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鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED

鳳凰衛視控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 31ST
DECEMBER 2001**

This announcement is to provide supplemental information in relation to the management discussion and analysis of the half-yearly results of Phoenix Satellite Television Holdings Limited (the “Company”) and its subsidiaries, (collectively, the “Group”) for the three months and six months ended 31st December 2001, and for compliance with certain provisions stipulated in Rule 18.41 of The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) by providing certain information which has not been disclosed in its half-yearly results announcements dated 6th February, 2002. The Stock Exchange reserves its rights with respect to the non-disclosure of the above information.

Reference is made to the preliminary announcement of results for the three months and six months ended 31st December 2001 and the unaudited half-yearly report for the six months ended 31st December 2001 (the “Half-yearly Report”) of the Company. The Company would like to provide additional information as required by Rule 18.41 of the GEM Listing Rules.

Financial Review

Revenue of the Group for the six months ended 31 December 2001 was approximately HK\$328,617,000 (6 months ended 31 December 2000 – HK\$381,312,000), which was down by 13.8% as compared with the same period in the previous year mainly due to worldwide economic downturn.

Operating costs increased by 29.0% to approximately HK\$406,970,000 (6 months ended 31 December 2000 – HK\$315,562,000) due to the addition of two new channels namely Phoenix InfoNews Channel and Phoenix North America Chinese Channel launched in January, 2001 and the formal acquisition of Phoenix Chinese News & Entertainment Channel in November 2001.

Liquidity and Financial Resources

The liquidity and financial resources of the Group as at 31 December 2001 were similar to those of the Group as at 31 December 2000. The aggregate outstanding borrowings of the Group as at 31 December 2000 were approximately \$19,363,000, representing current accounts with related companies. Such minor fluctuation was within the normal operations of the Group.

Comments on Segmental Information

Please refer to Note 15 of the Notes to the Half-yearly Report for a detailed analysis on segmental information and the television broadcasting section under the “Business Review” in the Half-yearly Report for commentary of our core business.

Ancillary Services for Program Production

Phoenix Film and Television (Shenzhen) Company Limited, in which the Company owns 60%, provides the Group with ancillary services for program production in Shenzhen. For the six months ended 31 December 2001, a loss of HK\$1,453,000 (6 months ended 31 December 2000 – loss of HK\$3,613,000) was recorded. As its business was in a developmental phase, a loss was recorded in both periods. The management expects that production efficiency will increase eventually when it achieves economies of scale, i.e. by increasing production volume.

Staff

As at 31 December 2001, the Group employed 512 full-time staff (31 December 2000 – 384), at market remuneration with employee benefit such as comprehensive medical coverage, insurance plan, defined contribution pension schemes, discretionary bonus and employee share option scheme. Staff costs for the 6 months ended 31 December 2001 had increased to approximately HK\$93,473,000 (6 months ended 31 December 2000 - HK\$55,755,000). The increase in number of staff, hence staff costs, was due to the expansion of the Group, in particular the addition of two new channels.

Charges on Assets

As at 31 December 2001 and 31 December 2000, the Group did not have any charge on its assets.

Future Plans for Material Investments and Expected Source of Funding

The Group’s future plans for material investments or capital assets and their expected sources of funding have been stated in the prospectus of the Company dated 21 June 2000 under the sections “Statement of Business Objectives” and “Reasons for the Share Offer and Use of Proceeds” respectively. Update on the progress of these two areas has been dealt with under the sections “Comparison of Business Objectives with

Actual Business Progress” and “Use of Proceeds” in the Half-yearly Report. Other than those disclosed, the Group did not have any plan for material investments and acquisition of material capital assets.

Gearing Ratio

As disclosed in the Half-yearly Report, the gearing ratio of the Group, based on total liabilities to shareholders’ equity, was 15.9% as at 31 December 2001 which was relatively stable as compared to 14.7% as at 31 December, 2000.

Contingent Liabilities

As at 31st December 2001 and 31 December 2000 respectively, the Group had no material contingent liabilities.

The Stock Exchange reserves its rights with respect to the non-disclosure of the above information.

By Order of the Board
Yeung Ka Keung
Company Secretary

Hong Kong, 19 March 2002

The announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: - (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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