

The Directors submit their report together with the audited accounts of Phoenix Satellite Television Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group” or “Phoenix Group”) for the year ended 30 June 2002.

PRINCIPAL ACTIVITIES AND OPERATIONS

The principal activity of the Company is investment holding. The activities of its subsidiaries are set out in note 13 to the accounts.

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 3 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 36.

RESERVES

Movements in reserves of the Group and of the Company during the year are set out in note 21 to the accounts.

DONATIONS

Charitable donations made by the Group during the year amounted to approximately HK\$98,000 (2001: HK\$21,000).

FIXED ASSETS

Details of movements in fixed assets of the Group are set out in note 10 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 19 and note 20 respectively to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 30 June 2002, calculated under the Companies Law (Revised) of the Cayman Islands, amounted to approximately HK\$830,969,000 (2001: HK\$829,056,000).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 138 to 139.

董事提呈鳳凰衛視控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」或「鳳凰集團」)截至二零零二年六月三十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，而其附屬公司的業務載於財務報表附註13。

本集團按業務及地區劃分的表現分析載於財務報表附註3。

業績及分配

本集團的年度業績載於第36頁的綜合損益表內。

儲備

本集團及本公司年內儲備的變動載於財務報表附註21。

捐款

本集團年內作出的慈善捐款共約98,000港元(二零零一：21,000港元)。

固定資產

本集團固定資產變動的詳情載於財務報表附註10。

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19及附註20。

可供分派儲備

本公司於二零零二年六月三十日的可供分派儲備(根據開曼群島公司法(經修訂)計算)約830,969,000港元(二零零一：829,056,000港元)。

五年財務概要

本集團過往五個財政年度的業績及資產負債概要載於第138至139頁。

DIRECTORS

The Directors during the year were:

Executive Directors:

LIU, Changle

(Alternate Director to CHUI, Keung)

CHUI, Keung

(Alternate Director to LIU, Changle)

Non-executive Directors:

MURDOCH, James Rupert

CHURCHILL, Bruce Barrett

(Alternate Director to LAU, Yu Leung John and CHEUNG, Chun On Daniel)

LAU, Yu Leung John

(Alternate Director to MURDOCH, James Rupert, CHURCHILL, Bruce Barrett and CHEUNG, Chun On Daniel)

CHEUNG, Chun On Daniel

(Alternate Director to MURDOCH, James Rupert, CHURCHILL, Bruce Barrett and 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, Khoon Ean

Alternate Director:

GONG, Jianzhong (Alternate Director to XU, Gang)

In accordance with the Articles of Association of the Company, MURDOCH, James Rupert, LO, Ka Shui and KUOK, Khoon Ean, who have been longest in office, will retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting of the Company.

董事

年內的董事如下：

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：

MURDOCH, James Rupert

CHURCHILL, Bruce Barrett

(為劉禹亮及張鎮安的替任董事)

劉禹亮 (為MURDOCH, James Rupert、CHURCHILL, Bruce Barrett及張鎮安的替任董事)

張鎮安 (為MURDOCH, James Rupert、CHURCHILL, Bruce Barrett及劉禹亮的替任董事)

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

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，MURDOCH, James Rupert、羅嘉瑞及郭孔演將於本公司應屆股東週年大會上退任並願膺選連任。

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors of the Company has entered into a service contract with the Company commencing from 30 June 2000. The term of each agreement will be for a term of three years commencing from 30 June 2000 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 by the employing company 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 30 June 2002, the interests of the Directors and chief executive in the share capital of the Company and its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance")), as recorded in the register maintained under Section 29 of the SDI Ordinance or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") were as follows:

Name 姓名	Type of interest 權益性質	Number of ordinary shares 普通股數目
LIU, Changle* 劉長樂*	Corporate interests 公司權益	1,854,000,000

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 is interested in approximately 37.6% of the issued share capital of the Company as at 30 June 2002.

* Being an executive director of the Company.

Save as disclosed herein, as at 30 June 2002, none of the Directors or chief executives of the Company, had any personal, corporate or other interests in the share capital of the Company or its associated corporations as recorded in the register maintained under Section 29 of the SDI Ordinance or as notified to the Company and the Stock Exchange.

董事的服務合約

本公司各執行董事均已與本公司訂立服務合約，每項服務協議由二零零零年六月三十日起生效，有效期由當日起計三年，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服務合約（僱用公司須作補償（法定賠償除外）方可於一年內終止的合約）。

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席退任時為止。

董事的證券權益

於二零零二年六月三十日，按照本公司根據證券（披露權益）條例（「披露權益條例」）第29條存置的登記冊所記錄或據本公司及香港聯合交易所有限公司（「聯交所」）獲知會，各董事及行政總裁於本公司及其聯營公司（定義見披露權益條例）的股本中所擁有的權益如下：

Name 姓名	Type of interest 權益性質	Number of ordinary shares 普通股數目
LIU, Changle* 劉長樂*	Corporate interests 公司權益	1,854,000,000

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，而該公司於二零零二年六月三十日則擁有約37.6%的本公司已發行股本的權益。

* 為本公司的執行董事。

除本文披露者外，於二零零二年六月三十日，按根據披露權益條例第29條存置的登記冊所記錄或本公司及聯交所獲知會，本公司各董事或行政總裁在本公司或其聯營公司的股本中概無擁有任何個人、公司或其他權益。

SHARE OPTION SCHEMES

(A) Share option scheme 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 and the Share Option Scheme on 14 February 2001. 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 30 June 2002:

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").

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% of the issued share capital of the Company as at the Listing Date and as at 3 September 2002 respectively.

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首次公開招股前購股權計劃及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

以下為於二零零二年六月三十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。

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小時的鳳凰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二零零二年九月三日的本公司已發行股本的10%及9.8%。

SHARE OPTION SCHEMES (Continued)

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 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.

