

The Directors submit their report together with the audited accounts of Phoenix Satellite Television Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND OPERATIONS

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 20 to the accounts.

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 2 to the accounts.

CHANGE OF FINANCIAL YEAR END

On 8 January 2004, the Company changed its financial year end from 30 June to 31 December. The Directors consider the reason for the change of financial year end is to align the Group’s business cycle with that of its advertising customers, and the agents who represent them, which normally have a year end on 31 December and determine their advertising budgets and operate on a calendar year basis.

As a result of the change of financial year end from 30 June to 31 December, the comparatives for the consolidated profit and loss account, consolidated statement of changes in equity, consolidated cash flow statement and the related notes may not be comparable.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 74.

The Directors recommend the declaration and payment of a final dividend of HK\$0.01 per share to be payable to shareholders whose names appear on the register of members of the Company on 23 June 2005. Subject to the passing of the necessary resolution at the forthcoming Annual General Meeting, such dividend would be payable on or about 8 July 2005.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 25 to the accounts.

DONATIONS

Charitable donations made by the Group during the year amounted to approximately HK\$10,000 (six months ended 31 December 2003: HK\$20,000).

董事提呈鳳凰衛視控股有限公司(「本公司」)及其附屬公司(合稱為「本集團」)截至二零零四年十二月三十一日止年度的報告及經審核財務報表。

主要業務及營運

本公司的主要業務為投資控股，其主要附屬公司的業務載於財務報表附註20。

本集團按業務及地區分類的表現分析載於財務報表附註2。

更改財政年結日

於二零零四年一月八日，本公司將其財政年結日由六月三十日更改為十二月三十一日。董事認為，更改財政年結日的原因為與本集團及其客戶(及代表有關客戶的代理)的業務週期保持一致，皆因有關客戶一般以十二月三十一日為年結日及按歷年週期決定其廣告預算及營運。

由於將財政年結日由六月三十日更改為十二月三十一日，因此，綜合損益表、綜合權益變動表、綜合現金流量表及有關附註的比較數字可能無法用作比較。

業績及分配

本集團的期間業績載於第74頁的綜合損益表內。

董事建議向於二零零五年六月二十三日名列本公司股東登記冊之股東宣派及支付末期股息每股0.01港元。待於應屆舉行股東週年大會上通過必須之決議案後，該股息將於二零零五年七月八日或該日前後派付。

儲備

本集團及本公司年內儲備的變動載於財務報表附註25。

捐款

本集團年內作出的慈善捐款共約10,000港元(截至二零零三年十二月三十一日止六個月：20,000港元)。



FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 15 to the accounts.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company are set out in note 23 and note 24, respectively, to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2004, calculated under the Companies Law (Revised) of the Cayman Islands, amounted to approximately HK\$788,780,000 (as at 31 December 2003: HK\$784,315,000).

FIVE PERIOD/YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial period/years is set out on pages 127 to 128.

DIRECTORS

The Directors during the year and up to the date of this report are:

Executive Directors:

LIU, Changle (Alternate Director to CHUI, Keung)
CHUI, Keung (Alternate Director to LIU, Changle)

Non-Executive Directors:

GUTHRIE, Michelle Lee (Alternate Director to LAU, Yu Leung John and CHEUNG, Chun On Daniel)
LAU, Yu Leung John (Alternate Director to CHEUNG, Chun On Daniel)
CHEUNG, Chun On Daniel
(Alternate Director to LAU, Yu Leung John)
XU, Gang
CHEUNG, San Ping
(Alternate Director to LIU, Changle and CHUI, Keung)

Independent Non-Executive Directors:

LO, Ka Shui
KUOK, Khoo Ean
LEUNG, Hok Lim (Appointed on 21 January 2005)

Alternate Director:

GONG, Jianzhong (Alternate Director to XU, Gang)

In accordance with the Articles of Association of the Company, XU, Gang, LO, Ka Shui and LEUNG, Hok Lim will retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting of the Company.

固定資產

本集團固定資產變動的詳情載於財務報表附註15。

股本及購股權

本公司股本及購股權變動的詳情分別載於財務報表附註23及附註24。

可供分派儲備

本公司於二零零四年十二月三十一日的可供分派儲備(根據開曼群島公司法(經修訂)計算)約788,780,000港元(於二零零三年十二月三十一日: 784,315,000港元)。

五個期間／年度財務概要

本集團過往五個財政期間／年度的業績及資產負債概要載於第127至128頁。

董事

年內及直至本報告日期的董事如下:

執行董事:

劉長樂(為崔強的替任董事)
崔強(為劉長樂的替任董事)

非執行董事:

GUTHRIE, Michelle Lee (為劉禹亮及張鎮安的替任董事)
劉禹亮(為張鎮安的替任董事)
張鎮安(為劉禹亮的替任董事)

許剛

張新兵(為劉長樂及崔強的替任董事)

獨立非執行董事:

羅嘉瑞
郭孔演
梁學濂(於二零零五年一月二十一日獲委任)

替任董事:

龔建中(為許剛的替任董事)

根據本公司的公司章程, 許剛、羅嘉瑞及梁學濂將於本公司應屆股東週年大會上退任並符合資格及願膺選連任。

DIRECTORS' SERVICE CONTRACTS

On 10 September 2003, each of the Executive Directors of the Company has entered into a new service contract with the Company commencing from 1 July 2003. The term of each contract will be for a term of three years commencing from 1 July 2003 and thereafter may be terminated by either party giving to the other not less than three months' written notice.

Save as disclosed above, none of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not terminable within one year without payment of compensation, other than statutory compensation.

The terms of office of each of the Executive Directors, Non-Executive Directors and Independent Non-Executive Directors are subject to retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2004, the interests of the Directors and chief executives in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") relating to securities transactions by Directors, were as follows:

Ordinary shares

普通股

| Name 姓名 | Personal interest 個人權益 | Family interest 家族權益 | Number of shares held 所持股份數目 | | | Total number of shares 股份總數 | Percentage of shareholding 股權百分比 |
|---|------------------------------|----------------------------|---------------------------------|---------------------------|---------------|-----------------------------------|--|
| | | | Corporate interest 公司權益 | Other interest 其他權益 | | | |
| LIU, Changle ¹ 劉長樂 ¹ | - | - | 1,854,000,000 | - | 1,854,000,000 | 37.6% | |

Note: Mr. LIU, Changle is the beneficial owner of approximately 93.3% of the issued share capital of Today's Asia Limited, which in turn has an interest in approximately 37.6% of the issued share capital of the Company as at 31 December 2004.

¹ Being an Executive Director of the Company

董事的服務合約

於二零零三年九月十日，本公司各執行董事均已與本公司訂立新服務合約，每項服務合約由二零零三年七月一日起生效，有效期由二零零三年七月一日起計三年，其後各方對另一方發出不少於三個月的書面通知以終止合約。

除上文所披露者外，擬在應屆股東週年大會上膺選連任的董事概無與本公司訂立任何須作補償（法定賠償除外）方可於一年內終止的服務合約。

各執行董事、非執行董事及獨立非執行董事的任期至其根據本公司的公司章程須輪值退任時為止。

董事的證券權益

於二零零四年十二月三十一日，董事及行政總裁擁有根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部的第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）及須記入本公司根據證券及期貨條例第352條存置的登記冊，或根據聯交所創業板上市規則（「創業板上市規則」）第5.46至第5.67條有關董事進行證券交易而須知會本公司及聯交所的本公司及其相聯法團（具有證券及期貨條例第XV部賦予的涵義）的股份權益（包括根據證券及期貨條例有關條文彼等所擁有或被視作擁有的權益或淡倉）如下：

附註： 劉長樂先生為今日亞洲有限公司約93.3%已發行股本的實益擁有人，而該公司於二零零四年十二月三十一日則擁有約37.6%的本公司已發行股本的權益。

¹ 為本公司的執行董事。

DIRECTORS' INTERESTS IN SECURITIES

(Continued)

Save as disclosed herein, as at 31 December 2004, none of the Directors or chief executives of the Company, had any interest or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEMES

(A) Share option schemes of the Company

On 7 June 2000, two share option schemes of the Company were approved by the shareholders of the Company ("Shareholders"), namely Pre-IPO Share Option Scheme and Share Option Scheme. In order to enhance the flexibility in the implementation of the Pre-IPO Share Option Scheme and the Share Option Scheme, the committee of four Directors established for the administration of the share option schemes (the "Committee") approved certain amendments to the terms of the Pre-IPO Share Option Scheme on 14 February 2001 and the Share Option Scheme on 14 February 2001 and 6 August 2002, respectively. Such amendments have been pre-approved by the Stock Exchange.

(1) Pre-IPO Share Option Scheme

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme as at 31 December 2004:

Purpose of the scheme

The purpose of the scheme, though not explicitly stated in the scheme document, is to recognise the contribution of certain employees to the growth of the Group and/or to the listing of shares of the Company ("Shares") on the Growth Enterprise Market of the Stock Exchange ("GEM").

董事的證券權益

(續)

除本文披露者外，於二零零四年十二月三十一日，本公司董事及行政總裁並無擁有根據證券及期貨條例第XV部的第7及第8分部須知會本公司及聯交所的本公司或其任何相聯法團(定義見證券及期貨條例第XV部)，或須記入根據證券及期貨條例第352條所述的登記冊，或根據創業板上市規則第5.46至第5.67條須知會本公司及聯交所的任何股份、相關股份或債權證的任何權益或淡倉(包括根據證券及期貨條例有關條文彼等所擁有或被視作擁有的權益或淡倉)。

購股權計劃

(A) 本公司的購股權計劃

於二零零零年六月七日，本公司股東(「股東」)批准兩項本公司的購股權計劃，計有首次公開招股前購股權計劃及購股權計劃。為了提高執行首次公開招股前購股權計劃及購股權計劃時的靈活性，就管理有關購股權計劃而由四名董事組成的委員會(「委員會」)已於二零零一年二月十四日批准對首次公開招股前購股權計劃的條款而作出的若干修訂及於二零零一年二月十四日及二零零二年八月六日分別批准對購股權計劃的條款而作出的若干修訂。聯交所事先亦已批准該等修訂。

(1) 首次公開招股前購股權計劃

以下為於二零零四年十二月三十一日的首次公開招股前購股權計劃的主要條款概要：

計劃的目的

計劃的目的(即使並無於計劃文件內明確指出)為表揚若干僱員對本集團發展及／或對本公司股份(「股份」)於聯交所創業板(「創業板」)上市的貢獻。

SHARE OPTION SCHEMES (Continued)

(A) Share option schemes of the Company (Continued)

(1) Pre-IPO Share Option Scheme (Continued)

The participants of the scheme

Employees of any member of the Company, including any Executive Directors of any member of the Group who have commenced working for the Group for not less than one month prior to the date of grant of an option and spent not less than twenty hours per week in providing services to the Group may take up options to subscribe for Shares.

