

To facilitate better understanding of the Group's performance, the comparison presented below covered the year ended 31 December 2004 and 31 December 2003 (unaudited).

COMMENTS ON SEGMENTAL INFORMATION

The table below shows the comparison of operating results of our businesses for the year ended 31 December 2004 and 2003 respectively.

為著方便了解本集團的表現，下文呈列的比較涵蓋截至二零零四年十二月三十一日及二零零三年十二月三十一日止年度(未經審核)。

分類資料評論

下表顯示按本集團業務分類比較截至二零零四年及二零零三年十二月三十一日止年度的本集團業務經營業績。

		Year ended 31 December	
		截至十二月三十一日止年度	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
			(Unaudited)
			(未經審核)
Phoenix Chinese Channel	鳳凰衛視中文台	324,302	185,452
Phoenix InfoNews Channel	鳳凰衛視資訊台	(3,493)	(110,159)
Phoenix Movies Channel, Phoenix North America Chinese Channel & Phoenix Chinese News and Entertainment Channel	鳳凰衛視電影台、鳳凰衛視美洲台及鳳凰衛視歐洲台	(53,082)	(49,412)
Other businesses	其他業務	(543)	(14,733)
Corporate overheads	集團行政支出	(128,648)	(99,055)
Profit/(Loss) from operations	經營溢利／(虧損)	<u>138,536</u>	<u>(87,907)</u>

Revenues from television broadcasting, comprising of both advertising and subscription revenues, which accounted for 96.3% of the Group's total revenue for the year ended 31 December 2004, increased by 56.3% to approximately HK\$1,072,138,000 (year ended 31 December 2003: HK\$685,834,000). The segmental result for television broadcasting recorded a profit of approximately HK\$274,477,000 for the same year (year ended 31 December 2003: HK\$24,221,000).

Revenue from the Group's flagship channel, Phoenix Chinese Channel, which accounted for 74.4% of the Group's total revenue for the year ended 31 December 2004, increased satisfactorily by 36.8% to approximately HK\$828,042,000 (year ended 31 December 2003: HK\$605,446,000).

來自電視廣播的收入(包括廣告及收視費收入)上升56.3%至約1,072,138,000港元(截至二零零三年十二月三十一日止年度: 685,834,000港元)，佔截至二零零四年十二月三十一日止年度的本集團總收入96.3%。同一年度的電視廣播分類業績錄得溢利約274,477,000港元(截至二零零三年十二月三十一日止年度: 24,221,000港元)。

來自本集團的旗艦頻道 — 鳳凰衛視中文台的收入上升36.8%至約828,042,000港元(截至二零零三年十二月三十一日止年度: 605,446,000港元)，升幅令人滿意，佔截至二零零四年十二月三十一日止年度的本集團總收入74.4%。



Having strengthened programming and placed greater emphasis on viewership expansion, Phoenix InfoNews Channel's revenue increased dramatically. Its revenue was about seven times that of the previous year, jumping to approximately HK\$189,768,000 (year ended 31 December 2003: HK\$26,873,000). The operating loss was largely reduced by 96.8% to approximately HK\$3,493,000 for the year ended 31 December 2004 (year ended 31 December 2003: HK\$110,159,000).

Phoenix Chinese Channel's revenue maintained its healthy growth, whilst Phoenix InfoNews Channel's revenue grew from last year's 3.8% of the Group's total revenue to this year's 17.0%. Furthermore, Phoenix InfoNews Channel's performance improved substantially, and was almost breaking even in just 24 months after PRC landing rights were granted.

Revenue of Phoenix North America Chinese Channel and Phoenix Chinese News and Entertainment Channel maintained steady growth, though this increase in revenue was offset by the decrease in the revenue of Phoenix Movies Channel due to the termination of the minimum guarantee arrangement with an agent in the PRC for this channel.

Revenue from programme production and ancillary services improved steadily to approximately HK\$27,219,000, which included intra-group sales of approximately HK\$23,812,000, for the year ended 31 December 2004 (year ended 31 December 2003: total revenue – HK\$23,075,000; intra-group sales – HK\$18,725,000). Segmental results for programme production and ancillary services hence recorded a profit of approximately HK\$1,733,000 for the year, as compared with a loss of approximately HK\$3,313,000 in the previous year.