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

購股權計劃 (續)

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。

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：

**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%

SHARE OPTION SCHEMES (Continued)

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.

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.

購股權計劃 (續)

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。

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。

SHARE OPTION SCHEMES (Continued)

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 Phoenix Group to acquire Shares were as follows:

購股權計劃 (續)

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

Type and number of remaining grantees	Date of grant	Vesting period	Exercise price per Share	Balance as at 1 July 2001 於二零零一年七月一日結餘	Number of share options 購股權數目		Balance as at 30 June 2002 於二零零二年六月三十日結餘
					Lapsed during the year 於年內失效	Exercised during the year 於年內行使	
餘下之承授人 類別及數目	授出日期	行使期間	每股行使價 HK\$ 港元				
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 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 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
118 other employees 118名其他僱員	14 June 2000 二零零零年六月十四日	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	48,026,000	(4,174,000)	(138,000)	43,714,000
Total: 120 employees 合計：120名僱員				57,336,000	(4,174,000)	(138,000)	53,024,000

SHARE OPTION SCHEMES (Continued)

During the year ended 30 June 2002, 4,174,000 options granted to twenty employees were lapsed when they ceased their employment with the Phoenix Group and 138,000 options were exercised by three employees. The weighted average closing price of the Shares immediately prior to the date on which the options were exercised was HK\$1.16.

Save as disclosed above, no options have been exercised, cancelled or lapsed during the year.

Save as stated above, no options have 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 30 June 2002:

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 of the Group and/or to the listing of Shares on GEM.

The participants of the scheme

Employees of any member of the Company, including any Executive Directors of any member of the Phoenix Group, in the full-time employment of 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% of the issued share capital of the Company from time to time 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 such limit.

購股權計劃 (續)

於截至二零零二年六月三十日止年度內，授予二十名僱員的4,174,000份購股權因彼等不再受僱於鳳凰集團而失效，而三名僱員則行使138,000份購股權。股份於緊接購股權行使前日期的加權平均收市價為1.16港元。

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

以下為於二零零二年六月三十日的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／或對本公司股份於聯交所創業板上市的貢獻。

計劃的參與者

本公司任何成員公司的僱員 (包括鳳凰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不時的已發行股本的10%，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該限制。

SHARE OPTION SCHEMES *(Continued)*

- (c) The Company may seek separate Shareholders' approval in general meeting to grant options beyond the limit as referred to in the above paragraph (a) provided that (i) the total number of Shares subject to the scheme and any other schemes does not in aggregate exceed 30% of the total issued share capital of the Company and (ii) the options in excess of the said limit are granted only to participants specified by the Company before such approval is sought.
- (d) For the purpose of the above paragraph (a) there shall be excluded from the calculation (i) any Shares issued upon the exercise of any options under the scheme and any other share option schemes of the Company; and (ii) any pro rata entitlements to further securities issued in respect of those securities mentioned in (i) above. Options that have been lapsed under the terms of the scheme and any cancellation of options granted but not exercised will not be counted as part of the total number of Shares subject to the scheme and any other schemes.

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 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)

- (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(i)計劃及任何其他計劃涉及的股份總數不得超過本公司已發行股本總數的30%及(ii)超過上述限制的購股權僅授予本公司於尋求該批准前指定的參與者。
- (d) 就上文(a)段而言，下列數目並不計算在內：(i)根據計劃及本公司任何其他購股權計劃授予的任何購股權獲行使時發行的任何股份；及(ii)就上文(i)所述該等證券發行的進一步證券的任何按比例配額。根據計劃條款已失效的購股權及註銷已授出但尚未行使的任何購股權將不會計入計劃及任何其他計劃涉及的股份總數的一部份。

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)

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	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%

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 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.

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：

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

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提呈日期(包括該日)起計不超過二十一天的日期。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)

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.

To reflect the recent amendments to Chapter 23 of the GEM Listing Rules, the Shareholders adopted certain amendments to the Share Option Scheme on 6 August 2002. A summary of the amended Share Option Scheme is set out in the Appendix.

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10年內保持有效。於終止時，不可再根據計劃授予購股權。

為著反映創業板上市規則第23章近期的調整，股東於二零零二年八月六日採納對購股權計劃的若干調整。經修訂購股權計劃的概要載於附錄。

SHARE OPTION SCHEMES (Continued)

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

購股權計劃 (續)

本公司根據購股權計劃向鳳凰集團僱員授出可認購股份之購股權的詳情如下：

Type and number of remaining grantees	Date of grant	Vesting period	Number of share options					
			Exercise price per Share	Balance as at 1 July 2001 於二零零一年七月一日	購股權數目		Exercised during the year	Balance as at 30 June 2002 於二零零二年六月三十日
					Granted during the year	Lapsed during the year		
餘下之承授人類別及數目	授出日期	行使期間	每股行使價 HK\$ 港元	結餘	年內授出	年內失效	年內行使	結餘
2 employees 2名僱員	15 February 2001(i) 二零零一年二月十五日(i)	15 February 2002 to 14 February 2011 二零零二年二月十五日 至二零零一年二月十四日	1.99	2,900,000	–	(1,200,000)	–	1,700,000
20 employees 20名僱員	10 August 2001(ii) 二零零一年八月十日(ii)	10 August 2002 to 9 August 2011 二零零二年八月十日 至二零零一年八月九日	1.13	–	13,860,000	(1,000,000)	–	12,860,000
Total: 22 employees		合計： 22 名僱員		2,900,000	13,860,000	(2,200,000)	–	14,560,000

- (i) During the year ended 30 June 2002, 1,200,000 options granted to 1 employee were lapsed when he ceased employment with the Phoenix Group.
- (ii) On 10 August 2001, 13,860,000 options were granted to 21 employees. The closing price of the Shares immediately prior to the date on which the options were granted was HK\$1.11. Using the Black-Scholes option pricing model (the “Black-Scholes Model”) in assessing the value of the options granted during the year, the options would have an aggregate value of approximately HK\$8,870,000, representing a value of HK\$0.64 per option. During the year ended 30 June 2002, 1,000,000 options granted to 1 employee lapsed when he ceased employment with the Phoenix Group.

