

# BUSINESS REVIEW AND PROSPECTS

## 業務回顧及展望

### RESULTS OF OPERATIONS

#### Media-related Business

The Group experienced a remarkable turnover growth from the new media-related business in the financial year ended 31st March 2001. Contributions from the media-related business, which began operations in August 2000 with the launch of our first thematic channel, played a key role in driving revenue growth during the year. Turnover from the media-related business for the eight months amounted to approximately HK\$57 million (2000: nil) and accounted for 59% of the total turnover. We expect this promising revenue stream to grow rapidly to become our core revenue contributor.

2001 was a year for creating the "Sun" and achieving the "impossible" as we shifted our core business focus from the construction business to the media-related business. This new strategic move is crucial for the medium to long term development and growth of the Group, but has inevitably led to increased expenditures in start-up and other cost related to the launch of the Channels and thus a loss in the immediate term.

#### Construction Business

Faced with fierce competition in the market, we still maintained to record a turnover of approximately HK\$39 million from construction business (2000: approximately HK\$74 million) which accounted for 41% of the total turnover for the year under review. In line with our strategy to focus on securing quality contracts to generate steady return on investment, we have been putting our effort in obtaining new contracts from the Government of Hong Kong Special Administration Region and KCRC.

Total turnover in 2001 increased by HK\$23 million or 31% to HK\$96 million (2000: HK\$73 million). For the year ended 31st March 2001, net loss attributable to shareholders amounted to approximately HK\$126 million (2000: approximately HK\$35 million). Loss per ordinary share was 2.24 HK cents. (2000: 3.38 HK cents).

#### Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to a loss of HK\$106 million. Amortization of goodwill arisen from purchase of subsidiaries and depreciation for the year amounted to HK\$6 million and HK\$14 million respectively. (2000: nil and HK\$1 million respectively). Interest income grouped under "Other revenue" was approximately HK\$5 million for the year, which is 12 times of that recorded in 2000.

### 經營業績

#### 媒體業務

截至二零零一年三月三十一日止的財政年度，本集團媒體業務的營業額獲得顯著的增長。自我們首個主題頻道於二零零零年八月正式啟播，媒體業務的收益在推動集團年內的收益增長中擔當了重要角色。在過去的八個月，媒體業務的營業額約港幣57,000,000元（二零零零年：無），佔總營業額59%。我們預期這個理想的收益來源會繼續迅速增長，成為我們的主要收益來源。

二零零一年是我們創造「陽光」及完成「不可能的任務」的一年。我們將核心業務由建造工程轉移至媒體業務，這一新策略對本集團長期的發展及增長至為重要。但同時仍不免帶來發展初期所必須的額外開支，以及推出頻道所需的有關費用，從而導致短期虧損。

#### 建造業務

面對市場激烈之競爭，本集團建造業務仍然錄得營業額約港幣39,000,000元（二零零零年：約港幣74,000,000元），佔回顧年度之總營業額41%。為取得優質合約，穩定投資回報，本集團仍會致力爭取香港特別行政區政府及九廣鐵路之新合約。

截至二零零一年三月三十一日之年度，總營業額約為港幣96,000,000元，比去年增加約港幣23,000,000元（二零零零年：約為港幣73,000,000元），增幅為31%。股東應佔虧損淨額約為港幣126,000,000元（二零零零年：約為港幣35,000,000元）。每股普通股虧損為港幣2.24仙（二零零零年：港幣3.38仙）。

#### 扣除利息、稅項、折舊及攤銷前虧損

扣除利息、稅項、折舊及攤銷前虧損約為港幣106,000,000元。本年度因購入附屬公司引致的商譽攤銷及折舊分別約為港幣6,000,000元及港幣14,000,000元（二零零零年：分別為無及約港幣1,000,000元）。二零零一年計入「其他收入」中之利息收入約為港幣5,000,000元，為二零零零年之12倍。





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### Employees and Remuneration Policies

As at 31st March 2001, the Group employed a workforce of 392. Total staff costs including contributions to a defined retirement benefits scheme incurred during the year amounted to approximately HK\$65 million. The Group offers a comprehensive remuneration and benefit package to its employees and remuneration policies are reviewed by the management regularly. The Group also adopts a share option scheme to motivate and retain a team of competent employees.

