

**PHOENIX SATELLITE TELEVISION HOLDINGS LTD:
SHOULD MINORITY SHAREHOLDERS BE A LITTLE UPSET ?**

Minority shareholders of [Phoenix Satellite Television Holdings Ltd \(\)](#) (Code: 2008, Main Board, The Stock Exchange of Hongkong Ltd), under ordinary circumstances, should have been elated on scanning their Company's announcement with regard to the Annual Results in respect of the Financial Year, ended December 31, 2013.

However, on closer examination of the announcement, minority shareholders might like to ponder quite a number of things that, to some people, might well appear fit into the category of being anomalous.

Phoenix Satellite Television announced that, for the 2013-Year, on a Turnover of about \$HK4.81 billion (2012: \$HK4.34 billion), the Company's Net Profit – which included an amount of about \$HK230.63 million, being Non-Controlling Interests – came in at approximately \$HK1.16 billion (2012: \$HK947 million).

The Turnover and the Net Profit were both record-high figures, the gains, being 10.84 percent and 22.77 percent, respectively.

The Net Profit Attributable to Shareholders of the Company was about \$HK932.39 million (2012: \$HK833.37 million), an increase, Year-On-Year, of about 11.88 percent.

With such impressive figures, one would think that minority shareholders would receive something very special by way of dividends.

Think again.

In fact, the Dividend Payout Ratio in respect of the 2013-Year was shaved down, relative to the Dividend Payment Ratio in respect of the 2012-Year.

Mr Liu Chang Le (), the Chairman of the Company, announced in his Statement to Shareholders:

'After considering the sustainable profitability of the Group's core television broadcasting business, the board of directors (the "Directors" or the "Board") recommends the payment of a final dividend of 5.1 Hong Kong cents per ordinary share of the Company ("Share") (final dividend for 2012 of 5.1 Hong Kong cents), totalling approximately HK\$254,857,000 to be payable to shareholders whose names appear on the register of members of the Company on 13 June 2014, Friday. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be payable on or around 27 June 2014, Friday.'

The above includes the amended Statement of the Chairman, following the publication of a '**CLARIFICATION ANNOUNCEMENT**' that was announced on Friday, March 14, 2014 – because the original Statement, contained in the Annual Results Announcement, was

partially in error.

Notwithstanding the ‘*inadvertent error*’ that was contained in the original Chairman’s Statement of Shareholders with regard to the closing date of the books of the registered members of the Company, entitling them to receive the Final Dividend, minority shareholders might be interested to learn that the Dividend Payout Ratio has been reduced from 2012-Year’s 30.56 percent to the 2013-Year’s 27.33 percent.

This is a reduction, Year-On-Year, of 10.57 percentile points.

While the Final Dividend payment of 5.10 cents per share remains the same, in terms of the Dividend Payout Ratio, it has been materially cut back.

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