- (i) 於截至二零零二年六月三十日止年度內，曾向一名僱員授出共1,200,000份購股權因其不再受僱於鳳凰集團而失效。
- (ii) 於二零零一年八月十日，共有13,860,000股購股權授予21名僱員。本公司的股份在緊接購股權授出日期之前的收市價為1.11港元。用柏力克－舒爾斯期權定價模式（「柏力克－舒爾斯模式」）評估授出的購股權價值約為8,870,000港元，即每份購股權價值為0.64港元。於截至二零零二年六月三十日止年度內，曾向一名僱員授出共1,000,000份購股權因其不再受僱於鳳凰集團而失效。

SHARE OPTION SCHEMES (Continued)

Save as disclosed above, no options have been exercised, cancelled or lapsed during the year.

Save as stated above, no options have 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.

In assessing the value of the share options granted during the year ended 30 June 2002, the Black-Scholes Model has been used. The Black-Scholes Model is one of the most generally accepted methodology to calculate the value of options and is one of the recommended options pricing models as set out in Rule 23.08 of the GEM Listing Rules. The variables of the Black-Scholes Model include, risk-free interest rate, expected life of the options, and expected volatility and expected dividend of the Shares, if applicable.

The interest rate applied in the Black-Scholes Model is 6.02% per annum, representing the 10-year yield of the Hong Kong Exchange Fund Notes as at the date of grant of the share options (the "Measurement Date").

The volatility ratio of 33.08%, representing the standard deviation of the daily closing share prices of the Company for the last twelve months from the Measurement Date, is used in the Black-Scholes Model. It is assumed that, based on historical pattern, no dividend would be paid out during the vesting period.

購股權計劃 (續)

除上文披露者外，於年內概無任何購股權被行使、註銷或失效。

除以上所述，概無董事、行政總裁、管理層股東、主要股東或其各自聯繫人、或貨品或服務供應商根據購股權計劃獲授任何購股權。概無參與人根據購股權計劃獲授任何購股權超逾載於創業板上市規則之個人限額。

本公司使用柏力克－舒爾斯模式以計算於截至二零零二年六月三十日止年度內授出的購股權之價值。柏力克－舒爾斯模式是其中一個最被普遍接納為計算購股權價值的模式，亦為創業板上市規則第23.08條中所建議的期權定價模式之一。柏力克－舒爾斯模式的變數包括無風險利率、預期購股權之有效期、本公司股價之預期波幅及本公司股份的預期股息(如適用)。

應用於柏力克－舒爾斯模式的利率為於購股權授出日(「計算日期」)之十年期香港外匯基金債券收益率，即6.02%。而波幅比率則按自計算日期起之過去十二個月之本公司股份每日收市價之標準差計算，即33.08%。另根據過往表現，假設於購股權有效期內將不會派發股息。

SHARE OPTION SCHEMES (Continued)

The summary of variables used in the Black-Scholes Model for the valuation of 13,860,000 share options granted under the Share Option Scheme during the year ended 30 June 2002 and the value thereon is as follows:

Exercise price	HK\$1.13
行使價	1.13港元
Time to expiry	10 years
到期時限	10年
Date of grant	10 August 2001
授出日期	二零零一年八月十日
Stock price as at the Measurement Date	HK\$1.11
計算日期的收市價	1.11港元
Interest rate as at the Measurement Date	6.02% per annum
計算日期的利率	年息6.02%
Volatility as at the Measurement Date	33.08%
計算日期的波幅比率	33.08%
Value of each share option granted as at the Measurement Date	HK\$0.64
授出的購股權於計算日期的每股價值	0.64港元
Aggregate value of 13,860,000 share options granted as at the Measurement Date (value of each share option x number of share options granted)	HK\$8,870,000
授出的13,860,000股購股權於計算日期的購股權總值 (每股購股權價值 X 購股權數量)	8,870,000港元

It should be noted that the value of options calculated using the Black-Scholes Model is only an estimate of the value of share options granted during the year. Amongst other variables, it uses the time to expiry to determine a value based on the past performance of the share price as measured by the volatility factor. If, however, the Company's future financial and/or operating performance fluctuates, it is likely that the share price will be affected. In such case, the financial benefit accruing to the grantee of an option will be considerably different from the value determined under the Black-Scholes Model.

The summary of the treatment of forfeiture of option prior to the expiry date is set out in Appendix VI of the Prospectus under the section headed "Share Option Schemes."

購股權計劃 (續)

柏力克－舒爾斯模式所採納以計算於截至二零零二年六月三十日止年度內按購股權計劃授出的13,860,000股購股權價值的變數之概要如下：

應注意到以柏力克－舒爾斯模式計算之購股權價值只是有關期間內授出購股權價值之估價。在眾多其他變數中，它以到期時限來釐定某個價值，而該價值是按照波幅因素量度股價過去的表現而計算出來。但若本公司的未來財務及／或營運表現有所改變，股價很可能最終會被影響。在這情況下，購股權獲授人得到的財務收益將會十分有別於柏力克－舒爾斯模式下釐定的價值。

於屆滿日期前購股權失效的處理方式概要載於招股章程附錄六「購股權計劃」一節。

SHARE OPTION SCHEMES (Continued)

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

On 7 June 2000, PHOENIXi Investment Limited ("PHOENIXi"), a member of the Phoenix 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 30 June 2002:

Purpose of the scheme

The purposes of the PHOENIXi Plan are to attract and retain the best available personnel, providing additional incentive to its employees and executive directors and promoting 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 Company (or the subsidiaries of PHOENIXi) 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.