The performance of the internet services improved satisfactorily for the past year. Segmental loss for the internet services was approximately HK\$2,450,000 for the year ended 31 December 2004 (year ended 31 December 2003: HK\$9,441,000), representing a decrease of 74.0% as compared with the previous year. This reduction in loss was mainly attributable to the increase in income from the success in exploring new revenue sources.

Other activities, which included advertising & subscription revenue from the Phoenix Weekly magazine and handling income from television subscriptions, contributed marginally to the Group for the year ended 31 December 2004.

隨著加強節目內容及更為積極提升該頻道的收看人數後，鳳凰衛視資訊台的收入已大幅上升。該頻道的收入躍升至約189,768,000港元（截至二零零三年十二月三十一日止年度：26,873,000港元），為去年收入約七倍。截至二零零四年十二月三十一日止年度的經營虧損大幅減少96.8%至約3,493,000港元（截至二零零三年十二月三十一日止年度：110,159,000港元）。

鳳凰衛視中文台的收入維持其穩健增長，而鳳凰衛視資訊台的收入由去年佔本集團總收入的3.8%，增加至今年的17.0%。此外，鳳凰衛視資訊台的表現顯著改善，並在獲發出中國落地權後僅二十四個月即已接近收支平衡。

鳳凰衛視美洲台及鳳凰衛視歐洲台的收入維持穩定增長，然而由於鳳凰衛視電影台終止了與中國的代理人訂立的最低擔保安排令收入減少，前者之升幅大致被後者的減少所抵銷。

截至二零零四年十二月三十一日止年度的節目製作及支援服務收入穩定上升至約27,219,000港元（包括集團間公司銷售約23,812,000港元）（截至二零零三年十二月三十一日止年度：總收入 – 23,075,000港元；集團間公司銷售 – 18,725,000港元）。因此，節目製作及支援服務的分類業績錄得溢利約1,733,000港元，而去年的虧損約3,313,000港元。

去年互聯網服務的表現有令人滿意的改善。截至二零零四年十二月三十一日止年度的互聯網服務的分類虧損約2,450,000港元（截至二零零三年十二月三十一日止年度：9,441,000港元），較去年減少74.0%。虧損減少主要得力於成功開拓新的收入來源。

其他業務（包括來自鳳凰週刊的廣告及訂購收入，及收費電視的行政收入）於截至二零零四年十二月三十一日止年度維持對本集團作出少量盈利貢獻。

Increase of corporate overheads was mainly attributable to the increase in staff costs and additional expenditure on promotional events and marketing activities.

Please refer to note 2 to the accounts for a detailed analysis on segmental information and the television broadcasting section under the “Business Overview” in this report for commentary on our core business.

DIVIDEND

The Board has resolved to recommend a final dividend of HK\$0.01 per ordinary share for the year ended 31 December 2004 (2003: Nil). Upon approval by the shareholders, the final dividend will be paid on or about 8 July 2005 to shareholders whose names appear on the register of members of the Company on 23 June 2005.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Pursuant to an agreement dated 29 October 2003 entered into by the Phoenix Group and Oasiscity Limited (“Oasiscity”), a wholly-owned subsidiary of Neo-China Group (Holdings) Limited (formerly known as “Neo-Tech Global Limited”), the shares of which are listed on the Main Board of the Stock Exchange, Oasiscity acquired 60% interest in Phoenix Real Properties Limited (“Real Properties”), which owns 90% interest in 深圳鳳凰置業有限公司. The acquisition was completed on 13 January 2004.

On the same date, Oasiscity executed a share charge in favour of the Phoenix Group, under which it charged 30% equity interest in Real Properties, as security for the due performance of its obligations under the agreement dated 29 October 2003. Pursuant to the agreement, Oasiscity will be responsible for providing all required financing for the development of the building and the Phoenix Group is not required to provide any further financing for the development of the building but will be entitled to a relevant portion of the non-saleable area.

