

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

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

Actual business progress for the period July – December 2001

### Channel development

Continue to strengthen coverage and content for the InfoNews Channel

Phoenix was highly acclaimed for its real-time coverage of the terrorist attacks on the United States and its subsequent reporting from Afghanistan. Phoenix has also strengthened its news coverage through its international news bureaus.

Increase production hours to enhance the programming for the Phoenix Chinese Channel

Phoenix sought to improve the quality of programming while maintaining a similar level of production hours

Explore the feasibility of and prepare for the launch of the Cantonese Channel

Phoenix has postponed pursuing this objective in order to concentrate resources on improving the quality and coverage of existing channels

Expand penetration of the North America Channel through alternative delivery medium e.g. by developing DTH platform

Phoenix officially began in January 2002 (trial-run in December 2001) to broadcast through EchoStar, the second largest direct-to-home satellite operator in the United States, thereby expanding Phoenix North America Chinese Channel's access to the US audiences

Continue to create brandname awareness of "Phoenix" through various promotional activities

Phoenix has continued to consolidate brand name awareness by a stream of promotional functions launching new programmes or marking cooperative arrangements with other media groups

Continue to enhance the functions of correspondence stations for the InfoNews Channel in connection with news and information for better content enhancement

Phoenix has eight international news bureaus, their contribution being clearly demonstrated by their role in Phoenix's coverage of the war against terrorism

### 業務目標與實際業務進展對照

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七月至十二月期間之業務目標

由二零零一年七月至十二月期間之實際業務進展

#### 電視台發展

繼續加強資訊台的報導及內容

鳳凰現場直播美國遭恐怖襲擊事件及其後於阿富汗的報導受到高度讚揚。鳳凰亦通過其國際直播站增強其新聞內容

增加製作小時，為鳳凰衛視中文台提供更多節目

鳳凰致力提高節目質素，但維持相約的製作小時

探求經營廣東話台的可行性，並準備推出廣東話台

鳳凰推遲實現此目標，以便集中資源改善現有頻道的質素及覆蓋率

透過另一播送媒介擴大北美台的滲透率，例如開發DTH平台

鳳凰於二零零二年一月正式開始(二零零一年十二月試播)經EchoStar播送，其為美國第二大的衛星直接到戶系統經營商，以擴大鳳凰衛視美洲台對美國觀眾的接觸面

繼續透過多項宣傳活動提高「鳳凰集團」的知名度

鳳凰透過一系列啟播新節目的推廣活動或突顯與其他媒體的合作安排，繼續鞏固鳳凰品牌的知名度

繼續為資訊台提升通信站在新聞及資訊方面的功能，務求提高內容的素質

鳳凰現時擁有八個國際直播站，他們的貢獻在鳳凰報導反恐怖戰爭中所擔任的角色清晰表現了出來

**According to the business objectives as stated in the Prospectus for the period July – December 2001**

**Actual business progress for the period July – December 2001**

**Internet strategy**

Begin to implement broadband services in phases in major cities

Phoenix focused on consolidating its existing *www.phoenixtv.com* website, no new investment in broadband services or e-commerce was made

Further explore e-commerce opportunities with business partners

Same as above

Continue to monitor the market for new trends and technologies

Phoenix monitored new technologies and market trends but made no substantial expenditure

Selectively invest in key strategic content or solution partners to explore other business opportunities

Phoenix has so far not identified commercially viable investment opportunities but will continue to explore in this area

**招股章程所載的由二零零一年七月至十二月期間之業務目標**

**由二零零一年七月至十二月期間之實際業務進展**

**互聯網策略**

開始在主要城市分階段推出寬頻服務

鳳凰專注加強其現有的網站 *www.phoenixtv.com* 業務，並沒在寬頻服務或電子商貿中再作新投資

與業務夥伴進一步開拓電子商貿的機會

同上

繼續監察市場的發展，掌握新趨勢及科技

鳳凰繼續密切留意新科技及市場動向，但在此方面未有作重大開支

選擇性地投資於主要策略性內容或解決方案夥伴，以開拓其他業務機會

直至現時為止，鳳凰並未發現商業上可行的投資機會，但會繼續發掘在此方面的機會

**Business objectives as stated in the Prospectus for the period January – June 2002**

**Actual business progress for the period January – June 2002**

**Channel development**

Production centre becomes fully operational and will be further strengthened to accommodate increasing programming demands for the Phoenix Channels

Production centre in rental premises in Shenzhen is operating in full scale. Construction of production centre on self-acquired land was delayed due to the re-negotiation of site area and plot ratio initiated by the Shenzhen Municipal Planning & Land Information Center.