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 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.

購股權計劃 (續)

(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，鳳凰集團的成員公司PHOENIXi Investment Limited (「PHOENIXi」) 採納PHOENIXi 二零零零年股份獎勵計劃 (「PHOENIXi計劃」)。以下為於二零零二年六月三十日的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。

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合計不得超過於批准更新限制日期的PHOENIXi已發行股本的10%；

SHARE OPTION SCHEMES (Continued)

- (c) PHOENIXi may seek separate approval of the shareholders of the Company and PHOENIXi in 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 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.

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.

購股權計劃 (續)

- (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本公司於尋求該批准前指定的參與者。

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。

行使購股權期限

普遍而言，購股權可於授出購股權當日起計10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，於授予期間擁有的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的日期。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。

SHARE OPTION SCHEMES *(Continued)**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 a 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.
- (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.

購股權計劃 (續)*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。
- (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的董事有份參與PHOENIXi計劃，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)

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 30 June 2002, no options had been granted under the PHOENIXi Plan.

購股權計劃 (續)

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10年內保持有效。於終止時，不可再根據計劃授予購股權。

於二零零二年六月三十日，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 Phoenix 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 may not exceed 10% of the issued share capital of the Company. Such terms were amended on 6 August 2002 and summary of the amended Share Option Scheme is set out in the Appendix.

The Company had received a waiver from the Stock Exchange regarding the strict compliance with Rule 23.02(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM Listing Rules") so that the total number of Shares available for issue under the options granted may increase up to 30% of the issued share capital of the Company from time to time. Please refer to the paragraph "Share Option Schemes" under the section headed "Waivers from compliance with the GEM Listing Rules and Companies Ordinance" set out in the Prospectus.

Save as disclosed herein, and other than those in connection with the Phoenix 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 Phoenix 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 Phoenix Group's business to which the Company or any of the companies comprising the Phoenix Group was a party and in which any of the Company's Directors or members of its management 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鳳凰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股份數目，最多以本公司已發行股本之10%為限。該等條款已於二零零二年八月六日修訂，而經修訂購股權計劃之概要載於附錄。

本公司已收到聯交所就嚴格遵守創業板證券上市規則（「創業板上市規則」）第23.02(2)條之規定而授出的豁免，致使根據購股權發行的股份總數可提高至本公司不時已發行股本的30%。請參閱招股章程內「豁免遵守創業板上市規則及公司條例之規定」內「購股權計劃」一段。

除上文披露及牽涉本公司股份上市前所進行之鳳凰集團重組計劃者外，本公司或鳳凰集團旗下任何成員公司於年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

本公司董事或管理層成員在本公司或鳳凰集團旗下任何成員公司參與訂立及與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

本公司於年內並無就本公司業務之全部或任何重大部份的管理及監管訂立或仍然有效的合約。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2002, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following persons (other than a Director or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the Company's issued share capital:

Name of Shareholder 股東名稱

STAR Television Holdings Limited (*Note 1*)
STAR Television Holdings Limited (附註1)

Today's Asia Limited (*Note 2*)
今日亞洲有限公司 (附註2)

Notes:

1. STAR Television Holdings Limited 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 owned approximately 91.76% by The News Corporation Limited. The remaining interests in News Publishing Australia, Limited, are held by companies which are ultimately owned by The News Corporation Limited.

By virtue of the SDI Ordinance, The News Corporation Limited, 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 STAR Television Holdings Limited.

主要股東

於二零零二年六月三十日，按根據披露權益條例第16(1)條存置的主要股東登記冊所示，以下公司(不計本公司董事或行政總裁)直接或間接擁有本公司已發行股本10%或以上的權益：

Number of ordinary Shares 所持的普通股數目

1,854,000,000

1,854,000,000

附註：

1. STAR Television Holdings Limited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；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The News Corporation Limited則持有News Publishing Australia, Limited約91.76%權益。News Publishing Australia, Limited餘下的權益由The News Corporation Limited最終擁有的多家公司持有。

根據披露權益條例，The News Corporation Limited、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STAR Television Holdings Limited所持有的1,854,000,000股股份。

SUBSTANTIAL SHAREHOLDERS (Continued)

- * STAR Television Holdings Limited changed its name to STAR Group Limited on 14 January 2002.
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.

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

Bank of China Group Investment Limited, beneficially owned by Bank of China, the ultimate holding company of BOCI Asia Limited, indirectly owns the entire issued share capital of China Wise International Limited which in turn owns 412,000,000 Shares (approximately 8.35%) of the Company. One of the Non-Executive Directors of the Company, Mr. XU, Gang, who is also a Director of Bank of China Group Investment Limited and China Wise International Limited, has been nominated by China Wise International Limited and appointed as a Director of eighteen subsidiaries of the Phoenix Group, namely:

Phoenix Satellite Television Company Limited
 Phoenix Satellite Television (Chinese Channel) Limited
 Phoenix Satellite Television (Movies) Limited
 Phoenix Satellite Television (Europe) Limited
 Phoenix Satellite Television Trademark Limited
 PCNE Holdings Limited
 Phoenix Chinese News & Entertainment Limited
 Phoenix Satellite Television Information Limited
 Phoenix Satellite Television (B.V.I.) Holding Limited
 Phoenix Satellite Television (InfoNews) Limited
 Phoenix Weekly Magazine (BVI) Limited
 Phoenix Satellite Television Development (BVI) Limited
 Phoenix Satellite Television (Universal) Limited
 Phoenix Satellite Television Development Limited
 Phoenix Satellite Television Investments (BVI) Limited
 Hong Kong Phoenix Satellite Television Limited
 Phoenix Glow Limited
 Phoenix Global Television Limited

主要股東 (續)

- * STAR Television Holdings Limited於二零零二年一月十四日更改其名稱為星空傳媒集團有限公司。
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。