The total number of securities available for issue

The total number of Shares available for issue under options which may be granted under the Pre-IPO Share Option Scheme and any other schemes must not in aggregate exceed 10% of the issued share capital of the Company as at the date of listing of the Shares on GEM on 30 June 2000 (the "Listing Date").

The total number of Shares in respect of which options are issuable under the scheme is 484,706,000 Shares, representing 10% and 9.8%, respectively, of the issued share capital of the Company as at the Listing Date and as at the date of this report.

The maximum entitlement of each participant under the scheme

No option may be granted to any eligible person which, if at the relevant time exercised in full, would result in the total number of Shares the subject of such option, when added to the number of Shares which may be subscribed by that eligible person under any outstanding options granted to that eligible person and to the number of Shares previously subscribed by the eligible person under any options granted to the eligible person under the scheme exceeding 25% of the aggregate number of Shares available for subscription under the scheme at that time.

購股權計劃 (續)

(A) 本公司的購股權計劃(續)

(1) 首次公開招股前購股權計劃(續)

計劃的參與者

本公司任何成員公司的僱員(包括於授出購股權日期前不少於一個月開始任職於本集團及每星期服務本集團不少於20小時的本集團任何成員公司的任何執行董事)可接納可認購股份的購股權。

可供發行的證券總數

根據首次公開招股前購股權計劃及任何其他計劃授出的購股權而可供發行的股份總數合計不得超過股份於二零零零年六月三十日在創業板上市當日(「上市日期」)的本公司已發行股本的10%。

根據計劃可予發行的購股權涉及的股份總數為484,706,000股股份，分別佔於上市日期及於本報告日期的本公司已發行股本的10%及9.8%。

根據計劃各參與者的最大配額

倘任何一名合資格人士全面行使獲授予的購股權，可導致該合資格人士可認購的股份總數，加上該合資格人士根據獲授予的任何未行使購股權可認購的股份數目及該合資格人士根據計劃先前獲授予的購股權認購的股份數目，超過根據計劃當時可供認購股份總數的25%，則不得向該合資格人士授予購股權。



SHARE OPTION SCHEMES (Continued)

(A) Share option schemes of the Company (Continued)

(1) Pre-IPO Share Option Scheme (Continued)

Time of exercise of option

An option may be exercised in accordance with the terms of the scheme at any time during the period commencing one year from the date of grant of the option and expiring ten years after the date of grant of the option in accordance with the following schedule:

Date of exercise of an option

行使購股權日期

Between the date of grant of an option and less than 12 months following the date of grant of an option
授出購股權當日至授出購股權當日後少於12個月內

Between the period falling 12 months or more but less than 24 months from the date of grant of an option
授出購股權當日後12個月或之後，但少於24個月的期間內

Between the period falling 24 months or more but less than 36 months from the date of grant of an option
授出購股權當日後24個月或之後，但少於36個月的期間內

Between the period falling 36 months or more but less than 48 months from the date of grant of an option
授出購股權當日後36個月或之後，但少於48個月的期間內

Any time falling 48 months from the date of grant of an option and thereafter
授出購股權當日後48個月及其後任何時間

Minimum holding period

As stated above, no option can be exercised within the first twelve months following the date of grant of an option.

The amount payable on acceptance of the option

The date by which the option must be applied for being a date not more than three days from (and including) the date on which the letter of offer of the grant of option is issued by the Company ("Offer Date"). Upon acceptance of the option, the option holder shall pay HK\$1 to the Company as consideration of the grant.

購股權計劃 (續)

(A) 本公司的購股權計劃(續)

(1) 首次公開招股前購股權計劃(續)

行使購股權期限

購股權可於授出購股權當日起計一年開始至授出購股權日期後十年屆滿的期間內任何時間根據計劃的條款，按照以下時間表予以行使：

Percentage of Shares comprised in options which is exercisable 可予行使的購股權 所佔股份比例

zero

零

up to 25%

最多25%

up to 50%

最多50%

up to 75%

最多75%

100%

100%

最短持有期間

如上文所列，並無購股權可於授出購股權當日後首十二個月內行使。

接納購股權應付的款項

申請購股權的日期必須為本公司發出提呈授予購股權函件日期(「提呈日期」)(包括該日)起計不超過三天的日期。待接納購股權時，購股權持有人須支付1港元予本公司，作為授予的代價。

SHARE OPTION SCHEMES (Continued)

(A) Share option schemes of the Company (Continued)

(1) Pre-IPO Share Option Scheme (Continued)

The basis of determining the exercise price

Same as the offer price for the Shares as set out in the prospectus of the Company dated 21 June 2000 (the "Prospectus").

The remaining life of the scheme

The scheme period expires upon the listing of the Company on the GEM, for which the option expires when the vesting period ends.

The details of share options granted by the Company under the Pre-IPO Share Option Scheme to the Directors of the Company and the employees of the Group to acquire shares were as follows:

| Type and number of remaining grantees | Date of grant | Vesting period | Exercise period | Exercise price per share | Balance as at 1 January 2004 | Number of share options | | Balance as at 31 December 2004 |
|---------------------------------------|----------------------------|---|---|--------------------------|------------------------------|-------------------------|---------------------------|--------------------------------|
| | | | | | | Lapsed during the year | Exercised during the year | |
| 餘下的承授人類別及數目 | 授出日期 | 歸屬期 | 行使期間 | 每股行使價 HK\$ 港元 | 於二零零四年一月一日結餘 | 於年內失效 | 於年內行使 | 於二零零四年十二月三十一日結餘 |
| 2 Executive Directors: 2名執行董事: | | | | | | | | |
| LIU, Changle 劉長樂 | 14 June 2000 二零零零年六月十四日 | 14 June 2000 to 13 June 2001 二零零零年六月十四日至二零零一年六月十三日 | 14 June 2001 to 13 June 2010 二零零一年六月十四日至二零零一年六月十三日 | 1.08 | 5,320,000 | - | - | 5,320,000 |
| CHUI, Keung 崔強 | 14 June 2000 二零零零年六月十四日 | 14 June 2000 to 13 June 2001 二零零零年六月十四日至二零零一年六月十三日 | 14 June 2001 to 13 June 2010 二零零一年六月十四日至二零零一年六月十三日 | 1.08 | 3,990,000 | - | - | 3,990,000 |
| 88 other employees 88名其他僱員 | 14 June 2000 二零零零年六月十四日 | 14 June 2000 to 13 June 2001 二零零零年六月十四日至二零零一年六月十三日 | 14 June 2001 to 13 June 2010 二零零一年六月十四日至二零零一年六月十三日 | 1.08 | 36,618,000 | (248,000) | (4,708,000) | 31,662,000 |
| Total: 合計: | | | | | | | | |
| 90 employees 90名僱員 | | | | | 45,928,000 | (248,000) | (4,708,000) | 40,972,000 |

購股權計劃 (續)

(A) 本公司的購股權計劃 (續)

(1) 首次公開招股前購股權計劃 (續)

釐定行使價的基準

與本公司於二零零零年六月二十一日刊發的招股章程(「招股章程」)載列的股份發售價相同。

計劃餘下年期

計劃期間於本公司在創業板上市時屆滿，有關的購股權於行使期間結束時屆滿。

本公司根據首次公開招股前購股權計劃向本公司董事及本集團僱員授出可認購股份的購股權詳情如下：



SHARE OPTION SCHEMES (Continued)

(A) Share option schemes of the Company (Continued)

(1) Pre-IPO Share Option Scheme (Continued)

During the year ended 31 December 2004, 248,000 options granted to 5 employees lapsed when they ceased their employment with the Group.

Save as disclosed above, no other option has been exercised, cancelled or lapsed during the year.

Save as stated above, no option has been granted to the Directors, chief executive, management shareholders, substantial shareholders, or their respective associates, or to the suppliers of goods or services under the Pre-IPO Share Option Scheme. No participant was granted any option in excess of the individual limit as set out in the GEM Listing Rules or under the Pre-IPO Share Option Scheme.

(2) Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme as at 31 December 2004:

Purpose of the scheme

The purpose of the scheme is to retain and provide incentives to the employees of the Group to achieve its business objectives.

The participants of the scheme

Employees of any member of the Company, including any Executive Directors of any member of the Group, in full-time employment with the Company (or its subsidiaries) may take up options to subscribe for Shares.

The total number of securities available for issue

- (a) The total number of Shares available for issue under options which may be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% (or such higher percentage as may be allowed under the GEM Listing Rules) of the issued share capital of the Company in issue as at the date of approval of the scheme unless Shareholders' approval has been obtained pursuant to paragraphs (b) and (c) below.
- (b) The Company may seek approval by Shareholders in general meeting to refresh the limit as referred to in the above paragraph (a).

