



COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

According to the business objectives as stated in the prospectus of the Company dated June 21, 2000 ("the Prospectus") for the period January – June 2001

Actual business progress for the period January – June 2001

Channel Development

Establish alliances with content providers for Phoenix InfoNews Channel

InfoNews acquired news sources from various suppliers, notably securing a three-year deal with USA's Fox News Network L.L.C.

Increase broadcasting hours of Phoenix CNE Channel

Broadcasting hours of Phoenix CNE Channel have been increased from 6 to 8 hours a day, effective January 1, 2001

Subject to obtaining the relevant regulatory approval, begin construction of the production centre in Shenzhen

The Group has acquired a prime site in Shenzhen city centre and is now at the stage of soliciting design proposals from architectural firms for the construction of a new production centre. Documentation for the formation of the project company to monitor the development of the production centre is being prepared.

Conduct feasibility study and prepare development plan for Cantonese broadcasting capabilities and begin preparation for the launch of a Cantonese channel

The Cantonese channel project will not be activated for the time being. This will enable the Group to concentrate its efforts for the short term on building up the two recently-established channels instead of starting a new one.

Internet Strategy

Identify loyal sub-communities to facilitate e-commerce opportunities

Investment in the Internet has been reduced so as to lower development costs because of limited business viability in this area. The global landscape of the Internet has shifted tremendously during the past year and we are constantly evaluating business opportunities. Apart from maintaining the existing operation of our corporate website, no material financial commitments have been made in this sector. We will adjust our investment scale according to changes in the circumstances and will explore areas that will complement and enhance our core business.

Explore new services that strengthen the tie between the Group's television and Internet communities

Expand content and features

Complete initial trial for broadband platform

業務目標與實際業務進展對照

根據二零零零年六月二十一日招股章程(「招股章程」)所載的由二零零一年一月至六月期間之業務目標

由二零零一年一月至六月期間之實際業務進展

電視台發展

為資訊台與內容供應商成為合作聯盟

資訊台已向幾個供應商取得新聞內容的供應，尤其與美國的Fox News Network L.L.C.簽訂了一份三年的協議

延長鳳凰衛視歐洲台的播放時間

由二零零一年一月一日起鳳凰衛視歐洲台的播放時間由每日六小時增加至八小時

若取得有關監管批文，則施工興建位於深圳的製作中心

本集團已於深圳市中心購置一黃金地段，並正尋求建築設計公司為該址興建一座新的製作中心提供設計方案，我們正準備有關成立統籌興建製作中心的项目公司的文件

為廣東話廣播能力進行可行性研究及預備業務計劃，並展開推出廣東話台的籌備工作

有關廣東話台的項目將推遲，以便本集團能於短期內集中發展兩個剛成立的頻道

互聯網策略

物色忠誠的分區社群促進電子商貿機會

由於商業前景不明朗，我們已減慢對互聯網業務投入資金，以減低發展成本。去年，全球的互聯網業務變化很大，所以我們不斷的評估商業機會。除維持經營本公司現有的網站外，我們在此業務方面並無重要的財務承擔。我們會按實際環境的變化而調整其投資的規模及積極地探索各方面有助補足及提升我們主要業務的發展機會

開闢新服務加強本集團的電視與互聯網社群之間的關係

擴充內容及專題報導

完成寬頻平台的初次試推



USE OF PROCEEDS

The Group raised approximately HK\$732,588,000 upon the listing of the Company and approximately HK\$83,726,000 pursuant to the exercise of an over-allotment option.

During the year ended June 30, 2001, the Group has incurred the following expenses to achieve the business objectives as set out in the Prospectus:

- Approximately HK\$15,934,000 for acquisition of equipment and facilities of the production centre in Shenzhen.
- Approximately HK\$29,177,000 for deposit and part payment of the land use right in Shenzhen.
- Approximately HK\$47,363,000 for capital expenditure on the new channels, including Phoenix InfoNews Channel and Phoenix North America Chinese Channel.
- Approximately HK\$110,421,000 for operating expenditure of the new channels.
- Approximately HK\$7,676,000 for capital expenditure on the www.phoenixtv.com web-site.
- Approximately HK\$38,341,000 for operating expenditure of the web-site.
- Approximately HK\$15,842,000 for operating expenditure of the Group's magazine, Phoenix Weekly.
- The remaining net proceeds have been deposited in licensed banks in Hong Kong.

FINANCIAL REVIEW

The Group recorded a net profit attributable to shareholders of approximately HK\$53,984,000 for the year ended June 30, 2001 as compared to a net profit attributable to shareholders of approximately HK\$50,315,000 for the previous year.

Turnover for the year ended June 30, 2001 was approximately HK\$713,687,000, an increase of 39.6% from last year, which was attributable mainly to the increase in advertising revenue. Operating cost increased 44.0% to approximately HK\$536,304,000 as our new channels commenced operations. Staffing cost increased 86.0% from HK\$73,870,000 to HK\$137,427,000 approximately as our number of employees increased from 164 to over 400. In addition, programming cost and other operating cost increased following the expansion of the Group's businesses.