### Liquidity and Financial Condition

As at 31st March 2001, the Group's current ratio was 1.97, with current assets of approximately HK\$167 million against current liability of approximately HK\$85 million. Fixed deposit, cash and cash equivalents on hand was approximately HK\$124 million. The Group's gearing ratio at the balance sheet date was 0.4. The gearing ratio is calculated based on the Group's total non-current liabilities and shareholders' fund of approximately HK\$75 million and approximately HK\$186 million respectively.

Outstanding convertible bonds at 31st March 2001 amounted to HK\$62 million, of which HK\$35 million was converted into ordinary shares of the Company as at 12th June 2001. The Convertible bonds are due in 2004 with interest payable at the rate of 4% per annum.

In addition to the Convertible Bonds, secured bank loans amounted to HK\$45 million. Such liabilities are secured by bank deposit of HK\$59 million and fixed asset with a carrying value of HK\$36 million. As at 31st March 2001, the Group had contingent liabilities of HK\$54 million for guarantees and indemnity given to outsiders in respect of service, rental agreements and construction projects granted to subsidiaries. Save as disclosed above, the Group had no material contingent liabilities as at 31st March 2001.

The Consolidated net asset value of the Group as at 31st March 2001 was approximately HK\$186 million. Fixed assets additions totalled HK\$79 million during the year, mainly consist of studio equipments and broadcasting facility acquired for the new media-related business. The Group considers all major investments in the new media-related business have been made and believes further cash generated from operations will be sufficient to fund working capital requirements in the coming years. Depending on investment opportunities and market situation, the Group may consider raising additional funds through debt, equity or sale of assets.

### 僱員及薪酬政策

於二零零一年三月三十一日，本集團合共聘用392名僱員。總僱員成本（包括定額供款退休福利計劃供款）約港幣65,000,000元。本集團為僱員提供全面之薪酬福利，管理層亦會定期檢討薪酬政策。此外，本集團亦設立一項購股權計劃，以激勵及挽留勝任的僱員。

### 流動資金及財務狀況

於二零零一年三月三十一日，本集團的流動比率為1.97，流動資產及流動負債分別為港幣167,000,000元及港幣85,000,000元。手頭定期存款、現金及現金等值物約為港幣124,000,000元。本集團於結算日之負債比率為0.4，負債比率乃根據本集團之非流動負債總額約港幣75,000,000元及股東資金約港幣186,000,000元計算。

於二零零一年三月三十一日，尚未行使其可換股債券總值約為港幣62,000,000元，其中總值約為港幣35,000,000元的可換股債券已於二零零一年六月十二日或以前轉換為本公司普通股。該批可換股債券年利率為4厘，於二零零四年到期。

除可換股債券外，有抵押銀行貸款約為港幣45,000,000元。該等債務乃以約港幣59,000,000元之銀行存款及賬面價值約港幣36,000,000元之固定資產作抵押。於二零零一年三月三十一日，本集團就附屬公司所獲服務、租約及建築項目而對外界公司作出擔保及賠償保證出現或然負債約港幣54,000,000元。除上文所披露者外，本集團於二零零一年三月三十一日並無任何重大或然負債。

於二零零一年三月三十一日，本集團的綜合資產淨值約為港幣186,000,000元。年內，本集團的固定資產總值增加了約港幣79,000,000元，主要包括新媒體業務所需的製作器材及廣播設施。本集團經過深思熟慮始作出有關新媒體業務的重大投資，並相信日後從營運得來的現金將進一步增加，足以應付未來數年營運資金的需求。本集團亦會視乎投資機會及市場情況，考慮透過貸款、發行股份或出售資產等途徑籌集額外資金。



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#### Business Review

##### Media-Related Business

We are not simply a content owner. We are a high quality content provider driven by our mission "to educate through entertainment, to illuminate through information". Sun TV now reaches over 50 million households in Greater China, "educating" and "illuminating" audiences with the broadcast of our thematic programmes in culture, history and biography through a variety of distribution channels. During the year, we were committed to our transformation into a digital media group. Our efforts have been focused on the development of Channel Distribution, Programme Distribution, Television Programme Production as well as Multi-media Content Production and Distribution.

We are proud to have been named one of the Best 300 Small Companies by world-renowned financial magazine "Forbes Global" in October 2000. Even more exciting was our recognition as the only China-based company on the list of top 20 "Star Performers" for the year 2001 highlighted by "Forbes Global". The following highlights are the main achievements in the past year. However, these activities represent only our first steps in these businesses and we will continue to "boost our energy to illuminate" in the years to come.