Continue to increase programme production capacity to 10 hours per day from current capacity

Phoenix InfoNews Channel alone produces live news reports and programmes of approximately 18 hours per day utilising in-house studios. Other channels of Phoenix are maintaining a stable programme production capacity utilising in-house production facility.

Strengthen sales teams in Europe and North America

The advertising and marketing sales team in Europe had increased to 7 from 5 staff at the same time last year. The sales team in North America had increased to 12 full-time and about 10 part-time staff from 5 staff at the same time last year.

Launch the Cantonese Channel

The Group has postponed pursuing this objective in order to concentrate resources on improving the quality and coverage of existing channels.

**招股章程所載的由二零零二年一月至六月期間之業務目標**

**由二零零二年一月至六月期間之實際業務進展**

**電視台發展**

製作中心全面運作，並將進一步加強以配合鳳凰頻道對製作節目的殷切需求

設於深圳租用物業的製作中心現正全面運作。由於深圳市規劃與國土資源局提出須重新磋商地盤面積及地積比率，故於自購土地興建製作中心之建築工程被延誤。

將現時製作節目的能力增至每日十小時

鳳凰衛視資訊台運用本身的攝影廠每日製作約18小時的直播新聞報道及節目。鳳凰衛視的其他頻道現正運用本身的製作設施，保持穩定的節目製作數量。

強化在歐洲及北美洲的營銷隊伍

歐洲的廣告及市場推廣營銷隊伍已由去年同期的5名員工增至7名員工。北美洲的營銷隊伍已由去年同期的5名員工增至12名全職及約10名兼職員工。

推出廣東話台

本集團推遲實現此目標，以便集中資源改善現有頻道的質素及覆蓋率。

**Business objectives as stated in the Prospectus for the period January – June 2002**

Continue to create brand name awareness of “Phoenix” through various promotional activities

Continue to enhance the functions of correspondents and news bureaus for the InfoNews Channel in connection with news and information for better content enhancement

**Internet strategy**

Launch broadband services in major cities and second tier cities

Further research on media product and content sales market and suggest B2B service strategies

Become the infotainment centre for the global Chinese community

**招股章程所載的由二零零二年一月至六月期間之業務目標**

繼續透過多項宣傳活動提高「鳳凰集團」的知名度

繼續為資訊台提升通信站及直播站在新聞及資訊方面的功能，務求提高內容的素質

**互聯網策略**

在主要城市及次要城市推出寬頻服務

對傳媒產品及信息銷售市場作進一步研究，並提出B2B服務策略

成為全球華人社區的資訊娛樂中心

**Actual business progress for the period January – June 2002**

Phoenix personnel participated in a number of conferences and other public activities that enhanced the Phoenix brand name.

Rather than establishing new bureaus overseas, Phoenix has sent reporters to cover specific international issues as they have arisen, such as the war in Afghanistan, the independence of East Timor, and the official state visits by senior Chinese leaders.

Due to the downturn of Internet business, the Group has not made any investment in broadband business but has continued to consolidating and improving its existing website, *www.phoenixtv.com*.

The Group will continue to explore areas that will complement and enhance our existing businesses.

Phoenix’s website, reaching an average number of pageviewers of 5,000,000 per day, reinforces Phoenix as an infotainment centre among the Chinese speaking community.