購股權計劃 (續)

(A) 本公司的購股權計劃(續)

(1) 首次公開招股前購股權計劃(續)

於截至二零零四年十二月三十一日止年度內，授予五名僱員的248,000份購股權因彼等不再受僱於本集團而失效。

除上文披露者外，並無購股權於年內獲行使、註銷或失效。

除上文所述者外，並無購股權曾根據首次公開招股前購股權計劃而授予董事、行政總裁、管理層股東、主要股東、或彼等各自的聯繫人士、或貨品或服務的供應商。並無參與者獲授出的購股權超過創業板上市規則所載列或根據首次公開招股前購股權計劃的個人限制。

(2) 購股權計劃

以下為於二零零四年十二月三十一日的購股權計劃的主要條款概要：

計劃的目的

計劃的目的為挽留及提供獎勵予本集團僱員以達成其業務目標。

計劃的參與者

在本公司(或其附屬公司)全職工作的本公司任何成員公司的僱員(包括本集團任何成員公司的任何執行董事)可接納可認購股份的購股權。

可供發行的證券總數

- (a) 根據購股權計劃及任何其他計劃授出的購股權而可供發行的股份總數合計不得超過本公司於批准計劃當日的已發行股本的10%(或創業板上市規則批准的更高百分比)，惟根據下文(b)及(c)段取得股東批准除外。
- (b) 本公司可於股東大會上尋求股東批准更新上文(a)段所述的該限制。



SHARE OPTION SCHEMES (Continued)

(A) Share option schemes of the Company (Continued)

(2) Share Option Scheme (Continued)

- (c) The Company may seek separate Shareholders' approval in a general meeting to grant options beyond the limit as referred to in the above paragraph (a) provided that the total number of Shares subject to the scheme and any other schemes does not in aggregate exceed 30% of the relevant class of securities of the Company in issue from time to time.
- (d) Shareholders' approval has been obtained on 6 August 2002 to refresh the 10% limit. The Directors may grant options for subscription of up to 493,173,000 Shares (which do not include those options that are outstanding, cancelled or lapsed), representing 10% of the issued share capital as at the date of this annual report.

The maximum entitlement of each participant under the scheme

Unless approved by Shareholders, the total number of securities issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of securities of the Company in issue.

Time of exercise of option

An option may be exercised in accordance with the terms of the scheme at any time during the period commencing one year from the date of grant of the option and expiring ten years after the date of grant of the option in accordance with the following schedule:

購股權計劃 (續)

(A) 本公司的購股權計劃(續)

(2) 購股權計劃(續)

- (c) 本公司可於股東大會上另行尋求股東批准授予超出上文(a)段所述限制的購股權，惟計劃及任何其他計劃涉及的股份總數不得超過本公司不時已發行有關類別證券的30%。
- (d) 股東於二零零二年八月六日批准更新10%限制。董事可授出認購最多493,173,000股股份(不包括尚未行使、註銷或失效的該等購股權)的購股權，有關股份數目佔本年報日期的已發行股本10%。

根據計劃各參與者的最大配額

除經股東批准外，於任何十二個月期間內向各參與者授予的購股權(包括已行使及未行使的購股權)行使時已發行及將發行的證券總數不得超過本公司已發行有關類別證券的1%。

行使購股權期限

購股權可於授出購股權當日起計一年開始至授出購股權日期後10年屆滿的期間內任何時間根據計劃的條款，按照以下時間表予以行使：



SHARE OPTION SCHEMES (Continued)
(A) Share option schemes of the Company (Continued)
(2) Share Option Scheme (Continued)

購股權計劃 (續)
(A) 本公司的購股權計劃 (續)
(2) 購股權計劃 (續)

| Date of exercise of an option | Percentage of Shares comprised in options which is exercisable |
|--|--|
| 行使購股權日期 | 可予行使的購股權 所佔股份比例 |
| Between the date of grant of an option and less than 12 months following the date of grant of an option 授出購股權當日至授出購股權當日後少於12個月內 | zero 零 |
| Between the period falling 12 months or more but less than 24 months from the date of grant of an option 授出購股權當日後12個月或之後，但少於24個月的期間內 | up to 25% 最多25% |
| Between the period falling 24 months or more but less than 36 months from the date of grant of an option 授出購股權當日後24個月或之後，但少於36個月的期間內 | up to 50% 最多50% |
| Between the period falling 36 months or more but less than 48 months from the date of grant of an option 授出購股權當日後36個月或之後，但少於48個月的期間內 | up to 75% 最多75% |
| Any time falling 48 months from the date of grant of an option and thereafter 授出購股權當日後48個月及其後任何時間 | 100% 100% |
| <i>Minimum holding period</i> As stated above, no option can be exercised within the first twelve months following the date of grant of an option. | <i>最短持有期間</i> 如上文所列，並無購股權可於授出購股權當日後首十二個月內行使。 |
| <i>The amount payable on acceptance of the option</i> The date by which the option must be applied for being a date not more than twenty one days from (and including) the Offer Date. Upon acceptance of the option, the option holder shall pay HK\$1 to the Company as consideration of the grant. | <i>接納購股權應付的款項</i> 申請購股權的日期必須為提呈日期(包括該日)起計不超過二十一天內。待接納購股權時，購股權持有人須支付1港元予本公司，作為授予的代價。 |



SHARE OPTION SCHEMES (Continued)

(A) Share option schemes of the Company (Continued)

(2) Share Option Scheme (Continued)

The basis of determining the exercise price

The subscription price for the Shares under the scheme shall be determined by the Committee and will be no less than the highest of (a) the closing price of Shares as stated in the Stock Exchange's daily quotation sheets on the Offer Date which must be a business day, (b) the average closing price per Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date and (c) the nominal value of the Share.

The remaining life of the scheme

The scheme will remain in force for a period of ten years commencing on the date of the adoption of the scheme. Upon termination, no further options may be granted under the scheme.

The details of share options granted by the Company under the Share Option Scheme to the employees of the Group to acquire Shares were as follows:

| Type and number of remaining grantees 餘下的承授人 類別及數目 | Date of grant 授出日期 | Vesting period 歸屬期 | Exercise period 行使期間 | Exercise price per share 每股 行使價 HK\$ 港元 | Number of share options 購股權數目 | | | |
|--|---------------------------------|---|---|---|--|--------------------------------|---|------------|
| | | | | | Balance as at 1 January 2004 於二零零四年一月一日結餘 | Lapsed during the year 年內失效 | Balance as at 31 December 2004 於二零零四年十二月三十一日結餘 | |
| 2 employees 2名僱員 | 15 February 2001 二零零一年二月十五日 | 15 February 2001 to 14 February 2002 二零零一年二月十五日 至二零零二年二月十四日 | 15 February 2002 to 14 February 2011 二零零二年二月十五日至 二零一一年二月十四日 | 1.99 | 1,700,000 | - | - | 1,700,000 |
| 18 employees 18名僱員 | 10 August 2001 二零零一年八月十日 | 10 August 2001 to 9 August 2002 二零零一年八月十日 至二零零二年八月九日 | 10 August 2002 to 9 August 2011 二零零二年八月十日 至二零一一年八月九日 | 1.13 | 12,160,000 | - | (120,000) | 12,040,000 |
| 5 employees 5名僱員 | 20 December 2002 二零零二年十二月二十日 | 20 December 2002 to 19 December 2003 二零零二年十二月二十日 至二零零三年十二月十九日 | 20 December 2003 to 19 December 2012 二零零三年十二月二十日至 二零一二年十二月十九日 | 0.79 | 2,468,000 | - | (238,000) | 2,230,000 |
| Total: 合計: | | | | | | | | |
| 25 employees 25名僱員 | | | | | 16,328,000 | - | (358,000) | 15,970,000 |

購股權計劃 (續)

(A) 本公司的購股權計劃(續)

(2) 購股權計劃(續)

釐定行使價的基準

根據計劃的股份認購價須由委員會釐定，並不少於以下三者中的最高者 (a)股份於提呈日期(須為營業日)在聯交所每日報價表所列的收市價、(b)股份於緊接提呈日期前五個營業日在聯交所每日報價表所列的平均收市價及(c)股份面值。

計劃餘下年期

計劃由採納計劃日期起計十年內保持有效。於終止時，不可再根據計劃授予購股權。

本公司根據購股權計劃向本集團僱員授出可認購股份的購股權的詳情如下：



SHARE OPTION SCHEMES (Continued)

(A) Share option schemes of the Company (Continued)

(2) Share Option Scheme (Continued)

Save as disclosed above, no option has been exercised, cancelled or lapsed during the year.

No option had been granted to the Directors, chief executive, management shareholders, substantial shareholders, or their respective associates, or to the suppliers of goods or services under the Share Option Scheme. No participant was granted any option in excess of the individual limit as set out in the GEM Listing Rules or under the Share Option Scheme.

The summary of the treatment of forfeiture of option prior to the expiry date is set out in the appendix of the half-yearly report 2000/2001.

Valuation of share options

The options granted are not recognised in the financial statements of the Group until they are exercised. The Directors consider that it is not appropriate to state the value of the options granted during the year on the ground that a number of variables which are crucial for the valuation of the option value cannot be reasonably determined. Accordingly, the Directors believe that any valuation of the share options based on a great number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

(B) Share option scheme of a subsidiary of the Company PHOENIXi PLAN

On 7 June 2000, PHOENIXi Investment Limited ("PHOENIXi"), a member of the Group, adopted the PHOENIXi 2000 Stock Incentive Plan (the "PHOENIXi Plan"). The following is a summary of the principal terms of the PHOENIXi Plan as at 31 December 2004:

Purpose of the scheme

The purposes of the PHOENIXi Plan are to attract and retain the best available personnel, to provide additional incentive to its employees and Executive Directors and to promote the success of its business.

The participants of the scheme

The employees of PHOENIXi, including any Executive Directors, in the full-time employment of PHOENIXi (or the subsidiaries of PHOENIXi) or the Company are eligible to take up options to subscribe for shares in PHOENIXi. In addition, to be classified as an eligible person, where the employee is employed by a holding company of PHOENIXi or a subsidiary of PHOENIXi, the employee must perform an executive role for PHOENIXi.