##### Channel Distribution

The PRC - 8 August 2000, a highly memorable day for us, we launched our first history and biography thematic satellite channel, Sun Satellite Television ("Sun TV"), the first of its kind to cover the Greater China

#### 業務回顧

##### 媒體相關業務

我們不單是節目內容擁有者，更是肩負著使命的高品質內容供應商，致力「以娛樂傳播教育，藉資訊開亮生活」。陽光文化在大中華區已覆蓋逾五千萬用戶，通過多種分銷渠道播放我們的文化、歷史及人物傳記主題節目，教育觀眾及啟發他們的思維。在年內，我們致力轉型為一個數碼媒體集團，專注發展頻道開發、節目發行、電視節目製作及多媒體內容製作及分銷。

二零零零年十月，我們非常榮幸地被享譽全球的財經雜誌「福布斯」(Forbes Global)評選為全球最佳三百間小型公司之一，更令人興奮的是，在二十間被「福布斯」選為二零零一年「未來之星」的企業中，陽光文化是唯一一間以中國為基地的公司。以下的重要發展是陽光文化在過去一年所創出的成績，然而這些只是我們積極發展媒體業務的第一步，未來數年，我們將繼續努力，推出更多對觀眾有教育啟發意義的節目。

##### 頻道開發

中國 — 二零零零年八月八日是極具紀念價值的日期。當日我們正式推出首個覆蓋大中華地區的歷史及人物傳記主題頻道——陽光衛星



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region. By broadcasting unencrypted programmes in Mandarin over the AsiaSat 3S Satellite, Sun TV provides audiences with 24 hours of high quality historical and biographical programmes every day.

The next cornerstone was laid in October 2000 when Sun TV successfully obtained permission for restricted downlinking in the PRC for the year 2001 from the State Administration of Radio, Film and Television ("SARFT"). SARFT is the principal regulatory body of the broadcasting and television industry in the PRC, with the authority to grant such permission. According to SARFT, Sun TV is one of twenty-one foreign satellite channels granted this restricted downlinking in the PRC for the year 2001. This success not only allows us to establish a strong foothold in the PRC, but also paves the way for building a household brandname for Sun TV.

**Hong Kong** - We extended our reach to audiences in Hong Kong on 28 November 2000 when Sun TV began broadcasting as a 24-hour daily channel on Channel 21 of iCable TV, the largest cable operator in Hong Kong covering 500,000 households. A survey by AC Nielsen in January 2001 indicated that Sun TV appeals to Hong Kong males aged between 25-49 years old in the top 3 occupations. These findings provide full support and reassurance to advertisers that they will target audiences both more efficiently and cost effectively.

**Taiwan & Southeast Asia** - In view of the huge potential in these markets, we aim to expand our audience base and strengthen our market penetration in Taiwan & Southeast Asia. A branch office has been set up in Taiwan to support our future development.

### Programme Distribution

To fulfil our mission, we are open to and have been considering different business options. Apart from channel distribution, we cooperate with various cable TV service providers in both the PRC and the region to extend the reach of our programmes.

The PRC - A maiden programme distribution agreement was signed with Beijing Cable TV Channel 4. A programme block supplied by Sun TV began daily broadcasts on Beijing Cable TV's Channel 4 on 1 June 2000. We have been highly encouraged by the fact that Sun TV's programming on this Channel 4 has at times attracted as many as 24 times the viewership of previous programmes. The national media, China Satellite Television Education's Channel 3, also began broadcasting a daily block of programme from Sun TV in November 2000. With the implementation of the agreement with this national medium, Sun TV succeeded in broadcasting a range of thematic programmes through 500 cable TV channels in the PRC. This

電視（「陽光衛視」），透過亞洲衛星3S號以普通話進行非加密式廣播，陽光衛視為觀眾提供每天二十四小時高品質的歷史及人物傳記節目。

另一個重要基石是陽光衛視於二零零零年十月成功地被國家廣播總局列入二零零一年可有限制接收的衛星頻道之一。國家廣播總局是廣播電視業的主要監管部門，具有批准此類申請的權限。根據國家廣播總局的資料，陽光衛視名列二十一家獲得國家廣播總局批准，成為二零零一年可有限制接收的境外衛星頻道之一。此次成功，不但讓我們在國內建立了強大的據點，同時奠定了陽光衛視成為家喻戶曉品牌的基礎。