所得款項的用途

本集團因本公司上市獲得約732,588,000港元及因行使超額配股權獲得約83,726,000港元。

於截至二零零一年六月三十日止年度中，本集團為實行招股章程內的業務目標，付出如下費用：

- 約15,934,000港元，為購置深圳製作中心之器材及設施。
- 約29,177,000港元，為深圳之土地使用權之按金及部份付款。
- 約47,363,000港元，為新頻道之資本開支，其包括鳳凰衛視資訊台及鳳凰衛視美洲台。
- 約110,421,000港元，為新頻道之營運開支。
- 約7,676,000港元，為網站www.phoenixtv.com的資本開支。
- 約38,341,000港元，為網站之營運開支。
- 約15,842,000港元，為本集團的週刊《鳳凰周刊》之營運開支。
- 餘下之所得款項淨額已存入香港之持牌銀行。

財務回顧

截至二零零一年六月三十日止年度本集團錄得股東應佔溢利淨額約為53,984,000港元，相較去年之股東應佔溢利淨額約為50,315,000港元。

截至二零零一年六月三十日止年度之營業額約為713,687,000港元，相較去年上升39.6%，主要歸因於廣告收益的增加。因新頻道投入運作，營運成本亦上升44.0%至約536,304,000港元。由於僱員數目由164人增至超過400人，僱員成本亦上升86.0%，約由73,870,000港元上升至137,427,000港元。除此之外，隨着本集團之業務擴展，節目成本及其他營運成本亦相繼有所增加。



The following table summarises the revenue of the Group for the financial years ended June 30, 2001 and 2000.

截至二零零零年六月三十日及二零零一年六月三十日兩個財政年度，本集團之收益總結於下表：

		Financial year ended June 30, 截至六月三十日止之財政年度	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Television Broadcasting	電視廣播		
Advertising income	廣告收益	674,350	485,654
Subscription income	訂戶收益	29,887	25,182
Total	總數	704,237	510,836
Weekly Magazine	週刊		
Advertising income	廣告收益	5,761	79
Subscription income	訂購收益	2,060	427
Total	總數	7,821	506
Internet	網站		
Technical services and equipment rental income	技術性服務及器材租金收益	1,284	—
Others	其他	345	—
Analysis by Geographical Regions:	按地區分析：		
China	中國	639,563	455,559
International	國際	74,124	55,783
Total	總數	713,687	511,342

The substantial increase in the Group's revenue was attributable to the increase in advertising income of Phoenix Chinese Channel, which was primarily a result of an increase in average advertising rate.

本集團收入最大部份的增加乃來自鳳凰衛視中文台廣告收益之增加，主要乃平均廣告費上升之結果。

Television Broadcasting. Television broadcasting revenues, composed of advertising income and subscription income, were contributed by Phoenix Chinese Channel, Phoenix Movies Channel, Phoenix InfoNews Channel and Phoenix North America Chinese Channel.

電視廣播 電視廣播收益，當中包括廣告收入及訂戶收入，乃來自鳳凰衛視中文台、鳳凰衛視電影台、鳳凰衛視資訊台及鳳凰衛視美洲台。

For the year ended June 30, 2001, advertising income of Phoenix Chinese Channel increased 36.7% to approximately HK\$662,370,000, representing 94.1% of the total television broadcasting revenue. For the same period, income of Phoenix Movies Channel increased 36.8% to approximately HK\$27,896,000 representing 4.0% of the total television broadcasting revenue. Phoenix InfoNews and North America Chinese channels, which are still in their start-up phase, had insignificant contribution to our revenue.

截至二零零一年六月三十日止年度，鳳凰衛視中文台之廣告收益增加36.7%至約662,370,000港元，其為電視廣播總收益的94.1%。在同一期間，鳳凰衛視電影台的收益增加36.8%至約27,896,000港元，其為電視廣播總收益的4.0%。由於鳳凰衛視資訊台及鳳凰衛視美洲台仍在首播階段，故此對於我們的收益尚未有重大的貢獻。



Phoenix Weekly Magazine. Approximately 1.1% of the Group's revenue was generated from the advertising and subscription income of the Phoenix Weekly Magazine.

Internet. Revenue from Internet mainly composed of technical services and equipment rental income. Approximately 0.2% of the Group's revenue was generated from internet operation.

LIQUIDITY AND FINANCIAL RESOURCES

As at June 30, 2001, other than the aggregate outstanding borrowings of approximately HK\$17,913,000 representing current accounts with related companies which were unsecured and non-interest bearing and approximately HK\$779,000 representing short term bank loan which were secured and interest bearing, the Group had neither had any outstanding secured borrowings nor created any mortgage or charge. Accordingly, the financial position of the Group has been very liquid.

STAFF

As at June 30, 2001, the Group had over 400 full-time employees. The number of employees increased by 170.7% resulting from the establishment of new channels and new businesses. The Group had not experienced any significant labour disputes or substantial change in the number of its employees during the past 24 months which led to the disruption of its normal business operations. The Directors consider the Group's relationship with its employees to be good.

鳳凰週刊 本集團約1.1%之收益乃來自鳳凰週刊之廣告收益及訂購收益。

網站 來自網站的收益主要由技術性服務及器材租金收入組成。本集團約0.2%之收益乃來自網站營運。

資金流動及財政資源

於二零零一年六月三十日，除了尚未償清之總借貸，其為關連公司無抵押及不附利息之往來賬為17,913,000港元及有抵押及附利息之短期銀行貸款為779,000港元外，本集團均沒有任何尚未償清的有抵押借貸或作出任何按揭或抵押。因此，本集團的財政狀況仍非常具流動性。

僱員

於二零零一年六月三十日，本集團有超過400位全職僱員。僱員數目上升了170.7%乃因設立了新頻道及新業務而產生。本集團於過去二十四個月內沒有經歷過任何導致破壞正常業務運作的嚴重勞資糾紛或僱員數目重大改變。董事認為本集團與僱員之關係良好。