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有關期間內概無購買、出售或購回本公司任何股份。

保薦人權益

中國銀行實益擁有中銀集團投資有限公司，並乃中銀國際亞洲有限公司的最終控股公司。中銀集團投資有限公司間接擁有華穎國際有限公司全部已發行股本。而華穎國際有限公司則擁有本公司412,000,000股(約8.35%)股份。本公司其中一位非執行董事—許剛先生被華穎國際有限公司提名並委任為鳳凰集團旗下十八間附屬公司的董事。他亦是中銀集團投資有限公司及華穎國際有限公司的董事。十八間附屬公司為：

鳳凰衛視有限公司
 鳳凰衛視中文台有限公司
 鳳凰衛視電影台有限公司
 鳳凰衛視歐洲台有限公司
 鳳凰衛視商標有限公司
 PCNE Holdings Limited
 Phoenix Chinese News & Entertainment Limited
 鳳凰資訊有限公司
 鳳凰衛視集團有限公司
 鳳凰衛視資訊台有限公司
 Phoenix Weekly Magazine (BVI) Limited
 Phoenix Satellite Television Development (BVI) Limited
 Phoenix Satellite Television (Universal) Limited
 鳳凰衛視發展有限公司
 Phoenix Satellite Television Investments (BVI) Limited
 香港鳳凰衛視有限公司
 鳳凰之光有限公司
 鳳凰環球電視有限公司

SPONSORS' INTERESTS (Continued)

Mr. GONG, Jianzhong, who is a director of China Wise International Limited, has been nominated by China Wise International Limited and appointed as Alternate Director to Mr. XU, Gang of the Company and the above eighteen subsidiaries of the Phoenix Group.

Save as disclosed above, each of BOCI Asia Limited and Merrill Lynch Far East Limited has confirmed:

- (i) neither itself nor its associates has, or may have, any interest in any class of securities (including derivatives) of the Company, or any other company within the Phoenix Group (including options or rights to subscribe such securities);
- (ii) no Director or employee or their associates of BOCI Asia Limited or Merrill Lynch Far East Limited who are involved in providing advice to the Company has or may have, any interest in any class of securities of the Company or any other company within the Phoenix Group (including options or rights to subscribe such securities but, for the avoidance of doubt, excluding interests in securities that may be subscribed by any such Directors or employee pursuant to the Public Offer);
- (iii) neither itself nor its associates accrued any material benefit as a result of the successful outcome of the listing of the Shares on the GEM; and
- (iv) no Director or employee or their associates of BOCI Asia Limited or Merrill Lynch Far East Limited has a directorship in the Company or any other company within the Phoenix Group.

主要股東 (續)

龔建中先生，彼為華穎國際有限公司的董事，被華穎國際有限公司提名及被委任為許剛先生作為本公司及以上十八間附屬公司的替任董事。

除上文所披露者外，中銀國際亞洲有限公司及美林遠東有限公司已各自確認：

- (i) 兩者本身或各自的聯繫人士概無擁有本公司或鳳凰集團旗下任何成員公司任何類別證券(包括衍生工具)的權益(包括可認購有關證券的購股權或權利)；
- (ii) 中銀國際亞洲有限公司或美林遠東有限公司屬下參與向本公司提供意見的董事、僱員或其聯繫人士概無擁有或可能擁有本公司或鳳凰集團旗下任何其他成員公司任何類別證券的權益(包括可認購有關證券的購股權或權利，但為免產生疑問，不包括任何該等董事或僱員根據公開售股可能認購的證券的權益)；
- (iii) 兩者本身或其聯繫人士概無因股份成功在創業板上市而應得任何重大利益；及
- (iv) 中銀國際亞洲有限公司或美林遠東有限公司的董事、僱員或其聯繫人士概無出任本公司或鳳凰集團旗下任何其他成員公司的董事。

CONNECTED TRANSACTIONS

1. The Stock Exchange has granted waivers to the Phoenix Group from the full disclosure requirements under Chapter 20 of the GEM Listing Rules in respect of connected transactions with Satellite Television Asian Region Limited, STAR TV Filmed Entertainment Limited and other subsidiaries or associates of STAR Television Holdings Limited, ATV Enterprises Limited and British Sky Broadcasting Limited:

(a) Satellite Television Asian Region Limited ("STARL") is a subsidiary of STAR Television Holdings Limited, a major 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 CNE Channel. For the year ended 30 June 2002, the service charges paid/payable to STARL amounted to approximately HK\$136,473,000, which was calculated under normal commercial terms in accordance with the executed service agreements and agreed rates between a subsidiary of the Company and STARL. Such amount did not exceed the annual cap of HK\$178,000,000 approved under the relevant waiver.

(ii) STARL acts as an exclusive advertising agent for the Phoenix Group at all territories outside the People's Republic of China ("PRC"). For the year ended 30 June 2002, commission for advertising sales and marketing services paid/payable to STARL amounted to approximately HK\$8,668,000, which was calculated based on 4-20% of the net advertising income generated and received by STARL on behalf of the Phoenix 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\$25,000,000 approved under the relevant waiver.