**香港** - 二零零零年十一月二十八日，我們把觀眾覆蓋範圍擴展至香港，陽光衛視正式開始在香港有線電視二十一台作每天二十四小時的廣播。有線電視是香港最大的有線網絡運營商，覆蓋五十萬用戶。據AC Nielsen今年一月的一項調查結果顯示，陽光衛視最能吸引二十五歲至四十九歲擔任高收入職業的男性觀眾。此等調查結果為廣告商提供了足夠的支援及信心，讓他們可更快捷、更經濟有效地接觸觀眾。

**台灣及東南亞** - 鑒於這些市場的巨大潛力，我們致力於開拓台灣及東南亞的觀眾基礎，加強我們的市場滲透率。我們已在台灣設立分公司以支援未來的發展。

### 節目發行

為了實踐我們的使命，我們對不同的業務計劃均持開放的姿態。除了開發頻道外，我們亦分別與中國及亞洲地區不同的有線電視服務供應商合作，進一步擴展我們節目的覆蓋範圍。

**中國** - 我們與北京有線電視第四套簽訂首份節目發行協議書，由二零零零年六月一日起，陽光衛視在北京有線電視第四套每日播放一系列節目。而且，最令我們振奮的是當陽光衛視的節目在北京有線電視第四套啟播後，其收視率與以前節目相比提高了二十四倍。另外，全國性電視台中國衛星電視教育



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development has helped to expand the audience size of Sun TV to as many as 50 million TV households in the PRC. By March 2001, Sun TV also reached branded daily block arrangements with over 60 city television networks with an audience size of over 70 million TV households.

**Taiwan** - In January 2001, Sun TV's programmes commenced broadcasting on Channel 77, Taiwan's Knowledge Channel. Knowledge Channel is currently distributed to over 70% of Taiwan's 4 million cable TV households. According to our agreement, it'll be re-named Sun-Knowledge Channel before the end of 2001 subject to Taiwan authority approval. Sun TV won entry into perhaps one of the most important media markets in the region as a result of our commitment and persistence in producing thematic content of the highest quality. Entering Taiwan has further secured Sun TV's market penetration in the Greater China region and taken our exploration of additional income streams for the Group.

#### Television Programme Production

We place top priority on producing high quality programmes which provide the "source of energy to illuminate" our audience. Backed by a team of highly talented professionals including some of the most renowned documentary producers and directors in the region, we have been maximizing and making the most dynamic use of our production centres in Hong Kong and the PRC.

**Hong Kong** - To build up our programme library efficiently and effectively in the initial stages, we have established a state of the art digital studio in Hong Kong in June 2000. Highly equipped with the most advanced production facilities, this production centre has been instrumental in supporting the channel's initial success in "look & feel".

**Shanghai** - A second production centre with an area of 12,000 sq. ft. was set up next in Shanghai,

第三套亦由二零零零年十一月開始每日播放陽光衛視一系列節目。通過與這些全國性媒體進行合作，陽光衛視在國內成功地通過五百個有線電視渠道播放主題節目。此項業務發展有助於陽光衛視拓展國內觀眾基礎達五千萬的電視用戶。二零零一年三月，陽光衛視與超過六十個城市的電視網絡達成一項節目播放協議，覆蓋逾七千萬電視用戶。

**台灣** - 於二零零一年一月，陽光衛視開始在台灣新知頻道七十七台播放節目。台灣現有有線電視用戶共約四百萬戶，而新知頻道節目分銷網絡所覆蓋的用戶超過70%。根據我們所訂立的協議，新知頻道如得到台灣有關部門的批准，可於二零零一年年底易名為陽光新知頻道。陽光衛視憑著對製作高素質節目的熱誠及執著，成功地進入了區內最重要的媒體市場之一。進軍台灣進一步鞏固陽光衛視在大中華地區的市場位置，並可為集團提供新增的收入來源。

#### 電視節目製作

我們非常注重製作高質素的節目，使之成為啟發觀眾思想的源泉。我們擁有一批卓越的專業人才，其中不乏區內享負盛名的紀錄片監製及編導，使我們得以靈活地充分運用設在香港及國內的製作中心。

**香港** - 為了在發展初期能更快捷有效地建立節目片庫，我們於二零零零年六月在香港建立了一個具備最尖端數碼技術的製作中心。該製作中心配備有最先進的電視製作器材，有助於我們的頻道能夠儘早在感官效果上得到觀眾的讚賞。





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taking advantage of the lower costs of operation there and proximity to the market. Subsequent to its establishment, we have been enhancing facilities in this centre to raise capacities to meet the growing demand for high quality programmes.

