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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: 8002)

DISCLOSEABLE TRANSACTIONS

The Directors announce that on 23 June 2006, Phoenix HK and Mission Hills entered into the Strategic Cooperation Agreement pursuant to which Phoenix HK shall through its resources and leading position in the media industry assist Mission Hills in the planning and promotion of the corporate image and branding of the Mission Hills Group and its projects.

On the same day, pursuant to the Strategic Cooperation Agreement, Phoenix HK and Mission Hills entered into the Barter Agreement whereby Mission Hills shall transfer the Property to Phoenix HK or its associated company at the price of HK\$98,044,669 in return for airtime for advertisements to be placed by the Mission Hills Group on satellite television channels operated by the Group for the sum of HK\$98,044,669.

The Transactions constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules. A circular containing further details of the Transactions will be sent to the Shareholders as soon as reasonably practicable.

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STRATEGIC COOPERATION AGREEMENT

Date

23 June 2006

Parties

- (1) Phoenix HK, wholly-owned subsidiary of the Company
- (2) Mission Hills, an Independent Third Party, is engaged in the businesses of golf, real estate development, hotel and leisure sports

Strategic Cooperation

Mission Hills shall transfer the title, rights and interests in the Property to Phoenix HK or its associated company at the price of HK\$98,044,669 in accordance with the terms of the Barter Agreement. Phoenix HK in return shall provide airtime for advertisements to be placed by the Mission Hills Group on satellite television channels operated by the Group for the sum of HK\$98,044,669 at rate no more favourable than other customers of the Group. Phoenix HK shall also through its resources and the leading position in the media industry assist Mission Hills in the planning and promotion of the corporate image and branding of the Mission Hills Group and its projects. The parties will enter into more specific agreement(s) pursuant to the Strategic Cooperation Agreement relating to the more detailed advertising and promotional arrangement and cooperation. The term of the Strategic Cooperation Agreement shall be 5 years from the date thereof.

BARTER AGREEMENT

Pursuant to the Strategic Cooperation Agreement, Phoenix HK and Mission Hills have entered into the Barter Agreement.

Date

23 June 2006

Parties:

- (1) Phoenix HK
- (2) Mission Hills

Barter Arrangement

Mission Hills shall transfer the title, rights and interests in the Property to Phoenix HK or its associated company at the price of HK\$98,044,669. Phoenix HK in return shall provide airtime for advertisements to be placed by the Mission Hills Group on satellite television channels operated by the Group for a period of 5 years from the date of the Barter Agreement for the sum of HK\$98,044,669 at rate no more favourable than other customers of the Group. The phase of development of the Mission Hills in Residence including the Property was offered for sale in or about end of 2005 before which the Property had not been occupied by anyone. Therefore, the Property has not generated any income and/or profits for the last two years. The consideration under the Barter Agreement was arrived at after arm's length negotiation between Phoenix HK and Mission Hills.

According to a preliminary valuation of the Property conducted by J & M Real Estate Appraise Trade Co., Ltd., the market value of the Property is over HK\$98,044,669. Further details of the valuation of the Property will be provided in the circular to be despatched to the Shareholders. J & M Real Estate Appraise Trade Co., Ltd. was established in or about 1996 and is one of the top ten ranking real estate valuers in Shenzhen, the PRC.

Other Terms

The parties shall enter into a separate real estate transfer contract and to conduct the relevant registration and approval procedures at the competent governmental authorities in Shenzhen, the PRC. Phoenix HK shall be entitled to nominate its associated company to enter into such real estate transfer contract with Mission Hills.

Phoenix HK shall pay HK\$2,451,117 to Mission Hills, being 50% of the business tax incurred by Mission Hills in relation to the transfer of the Property on condition that Mission Hills shall deliver vacant possession of the Property to Phoenix HK or its associated company before 30 July 2006.

REASONS FOR THE TRANSACTIONS

The Mission Hills Group owns the Mission Hills Golf Club which has 10 world-class golf courses with 180 holes. The Mission Hills Group also engages in the businesses of real estate development, hotel and leisure sports. The Mission Hills Group will be a valuable customer to the Group. Under the Strategic Cooperation Agreement and the Barter Agreement, Phoenix HK will provide airtime for advertisements to be placed by the Mission Hills Group on satellite television channels operated by the Group for the sum of HK\$98,044,669. Instead of paying such amount in cash to Phoenix HK, Mission Hills will settle the same by transferring its title, rights and interests in the Property to the Group. By virtue of the rapid development of the real estate market in the Guangdong Province of the PRC, the Property will be a good long term investment for the Group. There is also no substantial cash outflow for the Group in the arrangement. As such, the Group agrees to the barter arrangement. Further, the capacity of the airtime for advertisements on the satellite television channels of the Group is not yet saturated. The entering into of the Strategic Cooperation Agreement and the Barter Agreement will maximize the benefits and return to the Shareholders. This is in line with the core business, business objective and strategies of the Company. The Property can also be used as a venue for marketing activities to be carried out by the Group from time to time. The Directors consider the terms of the Strategic Cooperation Agreement and the Barter Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION OF THE GROUP AND MISSION HILLS

The Group is a satellite television operator and, through its subsidiaries, is a leading satellite television operator broadcasting into the PRC.

Mission Hills is a member of the Mission Hills Group which in turn is the owner of the Mission Hills Golf Club which has 10 world-class golf courses with 180 holes. The Mission Hills Group also engages in the businesses of real estate development, hotel and leisure sports.

GENERAL

The Transactions constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules. A circular containing further details of the Transactions will be sent to the Shareholders as soon as reasonably practicable.

DEFINITIONS

“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Barter Agreement”	the barter agreement dated 23 June 2006 entered into between Phoenix HK and Mission Hills in relation to exchange of the Property with airtime for advertisements to be placed by the Mission Hills Group on satellite television channels operated by the Group

“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
“Director(s)”	the director(s) of the Company, including independent non-executive director(s)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 Third Party”	an independent third party which is (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 GEM Listing Rules
“Mission Hills”	Mission Hills Group Limited, a company incorporated in Hong Kong with limited liability
“Mission Hills Group”	the group of companies comprising Mission Hills, its holding companies, subsidiaries, associated companies, and fellow subsidiaries and associated companies of its holding companies
“Phoenix HK”	Phoenix Satellite Television Company Limited, a company incorporated in Hong Kong with limited liability
“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
“Property”	Villa (V5) E3, Mayfair District, Mission Hills in Residence, Mission Hills Golf Club, Shenzhen, the PRC
“Shareholder(s)”	holder(s) of ordinary shares of HK\$0.10 each in the issued share capital of the Company

“Strategic Cooperation Agreement”	the strategic cooperation agreement dated 23 June 2006 entered into between Phoenix HK and Mission Hills in relation to assisting Mission Hills in the planning and promotion of the corporate image and branding of the Mission Hills Group and its projects
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Strategic Cooperation Agreement and the Barter Agreement

By Order of the Board
LIU Changle
Chairman

Hong Kong, 23 June 2006

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 and Mr. CHUI Keung, the non-executive directors of the Company are Ms. Michelle Lee GUTHRIE, Mr. LAU Yu Leung John, Mr. CHEUNG Chun On Daniel, Mr. XU Gang (alternate director: Mr. GONG Jianzhong) and Mr. CHEUNG San Ping and the independent non-executive directors of the Company are Dr. LO Ka Shui, Mr. LEUNG Hok Lim and Mr. Thaddeus Thomas BECZAK .

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