關連交易

1. 聯交所已豁免鳳凰集團，毋須就其與衛星電視有限公司、STAR TV Filmed Entertainment Limited及STAR Television Holdings Limited之其他附屬公司或聯繫人士、亞洲電視企業有限公司及British Sky Broadcasting Limited間之關連交易遵守創業板上市規則第二十章訂明之全面披露規定：

(a) 衛星電視有限公司("STARL")為本公司主要股東STAR Television Holdings Limited之附屬公司。關連交易如下：

(i) 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之營運提供技術及行政服務。於截至二零零二年六月三十日止年度，向STARL支付之服務費約136,473,000港元，乃根據本公司之附屬公司與STARL已訂立之服務協議或協議之收費標準以正常商業條款計算。該款額並無超過根據有關豁免批准的每年上限178,000,000港元。

(ii) STARL在中華人民共和國(「中國」)以外所有地區出任鳳凰集團之獨家廣告代理。於截至二零零二年六月三十日止年度，向STARL支付之廣告銷售佣金約達8,668,000港元，乃根據STARL代表鳳凰集團賺得及收取之廣告收入淨額之4-20%計算，並已扣除其應付之第三方代理費之有關款項。該款額並無超過根據有關豁免批准的每年上限25,000,000港元。

CONNECTED TRANSACTIONS (Continued)

- (iii) STARL acts as an agent to promote international subscription sales and marketing services for the Phoenix Group. For the year ended 30 June 2002, commission for international subscription sales and marketing services paid/payable to STARL amounted to approximately HK\$2,040,000, which was calculated based on 15% of the subscription fees generated and received by STARL on behalf of the Phoenix Group. Such amount did not exceed the annual cap of HK\$2,500,000 approved under the relevant waiver.
- (b) STAR TV Filmed Entertainment Limited ("STAR Filmed") is an indirect wholly-owned subsidiary of STAR Group Limited, which holds 100% of STAR Television Holdings Limited, a major 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 30 June 2002, the film licence fees paid/payable to STAR Filmed amounted to approximately HK\$20,403,000, which was 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 approved under the relevant waiver.
- (c) During the year ended 30 June 2002, the Phoenix Group acquired programme licences from certain subsidiaries of STAR Group Limited, a major shareholder of the Company. The programme licence fees paid/payable to the subsidiaries of STAR Television Holdings Limited in respect of this connected transaction amounted to approximately HK\$753,000, which were charged under normal commercial terms and were negotiated on a case-by-case basis. Such amount did not exceed the annual cap of HK\$55,000,000 approved under the relevant waiver.

關連交易 (續)

- (iii) STARL出任鳳凰集團之國際訂戶推廣銷售代理。於截至二零零二年六月三十日止年度，向STARL支付之收視費收入佣金約達2,040,000港元，乃根據STARL代表鳳凰集團賺得及收取之收視費收入之15%計算。該款額並無超過根據有關豁免批准的每年上限2,500,000港元。
- (b) STAR TV Filmed Entertainment Limited (「STAR Filmed」) 為星空傳媒集團有限公司之間接全資附屬公司，而星空傳媒集團有限公司則持有本公司主要股東STAR Television Holdings Limited之100%權益。關連交易涉及授出非獨家電影播放版權，鳳凰衛視電影台可於一九九八年八月二十八日起計10年內在中國境內播放一系列電影。於截至二零零二年六月三十日止年度，向STAR Filmed支付之電影版權費約20,403,000港元，乃根據本公司之附屬公司與STAR Filmed訂立之電影版權協議收取。該款額並無超過根據有關豁免批准的每年上限23,000,000港元。
- (c) 於截至二零零二年六月三十日止年度，鳳凰集團向星空傳媒集團有限公司(為本公司之主要股東)旗下之數間附屬公司購得節目許可權。付予STAR Television Holdings Limited旗下的附屬公司的節目許可費約達753,000港元，其根據正常商業條款及按個別交易協商。該款額並無超過根據有關豁免批准的每年上限55,000,000港元。

CONNECTED TRANSACTIONS (Continued)

- (d) During the year ended 30 June 2002, decoder devices purchased from STARL amounted to approximately HK\$1,688,000, which were charged based on terms mutually agreed upon between both parties. Such amount did not exceed the annual cap of HK\$7,500,000 for the year ended 30 June 2002 approved under the relevant waiver.
- (e) ATV Enterprises Limited, a wholly-owned subsidiary of Asia Television Limited ("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. The connected transaction relates to the acquisition of certain television programme licences from ATV Enterprises Limited. For the year ended 30 June 2002, programme license fees paid/payable to ATV Enterprises Limited amounted to approximately HK\$1,804,000 which, were charged under normal commercial terms and were negotiated on a case-by-case basis. Such amount did not exceed the annual cap of HK\$57,500,000 approved under the relevant waiver.
- (f) 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 STAR Television Holdings Limited, which owns 37.6% interest in the Company. The connected transaction relates to the provision of transponder rental and uplinking services for Phoenix CNE Channel. Since the acquisition of the subsidiary by the Phoenix Group on 1 November 2001 and up to 30 June 2002, the transponder rental and uplink costs paid/payable to BSkyB amounted to approximately HK\$1,862,000, which were charged in accordance with the service agreements with BSkyB. Such amount did not exceed the annual cap of HK\$3,200,000 approved under the relevant waiver.

關連交易 (續)

- (d) 於截至二零零二年六月三十日止年度，本集團向STARL購入之解碼器約達1,688,000港元，乃根據雙方同意之條款收取。該款額並無超過根據有關豁免批准的每年上限7,500,000港元。
- (e) 由於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之93.3%及6.7%權益，而今日亞洲有限公司則持有Vital Media Holdings Limited之100%權益，而Vital Media Holdings Limited則持有亞洲電視有限公司（「亞洲電視」）之46%間接權益，故亞洲電視之全資附屬公司亞洲電視企業有限公司為關連人士。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之播放版權。於截至二零零二年六月三十日止年度，本集團向亞洲電視企業有限公司已付／應付之節目版權費約1,804,000港元，按董事意見，乃根據正常商業條款及按個別交易協商。該款額並無超過根據有關豁免批准的每年上限57,500,000港元。
- (f) 本公司擁有70%權益之附屬公司與STAR Television Holdings Limited（擁有本公司之37.6%權益）之聯營公司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及向上傳輸服務。自鳳凰集團於二零零一年十一月一日收購該附屬公司起至二零零二年六月三十日止，已付／應付BSkyB之轉發器租金及向上傳輸費用約1,862,000港元，乃根據與BSkyB簽訂之服務協議收取。該款額並無超過根據有關豁免批准的每年上限3,200,000港元。

CONNECTED TRANSACTIONS (Continued)

On 26 June 2002, the 70% owned subsidiary had entered into a new transponder rental agreement and a new EPG services agreement with BSkyB due to the extension of broadcasting time from 8 hours to 24 hours and the expiry of the old EPG services agreement respectively.