Beijing - A further strategic move was the formation of a production alliance with "CCTV The Central Satellite Television Transmission Centre" to share CCTV's production facilities in Beijing.

### Multi-media Content Production and Distribution

Wholesale and Retail Sales of Audio and Video Products - We understand that content can be packaged in different formats to reach an even wider audience. By entering into an agreement to acquire indirectly a 48% interest in Shanghai New Culture Television and Radio Making Company Limited ("SNC") in June 2000, we became involved in the distribution of audio-visual products in the PRC. SNC has 10 distribution outlets in Shanghai's most prosperous commercial areas and wholesaling operations throughout the PRC. This extensive distribution network serves as another important channel for delivering our packaged programmes and audio-visual products.

We entered an agreement with Shanghai Literature & Art Publishing House to publish books based on Sun TV programmes. A total of 10 titles of books were published with about 100,000 copies sold.

Web and Broadband Content Operation - We successfully assisted EHome, the largest broadband operator in Taiwan, Yahoo and Broadcast.com in designing portal site. We also successfully digitized over 1000 titles of content, thus becoming a leader in the realm and making ourselves as a true multi-media content player.

### Advertising Revenue

Since we started to commit ourselves in the media-related business with the launch of Sun TV in August 2000, we have created a miracle in the history of the broadcasting industry by recording a significant revenue figure after just 8 months of operation. Turnover generated from the media-related business amounted to approximately HK\$57 million, of which about 81% came from advertising revenue, for the financial year under review. It was exciting to see a 500% growth in our advertising revenue in the first quarter of 2001 as compared to the last quarter of 2000.

上海 — 設於上海的第二製作中心佔地逾一萬二千平方公尺，可享有較低的營運成本及毗鄰市場的優勢。在其落成後，我們提升了該製作中心的設備，強化了製作能力，以應付對高品質節目日益增加的需求。

北京 — 另一項策略性發展是我們與中國中央電視台中央衛星傳播中心組成了製作聯盟，共同使用中央電視台在北京的製作設施。

### 多媒體內容製作及分銷

視聽產品的批發及零售 - 我們清楚地瞭解節目內容可包裝成不同的模式，以覆蓋更廣闊的觀眾群。集團於二零零零年六月簽訂一項協議，間接收購了上海新文化廣播電視製作有限公司48%的股權，使集團涉足到在國內分銷視聽產品的業務。上海新文化在上海最繁榮的商業區設立有十個視聽產品分銷點，並在全國各地進行批發。這一廣闊的分銷網絡為銷售經過包裝的節目及視聽產品提供了另一個重要的渠道。

出版 — 我們與上海文化出版社簽訂協議，根據陽光衛視的節目內容出版書籍，現已有十本書出版，共售出約十萬冊。

網站及寬頻內容業務 - 我們成功地協助台灣最大的寬頻服務營運商EHome、雅虎及Broadcast.com設計其網站，並且成功地將超過一千個節目的內容進行數碼化，上述舉措

使我們已成為該領域的佼佼者，也使我們成為真正的多媒體內容供應商。

### 廣告收益

自二零零零年八月，我們開始致力發展傳媒相關業務，並推出陽光衛視主題頻道。經過短短八個月的運作，我們已獲得可觀的收入，並創造出廣播界歷史上的奇蹟。回顧本財政年內，媒體相關業務的營業額約為港幣57,000,000元，其中約81%是來自廣告收入。我們很高興二零零一年第一季之廣告收入增長強勁，較去年第四季增加五倍。





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This upward revenue trend tends to show that Sun TV's thematic programmes are appreciated by our counterparts in the media sector, advertisers and audiences in the Greater China region. According to the AC Nielsen survey in July 2000, Sun TV's syndication programmes in Beijing appeal to high income viewers with education levels of high school or above. The AC Nielsen survey in January 2001 confirmed the attraction of Sun TV's programmes among high spending consumer groups. The effectiveness of reaching specific target audiences through Sun TV, coupled with our strategy to offer "one-stop shopping" advertising packages embracing both planning and media buying for advertisers, has contributed to a surge in our advertising revenue. In the absence of any unforeseeable circumstances, we expect the momentum of our advertising revenue growth to continue in the coming quarters.