**由二零零二年一月至六月期間之實際業務進展**

鳳凰衛視的員工參與多項研討會及其他公開活動，提升鳳凰衛視的知名度。

相比於海外增設辦事處，鳳凰衛視轉而派出記者前往發生特定國際事件的地方進行報道，例如阿富汗戰爭、東帝汶獨立及中國高層領導人之官式訪問。

由於互聯網業務逆轉，本集團尚未於寬頻業務作出任何投資，但已不斷整合及提升其現有鳳凰衛視網站 *www.phoenixtv.com*。

本集團將繼續物色可配合及提升本集團現有業務之業務範疇。

鳳凰網站的每日平均瀏覽頁次為5,000,000次，其鞏固鳳凰衛視作為華語社群資訊娛樂中心的角色。

## 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.

### Comparison of the use of proceeds as stated in the Prospectus with actual application

#### The use of proceeds as stated in the Prospectus

- approximately HK\$260 million for the enhancement of the programme production capability for Phoenix and its content development, including the establishment of a production centre in Shenzhen
- approximately HK\$185 million for the development of new channels, including the North America Channel, the InfoNews Channel and the Cantonese Channel

#### 招股章程內所得款項之用途

- 以約260,000,000港元提高鳳凰集團的節目製作能力及其內容開發，包括在中國深圳開設一個製作中心
- 以約185,000,000港元開發新頻道，包括北美台、資訊台及廣東話台

## 所得款項用途

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。

### 招股章程內所得款項之用途及其實際用途之比較

#### Application of proceeds from the initial share offer on 30 June 2000 to 30 June 2002

- approximately HK\$22 million for the acquisition of facilities and equipment for the new production centre in Shenzhen
- approximately HK\$29 million for the deposit on and part payment for the land use right in Shenzhen
- approximately HK\$54 million for capital expenditure of the two new channels, namely Phoenix InfoNews Channel and Phoenix North America Chinese Channel
- approximately HK\$313 million for operating expenditure of the two new channels\*

#### 所得款項由二零零零年六月三十日上市日始至二零零二年六月三十日之用途

- 以約22,000,000港元購置新深圳製作中心之設施及器材
- 以約29,000,000港元作為深圳地皮之土地使用權按金及部份付款
- 以約54,000,000港元作為兩條新頻道鳳凰衛視資訊台及鳳凰衛視美洲台之資本支出
- 以約313,000,000港元作為兩條新頻道之營運費用\*

**The use of proceeds as stated in the Prospectus**

- approximately HK\$148 million for the development of the *www.phoenixtv.com* website into an “Infotainment” vertical Chinese portal, aiming to capitalize on the synergies between Phoenix’s television content and the Internet’s capacity to distribute programming
- approximately HK\$37 million for the development of the Group’s magazine, the *Phoenix Weekly*, to be distributed in the PRC
- the balance of approximately HK\$109 million for strategic investments and additional general working capital of Phoenix

**Application of proceeds from the initial share offer on 30 June 2000 to 30 June 2002**

- approximately HK\$8 million for capital expenditure of the website
- approximately HK\$51 million for operating expenditure of the website\*
- approximately HK\$30 million for operating expenditure of *Phoenix Weekly*\*
- the remaining net proceeds have been deposited in licensed banks in Hong Kong and will be used for strategic investments and general working capital

\*Note: Operating expenditures of the two new channels, the website and the magazine were partly financed by the income of the Phoenix Group generated during the relevant periods.

**招股章程內所得款項之用途**

- 以約148,000,000港元把 *www.phoenixtv.com* 網站發展成為縱向中文娛樂資訊入門網站，旨在善用鳳凰集團的電視內容與互聯網用戶社群之間的結合
- 以約37,000,000港元發展將在中國分銷的本集團雜誌 *鳳凰周刊*
- 餘款約109,000,000港元作鳳凰集團的策略性投資及額外一般營運資金之用

**所得款項由二零零零年六月三十日上市日始至二零零二年六月三十日之用途**

- 以約8,000,000港元作為網站之資本費用
- 以約51,000,000港元作為網站之營運費用\*
- 以約30,000,000港元作為 *鳳凰周刊*之營運費用\*
- 餘款已存入香港之持牌銀行，將會作策略性投資及一般營運資金之用

\*註：兩條新頻道、網站及雜誌之營運費用部份由鳳凰集團於有關期間所得之收入中支付。