2. A subsidiary of the Company has entered into an agreement with Fox News Network L.L.C. ("Fox"), an associate of STAR Television Holdings Limited, a major 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.

These connected transactions have been approved by resolutions of independent shareholders passed on 26 July 2001 in compliance with Chapter 20 of the GEM Listing Rules.

For the year ended 30 June 2002, the service charges paid/payable to Fox amounted to approximately HK\$4,092,000, which were charged under the licensing agreement between a subsidiary of the Company and Fox. Such amount did not exceed the annual cap of HK\$4,940,300 approved under the relevant resolutions.

3. For the year ended 30 June 2002, 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\$556,000 which, were charged based on terms mutually agreed upon between both parties. This is a connected transaction but falls within Rule 20.25 of the GEM Listing Rules as the annual total consideration or value of the transaction is less than the higher of HK\$1,000,000 or 0.03% of the net tangible assets of the Phoenix Group. 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)

於二零零二年六月二十六日，由於廣播時間由8小時延長至24小時及舊電子節目指引服務協議之屆滿，本公司擁有其70%權益之附屬公司與BSkyB簽訂新轉發器租賃協議及新電子節目指引服務協議。

2. 本公司旗下之一間附屬公司與Fox News Network L.L.C. (「Fox」) 簽訂協議。Fox為STAR Television Holdings Limited之聯營公司，後者為本公司之主要股東。關連交易涉及：
 - (a) 授出使用Fox新聞服務之非獨家及不可轉讓許可；
 - (b) 辦公室租借及使用工作室，視其可用性而定；及
 - (c) 使用Fox位於全美各地的攝影棚、採訪場地以及利用Fox衛星直播車位置進行現場報導，視其可用性而定。

此等關連交易已得到獨立股東於二零零一年七月二十六日通過之股東決議，以遵守創業板上市規則第二十章之規定。

於截至二零零二年六月三十日止年度，已付／應付Fox之服務費約4,092,000港元，乃根據本公司之附屬公司與Fox訂立之牌照協議收取。該款額並無超過根據有關決議案批准的每年上限4,940,300港元。

3. 於截至二零零二年六月三十日止年度，亞洲電視向本公司之一附屬公司提供新聞片段及數據傳送服務。已付／應付亞洲電視之服務費用約556,000港元，乃根據雙方同意之條款收取。由於全年總代價或交易價值少於1,000,000港元或鳳凰集團有形淨資產之0.03%兩者中之較高者，故此項交易為創業板上市規則第20.25條界定之關連交易。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。

CONNECTED TRANSACTIONS (Continued)

4. A subsidiary of the Company has leased certain office premises from STARL. For the year ended 30 June 2002, the office premises rental paid/payable to STARL amounted to approximately HK\$6,372,000, which was calculated by reference to the area of space occupied by the Phoenix Group and was proportional to the rental payable by STARL in respect of the area occupied by it under its lease with the landlord. This lease is a connected transaction but falls within Rule 20.24 of the GEM Listing Rules as the annual total consideration or value of the transaction (when aggregated or treated on an individual basis) is less than the higher of HK\$10,000,000 or 3% of the net tangible assets of the Phoenix Group. Such transaction is exempted from the reporting, announcement and shareholders' approval requirements of Chapter 20 of the GEM Listing Rules.

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 Phoenix 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 Phoenix 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.

In addition, for those connected transactions the annual caps of which are greater than the higher of HK\$10,000,000 or 3% of the net tangible assets of the Group, the Independent Non-executive Directors of the Company are of the opinion that the Group should continue with the agreements for such transactions.

關連交易 (續)

4. 本公司之附屬公司向STARL租用辦公室物業。於截至二零零二年六月三十日止年度，STARL之辦公室物業租金約6,372,000港元，計算時乃參照鳳凰集團佔用之面積，並根據STARL與其業主訂立之租約支付之租金按比例攤分。有關租賃為關連交易，惟由於交易之每年代價或價值總額無論在合併或個別計算之情況下均低於10,000,000港元或鳳凰集團有形資產淨值之3% (以較高者為準)，故屬創業板上市規則第20.24條所述類別。有關交易獲豁免，毋須遵守創業板上市規則第二十章內有關申報、公佈及股東批准之規定。

本公司之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) 該等交易為鳳凰集團有關成員的日常業務；
- (b) 該等交易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，則對鳳凰集團而言，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；及
- (c) 該等交易是根據有關協議的規定而進行，交易條款乃公平合理，並且符合本公司股東的整體利益。

此外，就全年上限超過10,000,000港元或本集團有形資產淨值3%兩者中之較高者之該等關連交易而言，本公司之獨立非執行董事認為，本集團應繼續該等交易之協議。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and programme purchases for the year 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 Phoenix Group referred to above. Details of the transactions between the Phoenix Group and STAR Filmed are set out in note 26 to the accounts. STAR Filmed is an indirect wholly-owned subsidiary of STAR Group Limited, which holds 100% of STAR Television Holdings Limited, a major shareholder of the Company.

ATV Enterprises Limited, a wholly-owned subsidiary of ATV, is one of the five largest programme suppliers of the Phoenix Group referred to above. Details of the transactions between the Phoenix Group and ATV Enterprises Limited are set out in note 26 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 in turn holds 46% indirect interest in ATV.

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 aforementioned, 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 Phoenix Group's top five customers and/or programme suppliers.

