from GEM to the Main Board

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

Hong Kong, 26 November 2008

*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](http://www.hkgem.com) for at least 7 days from the date of its posting, on the “Listed Company Information” page on the website of the Stock Exchange at <http://www.hkexnews.hk> and on the website of the Company at [www.ifeng.com](http://www.ifeng.com).*