購股權計劃 (續)

(A) 本公司的購股權計劃(續)

(2) 購股權計劃(續)

除上文披露者外，年內並無任何購股權被行使、註銷或失效。

概無董事、行政總裁、管理層股東、主要股東或彼等各自的聯繫人士、或貨品或服務供應商根據購股權計劃獲授予任何購股權。概無參與者根據獲授出的任何購股權超過創業板上市規則所載列或根據購股權計劃的個人限額。

於屆滿日期前購股權失效的處理方式概要載於二零零零／二零零一年半年度報告的附錄內。

購股權的估值

授出的購股權於行使前不會於本集團的財務報表內確認。董事認為，由於對購股權價值進行估值有關鍵作用的多項可變因素未能合理確定，故列出期內購股權的價值並不適合。因此，董事相信，根據大量揣測性假設而對購股權進行任何估值並無意義，更可能對股東造成誤導。

(B) 本公司一家附屬公司的購股權計劃 PHOENIXi計劃

於二零零零年六月七日，本集團的成員公司PHOENIXi Investment Limited (「PHOENIXi」) 採納PHOENIXi二零零零年股份獎勵計劃 (「PHOENIXi計劃」)。以下為於二零零四年十二月三十一日的PHOENIXi計劃的主要條款概要：

計劃的目的

PHOENIXi計劃的目的為招攬及挽留優秀員工，並為其僱員及執行董事提供額外獎勵，及促進其業務成就。

計劃的參與者

PHOENIXi的僱員，包括在PHOENIXi或本公司(或PHOENIXi的附屬公司)全職工作的任何執行董事，合資格接納可認購PHOENIXi股份的購股權。此外，倘受僱於PHOENIXi的控股公司或PHOENIXi的附屬公司的僱員要界定為合資格人士，該僱員須為PHOENIXi履行行政職責。

SHARE OPTION SCHEMES (Continued)

(B) Share option scheme of a subsidiary of the Company (Continued)

The total number of securities available for issue

- (a) The total number of shares available for issue under options which may be granted under the PHOENIXi Plan and any other schemes of PHOENIXi, must not in aggregate exceed 10% of the issued share capital of PHOENIXi as at the Listing Date unless approvals of the Shareholders of the Company and PHOENIXi have been obtained pursuant to paragraphs (b) and (c) below.
- (b) PHOENIXi may seek approval by the Shareholders of the Company and PHOENIXi in a general meeting to refresh the 10% limit. However, the total number of shares available for issue under options which may be granted under the PHOENIXi Plan and any other schemes of PHOENIXi in these circumstances must not exceed 10% of the issued share capital of PHOENIXi at the date of approval of the refreshing of the limit.
- (c) PHOENIXi may seek separate approval of the Shareholders of the Company and PHOENIXi in a general meeting to grant options beyond the 10% limit provided that (i) the total number of shares subject to the PHOENIXi Plan and any other schemes of PHOENIXi does not in aggregate exceed 30% of the total issued share capital of PHOENIXi and (ii) the options in excess of the 10% limit are granted only to participants specified by PHOENIXi before such approval is sought.

The maximum entitlement of each participant under the scheme

No options may be granted to any eligible person which, if at the relevant time exercised in full, would result in the total number of shares of PHOENIXi the subject of such option, when added to the number of shares already issued and/or issuable to him/her under the PHOENIXi Plan exceeding 25% of the aggregate number of shares of PHOENIXi in respect of which options are issuable under the PHOENIXi Plan.

購股權計劃 (續)

(B) 本公司一家附屬公司的購股權計劃 (續)

可供發行的證券總數

- (a) 根據PHOENIXi計劃及PHOENIXi任何其他計劃授出的購股權而可供發行的股份總數合計不得超過於上市日期的PHOENIXi已發行股本的10%，惟根據下文(b)及(c)段取得本公司及PHOENIXi的股東批准除外。
- (b) PHOENIXi可於股東大會上尋求本公司及PHOENIXi股東批准更新10%限制。然而，於此等情況下根據PHOENIXi計劃及PHOENIXi任何其他計劃授出的購股權而可供發行的股份總數不得超過於批准更新限制日期的PHOENIXi已發行股本的10%。
- (c) PHOENIXi可於股東大會上另行尋求本公司及PHOENIXi股東批准授予超出10%限制的購股權，惟(i) PHOENIXi計劃及PHOENIXi任何其他計劃涉及的股份總數不得超過PHOENIXi已發行股本總數的30%及(ii)超過10%限制的購股權僅授予於尋求該批准前由PHOENIXi指定的參與者。

根據計劃各參與者的最大配額

倘任何一名合資格人士全面行使獲授予的購股權，可導致該合資格人士可認購的PHOENIXi股份總數，加上該合資格人士根據PHOENIXi計劃獲發行及／或其獲可予發行的股份數目，超過根據PHOENIXi計劃可予發行的購股權涉及的股份總數的25%，則不得向該合資格人士授予購股權。



SHARE OPTION SCHEMES (Continued)

(B) Share option scheme of a subsidiary of the Company (Continued)

Time of exercise of option

Generally, an option may be exercised at any time during a period of no more than ten years commencing from the date of grant. However, in the case of an Incentive Stock Option (“ISO”) granted to a person, who at the time of the grant, owns shares in PHOENIXi representing more than 10% of the voting power of PHOENIXi, the Company or any subsidiary of the Company, the option period will be five years from the date of grant thereof.

Minimum holding period

As stated above, there is no minimum holding period for which an option can be exercised.

The amount payable on acceptance of the option

The date by which the option must be applied for being a date not more than twenty one days from (and including) the Offer Date. Upon acceptance of the option, the option holder shall pay US\$1 to the Company as consideration of the grant.

The basis of determining the exercise price

The price for the shares of PHOENIXi upon the exercise of an option under the PHOENIXi Plan will, in the case of:

- (a) an ISO or a Non-Qualified Stock Option (“NQS”), where the grantee owns more than 10% of the shares of the Company, PHOENIXi or its subsidiaries (each a “Related Entity”), be equal to not less than 110% of the Fair Market Value (as referred to below) per share of PHOENIXi on the date of the grant.
- (b) an ISO or NQS, where the grantee does not own more than 10% of the shares of PHOENIXi or a Related Entity, be equal to not less than the Fair Market Value per share of PHOENIXi on the date of the grant.
- (c) an option which is neither an ISO nor an NQS but where the grantee owns more than 10% of the shares of PHOENIXi or a Related Entity, be equal to not less than the Fair Market Value per share of PHOENIXi on the date of the grant.

購股權計劃 (續)

(B) 本公司一家附屬公司的購股權計劃 (續)

行使購股權期限

普遍而言，購股權可於授予當日起計十年期間內任何時間行使。然而，倘獲授予獎勵性購股權(「ISO」)之人士，於授予時擁有的PHOENIXi股份相等於PHOENIXi、本公司或本公司任何附屬公司的投票權10%以上，則購股權期間將為授予日期起計五年。

最短持有期間

如上文所列，並無規定購股權於行使前須符合最短持有期間。

接納購股權應付的款項

申請購股權的日期必須為提呈日期(包括該日)起計不超過二十一天內。待接納購股權時，購股權持有人須支付1美元予本公司，作為授予的代價。

釐定行使價的基準

根據PHOENIXi計劃行使購股權認購PHOENIXi股份的價格：

- (a) 就ISO或非限定購股權(「NQS」)而言，若承授人擁有本公司、PHOENIXi或其附屬公司(各稱「相關實體」)超過10%的股份，則價格將不低於每股PHOENIXi股份在授出當日的公平市場價值(如下文所述)的110%。
- (b) 就ISO或NQS而言，若承授人擁有PHOENIXi或相關實體不超過10%的股份，則價格將不低於每股PHOENIXi股份在授出當日的公平市場價值。
- (c) 就ISO或NQS以外的購股權而言，若承授人擁有PHOENIXi或相關實體超過10%的股份，則價格將不低於每股PHOENIXi股份在授出當日的公平市場價值。

SHARE OPTION SCHEMES (Continued)

(B) Share option scheme of a subsidiary of the Company (Continued)

The basis of determining the exercise price (Continued)

- (d) an option which is neither an ISO nor an NQS but where the grantee does not own more than 10% of the shares of PHOENIXi or a Related Entity, be equal to not less than 85% of the Fair Market Value per share of PHOENIXi on the date of the grant, but if the shares of PHOENIXi are listed or if a Director of the Company or PHOENIXi or their associates participates in the PHOENIXi Plan, the per share price must not be less than the Fair Market Value per share of PHOENIXi on the date of the grant.

For the purpose of the above “Fair Market Value” means as of any date, the value of shares of the Company, PHOENIXi or any subsidiary of PHOENIXi (as the case may be) determined as follows:

- (i) where the shares of PHOENIXi are listed on any stock exchange, the Fair Market Value shall be (a) no less than the higher of the closing price for a share on the date of the grant of an option which must be a business day, or (b) the average closing price of the share for the five business days immediately preceding the date of grant (the closing price shall be the price on the stock exchange on which the shares of PHOENIXi are listed) or (c) the nominal value of a share; or
- (ii) in the absence of an established market for the shares of the type described in (i) above, the Fair Market Value thereof shall be determined by the Committee in good faith on a fair and reasonable basis but in a manner consistent with Section 260.140.50 of Title 10 of the California Code of Regulations but in any event must in no circumstances be less than the latest audited net tangible assets per share of PHOENIXi unless none of the Directors or their associates of PHOENIXi or the Company participate in the Plan, in which event, reference does not need to be made to the latest audited net tangible asset per share of PHOENIXi for the purpose of determining the Fair Market Value of the shares.

The remaining life of the scheme

The scheme will remain in force for a period of ten years commencing on the date of the adoption of the scheme. Upon termination, no further options may be granted under the scheme.

As at 31 December 2004, no options had been granted under the PHOENIXi Plan.

購股權計劃 (續)

(B) 本公司一家附屬公司的購股權計劃 (續)

釐定行使價的基準 (續)

- (d) 就ISO或NQS以外的購股權而言，若承授人擁有PHOENIXi或相關實體不超過10%的股份，則價格將不低於每股PHOENIXi股份在授出當日的公平市場價值的85%；惟若PHOENIXi股份為已上市或若本公司或PHOENIXi的董事或彼等的聯繫人士有份參與PHOENIXi計劃，則每股價格將不低於每股PHOENIXi股份在授出當日的公平市場價值。

就以上目的而言，「公平市場價值」指在任何日期，本公司、PHOENIXi或PHOENIXi任何附屬公司（視情況而定）的股份按以下釐定的價值：

- (i) 若PHOENIXi股份在任何證券交易所上市，則公平市場價值為(a)不少於股份在授出購股權日期（必須為營業日）的收市價、或(b)股份於緊接授出日期前五個營業日的平均收市價（收市價須為在PHOENIXi股份上市所在的證券交易所的價格）或(c)股份面值三者中的最高者；或
- (ii) 若上文(i)所述類別股份並無已建立的市場，公平市場價值須由委員會以忠誠及按公平合理基準，並以貫徹Section 260.140.50 of Title 10 of California Code of Regulations的方式釐定，惟無論如何不得低於每股PHOENIXi股份的最新經審核有形資產淨值。除非PHOENIXi或本公司的董事或彼等的聯繫人士全無參與計劃，在此情況下，股份的公平市場價值毋須參考每股PHOENIXi股份的最新經審核有形資產淨值而釐定。

計劃的餘下年期

計劃由採納計劃日期起計十年內保持有效。於終止時，不可再根據計劃授予購股權。

於二零零四年十二月三十一日，並無根據PHOENIXi計劃授出購股權。



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Under the terms of the Company's share option schemes approved by the Shareholders on 7 June 2000, the Committee may, at their discretion, invite any employee of the Company or any of the Group companies, including any Executive Directors, to take up options to subscribe for Shares. The maximum number of Shares in respect of which options may be granted under the share option schemes must not exceed 10% of the issued share capital of the Company. The terms of the Share Option Scheme were amended on 14 February 2001 and 6 August 2002 respectively, and a summary of the amended Share Option Scheme is set out in the section headed "Share Option Schemes" of this report.