On 5 August 2004, the Group entered into an agreement with 北京廣播公司 to form a sino-foreign joint venture, 北京同步廣告傳播有限公司, in the PRC. The joint venture will focus on developing advertising businesses in radio broadcasting industry. Pursuant to the agreement, the Group shall inject approximately HK\$12,900,000 (equivalent to RMB13,500,000) for a 45% shareholding in this joint venture, of which HK\$11,500,000 (equivalent to RMB12,000,000) shall be paid within three months from the date of issue of the business license of the joint venture and the remaining amount shall be paid within thirty-six months from the said date. The business license of the joint venture was issued in January 2005 and HK\$11,500,000 was paid by the Group in January 2005.

集團行政支出增加，主要由於員工成本增加，及須於宣傳項目及市場推廣活動投入額外支出。

請參閱財務報表附註2有關分類資料的詳細分析，以及本報告「業務回顧」的電視廣播一節有關本集團核心業務的評論。

股息

董事會決定建議派發截至二零零四年十二月三十一日止年度的末期股息每股普通股0.01港元（二零零三年：無）。經股東批准後，末期股息將於二零零五年七月八日或該日前後派發予於二零零五年六月二十三日名列本公司股東登記冊的股東。

附屬公司及聯屬公司的收購及出售

根據鳳凰集團與中新集團(控股)有限公司(前稱「科建集團有限公司」，其股份於聯交所主板上市)的全資附屬公司Oasiscity Limited(「Oasiscity」)於二零零三年十月二十九日訂立的協議，Oasiscity已收購鳳凰置業有限公司(「鳳凰置業」)(其擁有深圳鳳凰置業有限公司的90%股權)的60%權益。收購事項已於二零零四年一月十三日完成。

於同日，Oasiscity訂立一項以鳳凰集團為受益人的股份押記，據此，Oasiscity抵押其擁有的鳳凰置業的30%股份權益，作為其全面履行根據日期為二零零三年十月二十九日的協議所承擔責任的擔保。根據協議，Oasiscity將負責支付發展該建築物的一切所需資金，鳳凰集團毋須為發展該建築物進一步支付任何資金，惟於發展項目完成時擁有該建築物的部份非出售面積的權益。

於二零零四年八月五日，本集團與北京廣播公司訂立協議，於中國成立中外合營企業—北京同步廣告傳播有限公司。該合營企業將專注發展在電台廣播行業之廣告業務。根據協議，本集團須就該合營企業之45%股權注資約12,900,000港元(相等於人民幣13,500,000元)，其中11,500,000港元(相等於人民幣12,000,000港元)須於發出合營企業之營業執照日期起計三個月內支付，餘額須於上述日期起計三十六個月內支付。合營企業之營業執照已於二零零五年一月發出，而本集團已於二零零五年一月支付11,500,000港元。



Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2004.

LIQUIDITY AND FINANCIAL RESOURCES

The liquidity and financial resources of the Group as at 31 December 2004 were similar to those of the Group as at 31 December 2003. The aggregate outstanding borrowings of the Group as at 31 December 2004 were approximately HK\$8,085,000 (as at 31 December 2003: HK\$9,982,000), representing current accounts with related companies which were unsecured and non-interest bearing. Such minor fluctuation was within the normal pattern of operations of the Group.

The gearing ratio of the Group, based on total liabilities to shareholders' equity, was 24.6% as at 31 December 2004 (as at 31 December 2003: 23.4%). Accordingly, the financial position of the Group has remained very liquid.

As most of the Group's monetary assets are denominated in Hong Kong dollars, US dollars and Renminbi, with minimal balances in UK pounds and Taiwan dollars, the exchange rate risks of the Group is considered to be minimal.

CHARGE ON ASSETS

As at 31 December 2004, deposits of approximately HK\$3,700,000 (as at 31 December 2003: HK\$3,400,000) were pledged with a bank to secure a banking guarantee given to the landlord of a subsidiary.

Other than the above, the Group did not have any charge on its assets as at 31 December 2004 and 31 December 2003.

CAPITAL STRUCTURE

During the year ended 31 December 2004, other than the exercise of share options granted (detail as per note 23 to the accounts), there is no change in the Company's share capital. As at 31 December 2004, the Group's operations were financed mainly by shareholders' equity.