主要客戶及節目供應商

本集團最大客戶及供應商應佔年內銷售及節目採購百分比如下：

2002 二零零二年	2001 二零零一年
2%	4%
9%	12%
25%	28%
55%	63%

STAR Filmed為鳳凰集團上述最大的節目供應商。鳳凰集團與STAR Filmed的交易詳情載於財務報表附註26。STAR Filmed為星空傳媒集團有限公司的間接全資附屬公司，後者持有本公司之主要股東STAR Television Holdings Limited之100%權益。

亞洲電視企業有限公司為上文所述鳳凰集團五大節目供應商之一。鳳凰集團與亞洲電視企業有限公司間之交易詳情載於財務報表附註26。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93.3%及6.7%之權益，而今日亞洲有限公司則持有亞洲電視之46%間接權益。

董事認為，進行該等交易之條款不較獨立第三者優惠。

除上文披露者外，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鳳凰集團五大客戶及／或節目供應商其中任何一家之實益權益。

COMPETING INTERESTS

Today's Asia Limited, STAR Television Holdings Limited and China Wise International Limited have interest in approximately 37.6%, 37.6% and 8.4% of the share capital of the Company respectively. Today's Asia Limited, together with its shareholders, Mr. LIU, Changle and Mr. CHAN, Wing Kee, STAR Television Holdings Limited and China Wise International Limited are deemed to be the initial management shareholders of the Company as defined under the GEM Listing Rules.

STAR Television Holdings Limited, together with its ultimate parent company, The News Corporation Limited ("News Corporation"), are active in the television broadcasting industry worldwide. News Corporation's diversified global operations in the United States, the United Kingdom, Australia, Latin America and Asia 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 STAR Television Holdings Limited, owns and operates multimedia digital platforms, including satellite television, in the Asia Pacific region. STAR Group Limited and its subsidiaries (including STAR Television Holdings Limited) 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 in southern China by virtue of an agreement signed among STAR (China) Limited (STAR Group Limited's wholly-owned subsidiary), China International Television Corporation, Guangdong Cable TV Networks Co. Ltd. and Fox Cable Networks Services, L.L.C., an affiliate of STAR Group Limited.

競爭權益

今日亞洲有限公司、STAR Television Holdings Limited及華穎國際有限公司，分別擁有約37.6%、37.6%及8.4%之本公司權益。今日亞洲有限公司，連同其股東劉長樂先生及陳永棋先生，STAR Television Holdings Limited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。

STAR Television Holdings Limited連同其最終母公司The News Corporation Limited (「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、英國、澳洲、拉丁美洲及亞洲等地，業務範疇包括製作影片及電視節目、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。STAR Television Holdings Limited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如衛星電視等多媒體數碼平台。星空傳媒集團有限公司及其附屬公司(包括STAR Television Holdings Limited) 目前經營及廣播的多個頻道，當中包括STAR Movies、STAR Chinese Channel(目前只在台灣廣播)及Channel [V]三個頻道。現時可收看Channel [V]廣播的地區包括中國內地、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., (星空傳媒集團有限公司的聯屬公司) 簽訂之同意書，其以二十四小時普通話播放綜藝娛樂的全新頻道已獲准在華南地區落地。

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 Asia Television Limited, a Hong Kong based television broadcasting company. Asia Television Limited is deemed to be a connected person of the Company pursuant to the GEM Listing Rules. Primarily aiming at audiences in Hong Kong, Asia Television Limited 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. Asia Television Limited announced in August 2002 that it had received the approval from the authorities in China to broadcast its Cantonese and English channels through cable system in Guangdong.

ADVANCES TO AN ENTITY

Please refer to note 16 to the accounts for the details of the relevant advance to an entity from the Group which exceeds 25% of the Group's net tangible assets.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Society of 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 Phoenix 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 two independent Non-Executive Directors, namely Dr. LO, Ka Shui and Mr. KUOK, Khoon Ean.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rules 5.28 to 5.39 of the GEM Listing Rules concerning board practices and procedures throughout the year.

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93.3%及6.7%之權益，今日亞洲有限公司持有Vital Media Holdings Limited之100%權益，而Vital Media Holdings Limited則持有香港一家電視廣播公司－亞洲電視有限公司之46%間接權益。根據創業板上市規則的規定，亞洲電視有限公司被視作為本公司的關連公司。亞洲電視有限公司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。該兩個頻道之訊號亦可在中國廣東省多處地方接收到。亞洲電視有限公司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。

向實體的貸款

給予某實體的有關貸款超過本集團的有形資產淨值的25%之詳情，請見財務報表附註16。

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之年報及賬目、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，與管理層一起審議鳳凰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之事宜。審核委員會之成員計有非執行董事劉禹亮先生及兩位獨立非執行董事羅嘉瑞博士及郭孔演先生。

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5.28條至5.39條關於董事會的常規及程序的規則。

AUDITORS

The accounts in respect of financial years ended 30 June 1999, 2000 and 2001 were audited by Arthur Andersen & Co.

Pursuant to the combination of the practice of Arthur Andersen & Co with PricewaterhouseCoopers effective 1 July 2002, the accounts for the year ended 30 June 2002 have been audited by PricewaterhouseCoopers. A resolution to re-appoint PricewaterhouseCoopers as auditors will be proposed at the forthcoming annual general meeting.

On behalf of the Board

LIU, Changle
Chairman

Hong Kong, 3 September 2002

核數師

截至一九九九年、二零零零年及二零零一年六月三十日止年度之財務報表均由安達信公司審核。

根據安達信公司與羅兵咸永道會計師事務所於二零零二年七月一日生效之業務合併，截至二零零二年六月三十日止年度之財務報表已由羅兵咸永道會計師事務所審核。在應屆股東週年大會上將提呈決議案，續聘羅兵咸永道會計師事務所為核數師。

承董事會命

主席
劉長樂

香港，二零零二年九月三日