Save as disclosed herein, and other than those in connection with the Group reorganisation scheme prior to the Company's listing of Shares, at no time during the year was the Company or any of the companies comprising the Group a party to any arrangement to enable the Company's Directors or their associates to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

董事購入股份或債券之權利

根據股東於二零零零年六月七日批准的本公司購股權計劃條款，委員會可酌情邀請本公司或本集團任何成員公司旗下任何僱員（包括任何執行董事）接納可認購股份的購股權。根據購股權計劃授出的購股權涉及的最高股份數目，不可超過本公司已發行股本的10%。購股權計劃條款已分別於二零零一年二月十四日及二零零二年八月六日修訂，經修訂購股權計劃概要載列於本報告「購股權計劃」一節。

除上文披露及牽涉本公司股份上市前所進行之本集團重組計劃者外，本公司或本集團旗下任何成員公司於期內任何時間概無參與訂立任何安排，致使本公司董事或彼等之聯繫人士可透過購入股份或本公司或任何其他公司機構之債券而獲益。

董事的合約權益

本公司董事在本公司或其任何附屬公司參與訂立及與本集團業務有重大關係，且於本年度結束時或年內任何時間仍然有效的合約中，概無直接或間接擁有任何重大權益。

管理層合約

本公司於年內並無訂立或存在仍然生效就本公司業務之全部或任何重大部份的管理及監管的合約。

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2004, the interest of the shareholders (not being Directors and the chief executive of the Company) in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

(i) Substantial shareholders

Name of substantial shareholders 主要股東名稱

Xing Kong Chuan Mei Group Co., Ltd. (Note 1)
Xing Kong Chuan Mei Group Co., Ltd. (附註1)
Today's Asia Limited (Note 2)
今日亞洲有限公司 (附註2)

Notes:

1. Xing Kong Chuan Mei Group Co., Ltd. is a subsidiary of STAR Group Limited. News Cayman Holdings Limited holds 100% of the ordinary voting shares of STAR Group Limited. News Publishers Investments Pty, Limited holds 100% of the ordinary voting shares of News Cayman Holdings Limited. News Publishers Investments Pty, Limited is a wholly-owned subsidiary of STAR US Holdings Subsidiary, LLC, which in turn is a wholly-owned subsidiary of STAR US Holdings, Inc. STAR US Holdings, Inc. is a wholly-owned subsidiary of News Publishing Australia Limited, which in turn is an indirect wholly owned subsidiary of News Holdings Limited (formerly known as The News Corporation Limited) ("NHL").

On 12 November 2004 NHL completed a reorganization transaction under which News Corporation indirectly acquired all of the shares in NHL via News Australia Holdings Pty Limited, its wholly-owned subsidiary.

By virtue of the SFO, News Corporation, News Australia Holdings Pty Limited, NHL, News Publishing Australia Limited, STAR US Holdings, Inc, STAR US Holdings Subsidiary, LLC, News Publishers Investments Pty, Limited, News Cayman Holdings Limited and STAR Group Limited are all deemed to be interested in the 1,854,000,000 Shares held by Xing Kong Chuan Mei Group Co., Ltd.

股東於本公司股份及相關股份之權益及淡倉

於二零零四年十二月三十一日，股東（並非董事及本公司行政總裁）擁有根據證券及期貨條例第XV部的第2及第3分部須知會本公司及聯交所，以及須記入本公司根據證券及期貨條例第336條存置的登記冊於本公司或其任何相聯法團（具有證券及期貨條例第XV部賦予的涵義）的股份及相關股份權益如下：

(i) 主要股東

| Number of ordinary shares 普通股數目 | Percentage of shareholding 股權百分比 |
|------------------------------------|-------------------------------------|
|------------------------------------|-------------------------------------|

| | |
|---------------|-------|
| 1,854,000,000 | 37.6% |
| 1,854,000,000 | 37.6% |

附註：

1. Xing Kong Chuan Mei Group Co., Ltd. 為星空傳媒集團有限公司的附屬公司，而星空傳媒集團有限公司則由News Cayman Holdings Limited擁有其100%普通可投票股份權益；News Publishers Investments Pty, Limited持有News Cayman Holdings Limited的100%普通可投票股份權益；News Publishers Investments Pty, Limited為STAR US Holdings Subsidiary, LLC的全資附屬公司，STAR US Holdings Subsidiary, LLC為STAR US Holdings, Inc的全資附屬公司，而後者則為News Publishing Australia Limited的全資附屬公司，而News Publishing Australia Limited為New Holdings Limited（前稱The News Corporation Limited）（「NHL」）的間接全資附屬公司。

於二零零四年十一月十二日，NHL完成一項重組交易，據此News Corporation透過其全資附屬公司News Australia Holdings Pty Limited間接收購NHL之所有股份。

根據證券及期貨條例，News Corporation、News Australia Holdings Pty Limited、NHL、News Publishing Australia Limited、STAR US Holdings, Inc、STAR US Holdings Subsidiary, LLC、News Publishers Investments Pty, Limited、News Cayman Holdings Limited及星空傳媒集團有限公司，均被視為擁有由Xing Kong Chuan Mei Group Co., Ltd.所持有的1,854,000,000股股份的權益。



SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

(i) Substantial shareholders (Continued)

Notes: (Continued)

2. Today's Asia Limited is beneficially owned by Mr. LIU, Changle and Mr. CHAN, Wing Kee as to 93.3% and 6.7% interests, respectively.

(ii) Other person who is required to disclose his interests

Name of other person who has more than 5% interest

持有超過5%權益的其他人士的名稱

China Wise International Limited (Note)
華穎國際有限公司 (附註)

Note: China Wise International Limited is a wholly-owned subsidiary of Cultural Developments Limited, which in turn is a wholly-owned subsidiary of Bank of China Group Investment Limited. Bank of China Group Investment Limited is a wholly-owned subsidiary of Bank of China Limited, which in turn is a wholly-owned subsidiary of Central Huijin Investment Company Limited. By virtue of the SFO, Central Huijin Investment Company Limited, Bank of China Limited, Bank of China Group Investment Limited and Cultural Developments Limited are all deemed to be interested in the 412,000,000 shares held by China Wise International Limited.

Save as disclosed above, no other shareholders or other persons had interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, was directly or indirectly, interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group, or any options in respect of such capital.

股東於本公司股份及相關股份之權益及淡倉 (續)

(i) 主要股東 (續)

附註: (續)

2. 今日亞洲有限公司由劉長樂先生及陳永棋先生實益擁有，兩人分別佔93.3%及6.7%的權益。

(ii) 須披露其權益的其他人士

| Number of ordinary shares 普通股數目 | Percentage of shareholding 股權百分比 |
|---------------------------------------|--|
|---------------------------------------|--|

| | |
|-------------|------|
| 412,000,000 | 8.3% |
|-------------|------|

附註：華穎國際有限公司乃Cultural Developments Limited的全資附屬公司，而Cultural Developments Limited乃由中銀集團投資有限公司全資擁有的附屬公司。中銀集團投資有限公司乃中國銀行有限公司的全資附屬公司。中國銀行有限公司乃Central Huijin Investment Company Limited的全資附屬公司。根據證券及期貨條例，Central Huijin Investment Company Limited、中國銀行有限公司、中銀集團投資有限公司及Cultural Developments Limited均被視作持有由華穎國際有限公司所持412,000,000股股份的權益。

除上文所披露外，並無其他股東或其他人士擁有根據證券及期貨條例第XV部的第2及第3分部的條文須向本公司及聯交所披露於本公司股份及相關股份的權益或淡倉，或直接或間接持有附帶可於本集團任何其他成員公司的股東大會上的所有情況下投票權的已發行股本面值或就有關股本的任何購股權的5%或以上權益或淡倉。

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the Company's Articles of Association and the law in the Cayman Islands in relation to the issue of new Shares by the Company.

PURCHASE, SALE OR REPURCHASE OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the Shares during the year.

SPONSORS' INTERESTS

As at 30 June 2002, BOCI Asia Limited and Merrill Lynch Far East Limited ceased to be the sponsors of the Company upon expiration of the terms of contract after two years of service. The Company had no sponsors since 1 July 2002. Accordingly, no additional disclosure is made.

CONNECTED TRANSACTIONS

1. The following connected transactions with Satellite Television Asian Region Limited ("STARL"), STAR TV Filmed Entertainment Limited ("STAR Filmed"), ATV Enterprises Limited ("ATVE") and Asia Television Limited ("ATV") have been approved by resolutions of independent shareholders passed on 26 June 2003:

- (a) STARL is a subsidiary of Xing Kong Chuan Mei Group Co., Ltd., a substantial shareholder of the Company. The connected transactions are:
 - (i) STARL provides technical and administrative services for the operations of the Phoenix Chinese Channel, Phoenix Movies Channel, Phoenix InfoNews Channel, Phoenix North America Chinese Channel and Phoenix Chinese News and Entertainment Channel. For the year ended 31 December 2004, the service charges paid/payable to STARL amounted to approximately HK\$52,917,000, which was calculated under the terms of the executed service agreement between a subsidiary of the Company and STARL. Such amount did not exceed the annual cap of HK\$80,000,000 for each of the three years ending 30 June 2006, approved under the relevant resolutions.

