

**PHOENIX SATELLITE TELEVISION HOLDINGS LTD:
OUCH OUCH OUCH!**

The recent release of the financial situation at publicly listed Phoenix Satellite Television Holdings Ltd () (Code: 2008, Main Board, The Stock Exchange of Hongkong Ltd) in respect of the six months, ended June 30, 2015, is a shocker, to be sure.

The company announced, among other things, that, for the first half of the Current Financial Year, the Loss Attributable to Shareholders came in at about \$HK23.10 million, compared with the Net Profit Attributable To Shareholders of about \$HK228.35 million with regard to the like period in 2014.

The Loss Attributable to Shareholders would have been substantially greater for the period under review had it not been a '*Fair value gain/(loss) on investment properties*'.

That fair-value gain was \$HK77,128,000.

In the like 2014 period, there was a fair-value loss, amounting to \$HK63,755,000.

The swing in the first six months of this Year, therefore, was about \$HK140.88 million.

The total Revenue, in respect of the first half of this Year, was about \$HK1.94 billion, a figure that was about 11 percent lower than the comparable period in the 2014-Year.

As for the Operating Profit for the first half of the 2015-Year, it came in at about \$HK36.40 million, representing a fall, Year-On-Year, of about 91.45 percent.

The Chairman of the company, Mr Liu Chang Le (), who, beneficially, owns 37.13 percent of the Issued and Fully Paid-Up Share Capital, has told his shareholders:

'The decline in the demand for luxury goods in China has led to a decrease in the advertising income of the television broadcasting business. The operating costs for the Period have increased by 8.5% to approximately HK\$1,902,853,000 (six months ended 30 June 2014: HK\$1,754,025,000). The upward movement in operating costs was mainly due to the expansion of the new media business...

'Fair value gain of approximately HK\$74,946,000 (six months ended 30 June 2014: fair value loss of HK\$66,132,000) was recognised for the investment property in Beijing and fair value gain of approximately HK\$2,182,000 (six months ended 30 June 2014: HK\$2,377,000) was recognised for the investment property in London.

'The net exchange loss of the Group for the Period was approximately HK\$22,080,000 (six months ended 30 June 2014: HK\$43,342,000) resulting from the depreciation of Renminbi... '.

The Basic Loss Per Share in respect of the six months to June 30, 2015, was (0.46 cents) (2014: 4.57 cents).

In the company's blurb, it is stated:

'The main factors driving the negative trend over the last six month period have been the continuing decline in the demand for luxury goods and the economic slow-down in China, which led to a decrease in the advertising income of the television broadcasting segment.'

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