STAFF

As at 31 December 2004, the Group employed 624 full time staff (as at 31 December 2003: 597), at market remuneration with employee benefits such as comprehensive medical coverage, insurance plan, defined contribution pension schemes, discretionary bonus and employee share option scheme. Staff costs for the year ended 31 December 2004 was approximately HK\$220,798,000 (six months ended 31 December 2003: HK\$99,672,000).

除上文所披露外，截至二零零四年十二月三十一日止年度內，本集團概無進行附屬公司及聯屬公司的重大收購或出售。

流動資金及財政資源

本集團於二零零四年十二月三十一日的流動資金及財政資源與本集團於二零零三年十二月三十一日時相若。本集團於二零零四年十二月三十一日的尚未償還借貸總額約8,085,000港元（於二零零三年十二月三十一日：9,982,000港元），為關連公司的無抵押及不計利息往來賬款。該項輕微波動屬於本集團的正常運作模式。

按總負債相對股東權益計算，本集團於二零零四年十二月三十一日的資本負債比率為24.6%（於二零零三年十二月三十一日：23.4%）。依此，本集團的財政狀況仍非常具流動性。

由於本集團大部份貨幣資產均以港元、美元及人民幣計價，極少數以英鎊及台幣計價，故本集團認為其所承受的匯率風險極低。

資產抵押

於二零零四年十二月三十一日，約3,700,000港元（於二零零三年十二月三十一日：3,400,000港元）的存款已抵押予一間銀行，作為向一間附屬公司的業主提供銀行擔保。

除上文所述外，本集團於二零零四年十二月三十一日及二零零三年十二月三十一日並無抵押其任何資產。

資本架構

截至二零零四年十二月三十一日止年度內，除行使已授出的購股權外（詳情載於財務報表附註23），本公司股本並無變動。於二零零四年十二月三十一日，本集團的業務運作主要透過股東權益提供資金。

僱員

於二零零四年十二月三十一日，本集團僱用624位全職僱員（於二零零三年十二月三十一日：597位），僱員所獲的薪酬符合市場水平，員工福利包括全面醫療保障、保險計劃、定額供款退休金計劃、酬情發放的花紅及僱員購股權計劃。截至二零零四年十二月三十一日止年度的員工成本約220,798,000港元（截至二零零三年十二月三十一日止六個月：99,672,000港元）。

The Group did not experience any significant labour disputes or substantial change in the number of its employees that led to the disruption of its normal business operations. The Directors consider the Group's relationship with its employees to be good.

SIGNIFICANT INVESTMENT

As at 31 December 2004, the Group invested in some unlisted security with an estimated fair value of approximately HK\$53,461,000 (as at 31 December 2003: Nil).

Save as disclosed above, the Group has not held any significant investment for the year ended 31 December 2004.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCE OF FUNDING

The Group will continue to consolidate its existing businesses while exploring new business areas that will complement and enhance its existing businesses.

Other than disclosed herein, the Group did not have any plan for material investments and acquisition of material capital assets.

CONTINGENT LIABILITIES

Other than disclosed in note 29 to the accounts, the Group had no material contingent liabilities as at 31 December 2004 and 31 December 2003 respectively.

本集團並沒有經歷過任何導致破壞其正常業務運作的勞資糾紛或僱員數目重大改變。董事認為本集團與其僱員的關係良好。

重大投資

於二零零四年十二月三十一日，本集團投資於若干非上市證券，其估計公平價值約53,461,000港元（於二零零三年十二月三十一日：無）。

除上文所披露外，於截至二零零四年十二月三十一日止年度，本集團並無持有任何重大投資。

未來重大投資計劃及預期資金來源

本集團將繼續整合其現有業務，並同時開拓可補足及加強其現有業務的新業務範疇。

除本文所披露外，本集團並無任何有關重大投資及收購重大資本資產的計劃。

或有負債

除財務報表附註29所披露外，於二零零四年十二月三十一日及二零零三年十二月三十一日，本集團均無重大或有負債。