優先購買權

本公司的公司章程及開曼群島法例並無訂明有關發行本公司新股份優先購買權的條文。

購買、出售或購回股份

本公司或其任何附屬公司在年內概無購買、出售或購回本公司任何股份。

保薦人權益

於二零零二年六月三十日，當兩年服務合約屆滿時，中銀國際亞洲有限公司及美林遠東有限公司停止作為本公司的保薦人。自二零零二年七月一日起，本公司並無保薦人，因此毋須作出額外披露。

關連交易

- 1. 以下與衛星電視有限公司 ("STARL")、STAR TV Filmed Entertainment Limited ("STAR Filmed")、亞洲電視企業有限公司 ("亞視企業") 及亞洲電視有限公司 ("亞洲電視") 間的關連交易已透過獨立股東於二零零三年六月二十六日通過之決議案而獲得批准：
 - (a) STARL為本公司主要股東Xing Kong Chuan Mei Group Co., Ltd.的附屬公司。關連交易如下：
 - (i) STARL為鳳凰衛視中文台、鳳凰衛視電影台、鳳凰衛視資訊台、鳳凰衛視美洲台及鳳凰衛視歐洲台的營運提供技術及行政服務。於截至二零零四年十二月三十一日止年度，向STARL支付／應付的服務費約52,917,000港元，乃根據本公司的附屬公司與STARL已訂立的服務協議條款計算。該款額並無超過根據有關決議案批准於截至二零零六年六月三十日止三個年度的每年上限80,000,000港元。



CONNECTED TRANSACTIONS (Continued)

- (ii) STARL acts as an agent to promote international subscription sales and marketing services for the Group. For the year ended 31 December 2004, commission for international subscription sales and marketing services paid/payable to STARL amounted to approximately HK\$2,645,000, which was calculated based on 15% of the subscription fees generated and received by STARL on behalf of the Group. Such amount did not exceed the annual caps of HK\$5,000,000 for the year ended 30 June 2004 and HK\$7,500,000 for the year ending 30 June 2005, respectively, approved under the relevant resolutions.
- (iii) STARL acts as an exclusive advertising agent for the Group at all territories outside the People's Republic of China ("PRC"). For the year ended 31 December 2004, commission for advertising sales and marketing services paid/payable to STARL amounted to approximately HK\$944,000, which was calculated based on 4%-15% of the net advertising income generated and received by STARL on behalf of the Group after deducting the relevant amount of the third party agency fees incurred by it. Such amount did not exceed the annual cap of HK\$20,000,000 for each of the three years ending 30 June 2006 approved under the relevant resolutions. Pursuant to a letter of termination dated 18 October 2004, STARL ceased to act as the advertising sales agent for the Group with effect from 30 September 2004 but will continue to provide services and receive commission in respect of advertising sales contracts concluded by STARL on behalf of the Group prior to its cessation or as specifically agreed by the parties.

關連交易 (續)

- (ii) STARL 出任本集團的國際訂戶銷售及市場推廣服務代理。於截至二零零四年十二月三十一日止年度，向STARL支付／應付的銷售及推廣服務佣金約2,645,000港元，乃根據STARL代表本集團賺得及收取的收視費收入的15%計算。該款額並無超過根據有關決議案批准分別於截至二零零四年六月三十日止年度的每年上限5,000,000港元及截至二零零五年六月三十日止年度的每年上限7,500,000港元。
- (iii) STARL在中華人民共和國(「中國」)以外所有地區出任本集團的獨家廣告代理。於截至二零零四年十二月三十一日止年度，向STARL支付的廣告銷售及市場推廣服務佣金約944,000港元，乃根據STARL代表本集團賺得及收取之廣告收入淨額的4%-15%計算，並已扣除其應付的第三方代理費的有關款項。該款額並無超過根據有關決議案批准截至二零零六年六月三十日止三個年度各年的每年上限20,000,000港元。根據於二零零四年十月十八日之終止函件，STARL不再出任本集團的廣告銷售代理，並自二零零四年九月三十日起生效，惟STARL將可就其於終止前代表本集團簽訂之廣告銷售合約或按訂約各方之特別協定，繼續提供服務並收取佣金。

CONNECTED TRANSACTIONS (Continued)

- (b) STAR Filmed is an indirect wholly-owned subsidiary of STAR Group Limited, which holds 100% of Xing Kong Chuan Mei Group Co., Ltd., a substantial shareholder of the Company. The connected transaction relates to the granting of a non-exclusive licence to exhibit a selection of movies on Phoenix Movies Channel in the PRC for a term of 10 years commencing from 28 August 1998. For the year ended 31 December 2004, the film licence fees paid/payable to STAR Filmed amounted to approximately HK\$20,337,000, which were charged according to the executed film rights licensing agreement between a subsidiary of the Company and STAR Filmed. Such amount did not exceed the annual cap of HK\$23,000,000 for each of the three years ending 30 June 2006 approved under the relevant resolutions.
- (c) ATVE, a wholly-owned subsidiary of ATV, is a connected party by virtue of the fact that Mr. LIU, Changle and Mr. CHAN, Wing Kee beneficially own 93.3% and 6.7%, respectively, of Today's Asia Limited, which holds 100% of Vital Media Holdings Limited, which in turn holds 46% indirect interest in ATV. Mr. CHAN, Wing Kee also owns 95% of Dragon Sheen Holdings Limited which holds 16.25% indirect interest in ATV as at 31 December 2004. He also owns 80% of Dragon Goodwill International Limited, which has completed its acquisition of 32.75% interests in ATV on 25 July 2003. The connected transaction relates to the acquisition of certain television programme licences from ATVE. For the year ended 31 December 2004, programme licence fees paid/payable to ATVE amounted to approximately HK\$709,000, which were charged according to the executed licensing agreement between a subsidiary of the Company and ATVE. Such amount did not exceed the annual cap of HK\$15,000,000 for each of the three years ending 30 June 2006 approved under the relevant resolutions.

關連交易（續）

- (b) STAR Filmed為星空傳媒集團有限公司間接全資附屬公司，而星空傳媒集團有限公司則持有本公司主要股東Xing Kong Chuan Mei Group Co., Ltd.的100%權益。關連交易涉及授出非獨家電影播放許可，鳳凰衛視電影台可於一九九八年八月二十八日起計十年內在中國境內播放一系列電影。於截至二零零四年十二月三十一日止年度，向STAR Filmed支付／應付的電影許可費約20,337,000港元，乃根據本公司的附屬公司與STAR Filmed訂立的電影許可協議收取。該款額並無超過根據有關決議案批准截至二零零六年六月三十日止三個年度各年的每年上限23,000,000港元。
- (c) 由於劉長樂先生及陳永棋先生分別實益擁有今日亞洲有限公司的93.3%及6.7%權益，而今日亞洲有限公司則持有Vital Media Holdings Limited的100%權益，而Vital Media Holdings Limited則持有亞洲電視的46%間接權益，故亞洲電視的全資附屬公司亞視企業為關連人士。於二零零四年十二月三十一日，陳永棋先生亦擁有龍盛集團有限公司的95%權益，龍盛集團有限公司則持有亞洲電視的16.25%間接權益。彼亦擁有Dragon Goodwill International Limited之80%權益，而Dragon Goodwill International Limited於二零零三年七月二十五日完成收購亞洲電視之32.75%權益。關連交易涉及向亞洲電視企業有限公司購入若干電視節目的播放許可。於截至二零零四年十二月三十一日止年度，向亞洲電視企業有限公司支付／應付的節目許可費約709,000港元，乃根據本公司的附屬公司與亞視企業訂立的許可協議收取。該款額並無超過根據有關決議案批准截至二零零六年六月三十日止三個年度各年的每年上限15,000,000港元。



CONNECTED TRANSACTIONS (Continued)

(d) A subsidiary of the Company has entered into an arrangement to provide technical support services and equipment to ATV for the operation of the ATV Home Channel (U.S. version) via EchoStar Satellite Corporation, a direct-to-home satellite television operator in the United States. For the year ended 31 December 2004, the service fees received/receivable from the provision of technical support services and equipment to ATV were approximately HK\$1,402,000, which was charged according to the executed service agreement between this subsidiary and ATV. Such amount did not exceed the annual cap of HK\$2,000,000 for each of the three years ending 30 June 2006 approved under the relevant resolutions.

2. A subsidiary of the Company has entered into an agreement with Fox News Network L.L.C. ("Fox"), an associate of Xing Kong Chuan Mei Group Co., Ltd., a substantial shareholder of the Company. The connected transactions relate to:

- (a) granting of non-exclusive and non-transferable licence to subscribe for Fox's news service;
- (b) leasing of office space and access to workspace, subject to availability; and
- (c) accessing Fox's camera hook up at the United Nations, interview positions in various places in the United States and live shots from Fox's satellite truck positions for events that Fox is already covering, subject to availability.

For the year ended 31 December 2004, the service charges paid/payable to Fox amounted to approximately HK\$3,792,000, which were charged under the licensing agreement between this subsidiary and Fox. Such amount did not exceed the annual cap of HK\$4,627,155 for the year ended 31 December 2004 approved under the relevant resolutions.

關連交易（續）

(d) 本公司的附屬公司已訂立安排，向亞洲電視提供技術支援服務及設備，用作透過美國的直達家居衛星電視營辦商—EchoStar Satellite Corporation 經營亞洲電視本港台頻道（美國版）。於截至二零零四年十二月三十一日止年度，向亞洲電視提供技術支援服務及設備而收取／應收取的服務費約1,402,000港元，乃根據此附屬公司與亞洲電視訂立的服務協議收取。該款額並無超過根據有關決議案批准截至二零零六年六月三十日止三個年度各年的每年上限2,000,000港元。

2. 本公司旗下的一間附屬公司與Fox News Network L.L.C. (「Fox」) 簽訂協議。Fox為Xing Kong Chuan Mei Group Co., Ltd.的聯營公司，後者為本公司的主要股東。關連交易涉及：

- (a) 授出訂購Fox新聞服務的非獨家及不可轉讓許可權；
- (b) 辦公室租賃及使用工作室，視乎其供應而定；及
- (c) 使用Fox位於聯合國的攝影棚、全美各地的採訪場地以及由Fox衛星直播車位置取得Fox已進行報導的事件的現場畫面，視乎其供應而定。

於截至二零零四年十二月三十一日止年度，向Fox支付／應付之服務費約3,792,000港元，乃根據此附屬公司與Fox訂立的授權協議收取。該款額並無超過根據有關決議案批准截至二零零四年十二月三十一日止年度的每年上限4,627,155港元。



CONNECTED TRANSACTIONS (Continued)

3. A 70% owned subsidiary of the Company has entered into a transponder rental agreement and an electronic programme guide (“EPG”) services agreement with British Sky Broadcasting Limited (“BSkyB”), an associate of Xing Kong Chuan Mei Group Co., Ltd., a substantial shareholder of the Company. These connected transactions relate to the provision of transponder rental, uplinking and EPG services for Phoenix Chinese News and Entertainment Channel. For the year ended 31 December 2004, the transponder rental and uplink costs paid/payable to BSkyB amounted to approximately HK\$5,012,000, which were charged in accordance with the service agreements with BSkyB. Such amount did not exceed the annual cap of HK\$6,600,000 for each of the three years ending 30 June 2005 approved by the independent shareholders on 6 August 2002.
4. For the year ended 31 December 2004, news footage and data transmission services were provided by ATV to a subsidiary of the Company. The service charges paid/payable to ATV amounted to approximately HK\$790,000, which were charged based on terms mutually agreed upon between both parties. This is a connected transaction but falls within Rule 20.31 of GEM Listing Rules. Such transaction is exempted from the reporting, announcement and Shareholders' approval requirements of Chapter 20 of the GEM Listing Rules.
5. For the year ended 31 December 2004, decoder devices sold to STARL amounted to approximately HK\$64,000, which were charged based on terms mutually agreed upon between both parties. This is a connected transaction but falls within Rule 20.31 of GEM Listing Rules. Such transaction is exempted from the reporting, announcement and Shareholders' approval requirements of Chapter 20 of the GEM Listing Rules.

關連交易（續）

3. 本公司擁有70%權益的附屬公司與Xing Kong Chuan Mei Group Co., Ltd.(本公司的主要股東)的聯營公司British Sky Broadcasting Limited(「BSkyB」)簽訂轉發器租賃協議及電子節目指引(「電子節目指引」)服務協議。關連交易涉及向鳳凰衛視歐洲台提供轉發器租賃、向上傳輸服務及電子節目指引服務。截至二零零四年十二月三十一日止年度，向BSkyB支付／應付的轉發器租金及向上傳輸費用約5,012,000港元，乃根據與BSkyB簽訂的服務協議收取。該款額並無超過獨立股東於二零零二年八月六日批准截至二零零五年六月三十日止三個年度各年的每年上限6,600,000港元。
4. 於截至二零零四年十二月三十一日止年度，亞洲電視向本公司的一間附屬公司提供新聞片段及數據傳送服務。向亞洲電視支付／應付的服務費用約790,000港元，乃根據雙方同意之條款收取。此項交易為關連交易，故屬創業板上市規則第20.31條所述類別。該交易獲豁免遵照創業板上市規則第20章之申報、公佈及股東批准規定。
5. 於截至二零零四年十二月三十一日止年度，約64,000港元的解碼器器材出售予STARL，金額乃根據雙方同意的條款收取。有關出售事項為關連交易，故屬創業板上市規則第20.31條所述類別。有關交易獲豁免，毋須遵守創業板上市規則第20章內有關申報、公佈及股東批准的規定。



CONNECTED TRANSACTIONS (Continued)

6. For the year ended 31 December 2004, the Group had purchased certain broadcast operations and engineering equipment from STARL. The purchases of broadcast operations and engineering equipment amounted to approximately HK\$98,000, which were charged under the equipment purchase agreement. This is a connected transaction but falls within Rule 20.34 of GEM Listing Rules. Such transaction is exempted from the Shareholders' approval requirements of Chapter 20 of the GEM Listing Rules. The Company has made an announcement on 5 January 2004 in respect of this connected transaction with STARL.
7. A subsidiary of the Company has entered into a license agreement with The DIRECTV Group, Inc. ("DIRECTV"), which is 34% owned by Fox. Fox is 82% owned by News Corporation, the ultimate holding company of Xing Kong Chuan Mei Group Co., Ltd., a substantial shareholder of the Company. These connected transactions relate to the licensing of the non-exclusive right to distribute the Phoenix North America Chinese Channel via its direct broadcast service satellite – delivered television system in North America. For the year ended 31 December 2004, the license fee received/receivable from DIRECTV amounted to approximately HK\$2,309,000, which were charged in accordance with the license agreement with DIRECTV. Such amount did not exceed the annual cap of HK\$3,000,000 for the year ended 31 December 2004.
8. A subsidiary of the Company has entered into a sub-license agreement for the sub-licensing of certain programmes and a license agreement for the licensing of a television series with SGL Entertainment Limited ("SGL"), a wholly owned subsidiary of Xing Kong Chuan Mei Group Co., Ltd., a substantial shareholder of the Company. For the year ended 31 December 2004, the license fee paid/payable to SGL amounted to approximately HK\$1,182,000, which were charged in accordance with the license agreement with SGL. This is a connected transaction but falls within Rule 20.34 of GEM Listing Rules. Such transaction is exempted from the Shareholders' approval requirements of Chapter 20 of the GEM Listing Rules. The Company had made an announcement on 27 September 2004 in respect of this connected transaction with SGL.

關連交易 (續)

6. 於截至二零零四年十二月三十一日止年度，本集團向STARL購入若干廣播營運及工程器材。購入的廣播營運及工程器材約值98,000港元，乃根據器材購買協議而收取。有關出售事項為關連交易，故屬創業板上市規則第20.34條所述類別。有關交易獲豁免，毋須遵守創業板上市規則第20章內有關股東批准的規定。本公司已就與STARL訂立的此項關連交易於二零零四年一月五日刊發公佈。
7. 本公司一間附屬公司與The DIRECTV Group, Inc. (「DIRECTV」) (由Fox擁有34%權益的公司) 訂立許可協議。Fox的82%權益由News Corporation (本公司主要股東Xing Kong Chuan Mei Group Co., Ltd.的最終控股公司) 擁有。該等關連交易涉及授出非獨家權利，透過其於北美洲衛星播送電視系統之直接廣播服務，播放鳳凰衛視美洲台。於截至二零零四年十二月三十一日止年度，自DIRECTV已收取／應收取的許可費用約達2,309,000港元，乃根據與DIRECTV訂立的許可協議收取。該款額並無超過截至二零零四年十二月三十一日止年度日批准的每年上限3,000,000港元。
8. 本公司一間附屬公司與SGL Entertainment Limited (「SGL」) (本公司主要股東Xing Kong Chuan Mei Group Co., Ltd.的全資附屬公司) 訂立轉授許可協議以轉授若干節目的許可，以及訂立許可協議以轉授一套電視連續劇的版權。於截至二零零四年十二月三十一日止年度，向SGL支付／應付之許可費用約達1,182,000港元，乃根據與SGL訂立的許可協議收取。訂立有關協議為關連交易，故屬創業板上市規則第20.34條所述類別。有關交易獲豁免，毋須遵守創業板上市規則第20章內有關股東批准的規定。本公司已就與SGL訂立的此項關連交易於二零零四年九月二十七日刊發公佈。

CONNECTED TRANSACTIONS (Continued)

The Independent Non-Executive Directors of the Company have reviewed the above transactions and have considered the procedures performed by the auditors of the Company in reviewing them and confirmed that at the time of the transactions:

- (a) the transactions have been entered into by the relevant member of the Group in the ordinary and usual course of its business;
- (b) the transactions have been entered into on an arm's length basis and on normal commercial terms (to the extent that there are comparable transactions) or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, or terms not less favourable to the Group than terms available to or from (as the case may be) independent third parties; and
- (c) the transactions have been entered into in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

關連交易（續）

本公司的獨立非執行董事在審核過上述交易及考慮過本公司核數師對審核該等交易時的程序後，確認在有關交易進行時：

- (a) 該等交易為本集團有關成員在日常業務過程中所訂立；
- (b) 該等交易乃按照公平基準及一般商務條款進行（倘有可供比較的交易），或若可供比較的交易不足以判斷該等交易的條款是否一般商務條款，則對本集團而言，該等交易的條款不遜於獨立第三者可取得或提供（視屬何情況而定）的條款所訂立；及
- (c) 該等交易是根據有關協議的規定，在交易條款公平合理並且符合本公司股東的整體利益的情況下訂立。



MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and programme purchases for the year/period attributable to the Group's major customers and suppliers are as follows:

| | |
|--------------------------|---------|
| Sales | 銷售 |
| – the largest customer | – 最大客戶 |
| – five largest customers | – 五大客戶 |
| Programme purchases | 節目採購 |
| – the largest supplier | – 最大供應商 |
| – five largest suppliers | – 五大供應商 |

STAR Filmed is the largest programme supplier of the Group referred to above. Details of the transactions between the Group and STAR Filmed are set out in note 31 to the accounts. STAR Filmed is an indirect wholly-owned subsidiary of STAR Group Limited, which holds 100% of Xing Kong Chuan Mei Group Co., Ltd., a substantial shareholder of the Company.

For the six months period ended 31 December 2003, ATVE, a wholly-owned subsidiary of ATV, is one of the five largest programme suppliers of the Group referred to above. Details of the transactions between the Group and ATVE are set out in note 31 to the accounts. Mr. LIU, Changle and Mr. CHAN, Wing Kee beneficially own 93.3% and 6.7%, respectively, of Today's Asia Limited, which indirectly own approximately 46% of ATV as at 31 December 2004. Mr. CHAN, Wing Kee also owns 95% of Dragon Sheen Holdings Limited which holds 16.25% indirect interest in ATV as at 31 December 2004. He also owns 80% of Dragon Goodwill International Limited, which has completed its acquisition of 32.75% interests in ATV on 25 July 2003.

In the opinion of the Directors, such transactions were carried out on terms no more favourable than terms available to independent third parties.

Save as above mentioned, none of the Directors, their associates, or any Shareholders which, to the knowledge of the Directors, own more than 5% of the Company's share capital has a beneficial interest in any one of the Group's top five customers and/or programme suppliers.

主要客戶及供應商

本集團主要客戶及供應商應佔年／期內銷售及節目採購百分比如下：

| Year ended 31 December 2004 截至二零零四年 十二月三十一日 止年度 | Six months ended 31 December 2003 截至二零零三年 十二月三十一日 止六個月 |
|---|--|
|---|--|

| | |
|-----|-----|
| 2% | 3% |
| 10% | 13% |
| 12% | 29% |
| 40% | 59% |

STAR Filmed為上文所述本集團的最大節目供應商。本集團與STAR Filmed的交易詳情載於財務報表附註31。STAR Filmed為星空傳媒集團有限公司間接全資附屬公司，後者持有本公司之主要股東Xing Kong Chuan Mei Group Co., Ltd.的100%權益。

於截至二零零三年十二月三十一日止六個月，亞洲電視的全資附屬公司亞視企業為上文所述本集團五大節目供應商之一。本集團與亞視企業間的交易詳情載於財務報表附註31。劉長樂先生及陳永祺先生分別實益擁有今日亞洲有限公司的93.3%及6.7%權益，而今日亞洲有限公司於二零零四年十二月三十一日則持有亞洲電視約46%間接權益。陳永祺先生亦擁有龍盛集團有限公司的95%權益，龍盛集團有限公司則於二零零四年十二月三十一日持有亞洲電視的16.25%間接權益。彼亦擁有Dragon Goodwill International Limited之80%權益，而Dragon Goodwill International Limited於二零零三年七月二十五日完成收購亞洲電視之32.75%權益。

董事認為，進行該等交易的條款不較獨立第三者優惠。

除上文所述外，各董事、其聯繫人士或就董事所知擁有5%以上本公司股本之任何股東概無擁有本集團五大客戶及／或節目供應商其中任何一家之實益權益。

COMPETING INTERESTS

Today's Asia Limited, Xing Kong Chuan Mei Group Co., Ltd. and China Wise International Limited have interests in approximately 37.6%, 37.6% and 8.3% of the share capital of the Company, respectively. Today's Asia Limited, together with its shareholders, Mr. LIU, Changle and Mr. CHAN, Wing Kee, Xing Kong Chuan Mei Group Co., Ltd. and China Wise International Limited are deemed to be the initial management shareholders of the Company as defined under the GEM Listing Rules.

Xing Kong Chuan Mei Group Co., Ltd., together with its ultimate parent company, News Corporation, are active in the television broadcasting industry worldwide. News Corporation's diversified global operations in the United States, Canada, the United Kingdom, Australia, Latin America and the Pacific Basin include the production of motion pictures and television programming; television, satellite and cable broadcasting; the publication of newspapers, magazines and books; the production and distribution of promotional and advertising products and services; the development of digital broadcasting; the development of conditional access and subscriber management systems; and the creation and distribution of popular on-line programming. Currently, STAR Group Limited, the holding company of Xing Kong Chuan Mei Group Co., Ltd., owns and operates multimedia digital platforms, including satellite television, in the Asia Pacific region and engages in programme licensing and advertising agency business throughout the world, including China. STAR Group Limited and its subsidiaries (including Xing Kong Chuan Mei Group Co., Ltd.) operate and broadcast a range of channels, such as STAR Movies and STAR Chinese Channel (which presently only broadcasts in Taiwan) and Channel [V]. The broadcasting coverage of Channel [V] includes China, Taiwan, Hong Kong, countries in South East Asia, the Indian sub-continent and the Middle East. STAR Group Limited announced on 19 December 2001 that it was granted landing rights for a new 24-hour Mandarin – language general entertainment channel, Xing Kong Wei Shi, in southern China by virtue of an agreement signed among STAR (China) Limited (STAR Group Limited's wholly-owned subsidiary), China International Television Corporation ("CITVC"), Guangdong Cable TV Networks Co. Ltd. and Fox Cable Networks Services, L.L.C., an affiliate of STAR Group Limited. STAR Group Limited further announced on 15 January 2003 that it has signed an agreement with CITVC, enabling Xing Kong Wei Shi to be viewed nationally in hotels with three-stars and above, and in foreign and overseas Chinese compounds.

競爭權益

今日亞洲有限公司、Xing Kong Chuan Mei Group Co., Ltd.及華穎國際有限公司，分別擁有本公司股本權益的約37.6%、37.6%及8.3%。今日亞洲有限公司，連同其股東劉長樂先生及陳永棋先生，Xing Kong Chuan Mei Group Co., Ltd.及華穎國際有限公司，根據創業板上市規則的界定，被視為本公司的初期管理層股東。

Xing Kong Chuan Mei Group Co., Ltd.連同其最終母公司News Corporation均活躍於全球電視廣播業。News Corporation旗下的環球業務遍佈美國、加拿大、英國、澳洲、拉丁美洲及亞洲等地，業務範疇包括製作電影及電視節目、電視廣播、衛星廣播及有線廣播、出版報章雜誌及書刊、製作及經銷宣傳推廣產品及服務，開發數碼廣播、開發條件存取及訂戶管理系統以及創作及播送受歡迎的網上節目。Xing Kong Chuan Mei Group Co., Ltd.的控股公司星空傳媒集團有限公司目前在亞太區擁有及經營包括衛星電視的多媒體數碼平台，並在全球（包括中國）從事節目許可及廣告代理業務。星空傳媒集團有限公司及其附屬公司（包括Xing Kong Chuan Mei Group Co., Ltd.）經營及廣播多個頻道，如STAR Movies、STAR Chinese Channel（目前只在台灣廣播）及Channel [V]。Channel [V]的廣播範圍包括中國內地、台灣、香港、東南亞國家、印度次大陸及中東等地。星空傳媒集團有限公司於二零零一年十二月十九日宣佈，根據由STAR (China) Limited（星空傳媒集團有限公司的全資附屬公司）、中國國際電視總公司、廣東有線廣播電視網絡股份有限公司及Fox Cable Networks Services, L.L.C.,（STAR Group Limited的聯營公司）簽訂之協議書，其以二十四小時普通話播放綜藝娛樂的全新頻道「星空衛視」已獲准在華南地區落地。星空傳媒集團有限公司於二零零三年一月十五日進一步宣佈，其與中國國際電視總公司已簽訂協議書，可使「星空衛視」在全國的三星級及以上酒店以及外國人及海外僑胞的寓所收看到。



COMPETING INTERESTS (Continued)

Mr. LIU, Changle and Mr. CHAN, Wing Kee beneficially own 93.3% and 6.7%, respectively, of Today's Asia Limited, which holds 100% of Vital Media Holdings Limited, which in turn holds 46% indirect interest in ATV, a Hong Kong based television broadcasting company. Mr. CHAN, Wing Kee also owns 95% of Dragon Sheen Holdings Limited which holds 16.25% indirect interest in ATV as at 31 December 2004. He also owns 80% of Dragon Goodwill International Limited, which has completed its acquisition of 32.75% interests in ATV on 25 July 2003. ATV is deemed to be a connected person of the Company pursuant to the GEM Listing Rules. Primarily aiming at audiences in Hong Kong, ATV broadcasts its programmes via terrestrial transmission through two channels, one in Cantonese and the other in English. Signals of such two channels can also be received in certain parts of Guangdong Province of the PRC. ATV announced in August 2002 that it had received the approval from the authorities in China to broadcast its Cantonese and English channels through the cable system in Guangdong. ATV is also granted a non-domestic television programme service license in May 2004, in addition to its existing domestic free television programme service license.

Save as disclosed above, none of the Directors or the substantial shareholders of the Company (as defined under the GEM Listing Rules) has any interests in a business which competes or may compete with the business of the Group.

ADVANCES TO AN ENTITY

Please refer to note 11 to the accounts for the details of the relevant advance, as defined in Rules 17.14 of the GEM Listing Rules to an entity from the Group which exceeds 8% of the Group's total assets.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review the Company's annual report and accounts, half-yearly reports and quarterly reports and to provide advice and comments thereon to the Board of Directors. The audit committee has met four times a year to review with management the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters. The audit committee comprises one Non-Executive Director, namely Mr. LAU, Yu Leung John and three Independent Non-Executive Directors, namely Dr. LO, Ka Shui, Mr. KUOK, Khoon Ean and Mr. LEUNG Hok Lim (appointed on 21 January 2005).

競爭權益 (續)

劉長樂先生及陳永棋先生分別實益擁有今日亞洲有限公司的93.3%及6.7%權益，今日亞洲有限公司持有Vital Media Holdings Limited的100%權益，而Vital Media Holdings Limited則持有香港一家電視廣播公司—亞洲電視的46%間接權益。於二零零四年十二月三十一日，陳永棋先生亦擁有龍盛集團有限公司的95%權益，龍盛集團有限公司則持有亞洲電視的16.25%間接權益。彼亦擁有Dragon Goodwill International Limited之80%權益，而Dragon Goodwill International Limited於二零零三年七月二十五日完成收購亞洲電視之32.75%權益。根據創業板上市規則的規定，亞洲電視被視作本公司的關連人士。亞洲電視以香港觀眾為主要對象，透過粵語及英語兩個頻道經地面傳送廣播節目。該兩個頻道的訊號亦可在中國廣東省多處地方接收到。亞洲電視於二零零二年八月宣佈，已收到中國有關當局的批准，可透過於廣東的有線電視系統，播放其粵語及英語頻道。亞洲電視除了現有的本地免費電視節目服務許可外，亦於二零零四年五月獲得非本地電視節目服務許可。

除上文所披露者外，並無董事或本公司主要股東(定義見創業板上市規則)於與本集團業務存在競爭或可能存在競爭的業務持有任何權益。

向一家實體提供墊款

有關本集團向一家實體提供超過本集團資產淨值8%的有關墊款(定義見創業板上市規則第17.14條)的詳情，請參閱財務報表附註11。

審核委員會

本公司現已成立審核委員會，其職權範圍是根據香港會計師公會建議的指引釐定。審核委員會主要負責審核本公司的年報及財務報表、半年度業績報告及季度業績報告，以及就此向董事會提供意見及建議。審核委員會每年舉行四次會議，與管理層一起審議本集團所採納的會計準則及常規，並商討審核、內部監控和財務申報事宜。審核委員會的成員計有非執行董事劉禹亮先生及三位獨立非執行董事羅嘉瑞醫生、郭孔演先生及梁學濂先生(於二零零五年一月二十一日獲委任)。

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures throughout the year.

AUDITORS

The accounts for the year ended 31 December 2004 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

LIU, Changle
Chairman

Hong Kong, 10 March 2005

董事會的常規及程序

於本年度內，本公司一直遵守創業板上市規則第5.34條至5.45條關於董事會的常規及程序的規則。

核數師

截至二零零四年十二月三十一日止年度的財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所將退任並符合資格膺選連任。

代表董事會

主席
劉長樂

香港，二零零五年三月十日