#### Alliances and Acquisitions

##### A&E Television Networks

To ensure the quality of our content, we formed alliance in May 2000 with a world leader in biographical and historical programming, A&E Television Networks ("A&E") whereby A&E supplies biographical and historical programming to us. With the support from this strategic partner, together with our professional self-productions, our programme library has been expanding in an exponential manner.

收益上升的趨勢正顯示陽光衛視的節目深受大中華區內的傳媒同業、廣告商及觀眾的愛戴。根據AC Nielsen 於二零零零年七月的調查顯示，陽光衛視在北京的聯播節目，能吸引擁有高中以上教育程度的高收入觀眾。而AC Nielsen 於二零零一年一月的調查，亦同樣證實陽光衛視的節目，對高消費的觀眾最具吸引力。由於廣告商通過陽光衛視頻道，能更有效接觸目標觀眾；加上我們的業務策略，推出策劃及媒體投放於一體的「一站式全方位」客戶服務，刺激了廣告收入的增加。如無不可預見之情況出現，我們預計廣告收入上升的動力將持續數個季度。

#### 聯盟及收購

##### A&E電視網絡公司

為確保節目內容的質素，我們於二零零零年五月，與A&E電視網絡公司組成聯盟，由A&E為我們提供歷史及人物傳記節目。A&E乃世界知名的歷史及人物傳記內容供應商，藉著這一策略性夥伴的支援，以及我們自身專業的節目製作能力，使我們的片庫迅速擴大。





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**STR Media Limited**

By acquiring an 80% interest in STR Media Limited ("STR Media") in June 2000, which holds a 60% interest in a PRC Joint Venture, Shanghai New Culture Television and Radio Making Company Limited ("SNC"), we have indirectly acquired a 48% interest in SNC. With a production license for television programmes and 10 distribution outlets for audio and video products in Shanghai as well as a wholesale network throughout the PRC, SNC is able to create synergies for the marketing and distribution of our programmes. Moreover, as an investment in itself, SNC is expected to bring in additional revenues for us.

**TravelTV (Macau) Co. Ltd**

In view of the unprecedented success of the launch of our first thematic channel, we are developing a second channel focused on travelogue programmes. We believe that growing our operations by acquisitions is one of the right strategies. Accordingly, we acquired a controlling interest in TravelTV (Macau) Company Limited, which

**STR Media Limited**

二零零零年六月，我們收購了STR Media Limited ("STR Media") 百分之80%的股權。由於STR Media持有一間在中國成立的合營企業上海新文化廣播電視製作有限公司 ("上海新文化") 60%的股權，我們便間接持有上海新文化48%的權益。上海新文化持有電視節目製作牌照，並在上海經營十個視聽產品分銷點，並在全國各地批發，因此上海新文化一定能為我們的節目推廣及分銷帶來協同效益。再者，預期上海新文化填項投資可為我們帶來額外的收入。

**澳門旅遊衛星電視有限公司**

由於我們推出的第一條主題頻道取得史無前例的成功，我們正在開發以旅遊節目為主的第二條頻道。我們相信透過收購以壯大我們的業務運作是一項正確的策略。因此在二零零零年八





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operates the Macau Satellite TV Travel Channel in Macau ("Travel TV Channel"), in August 2000. The management team of the Travel TV Channel is very experienced in programme production and television broadcasting. Also, the Travel TV Channel has been included in the list of foreign satellite channels approved for restricted downlinking in the PRC by SARFT. Thus it helps to enhance our production capacity and enlarge our audience base.

We intend to form a series of alliances in travel, technology, health and other content areas with world's leading players in the near future.

#### Construction Business

Latest contracts in hand include:

Contract Description	Contract Sum (HK\$'million)
Kowloon-Canton Railway Corporation	
▪ KCRC Platform Widening at Fanling Station	4.1
▪ KCRC Temporary Site Accommodation at Tai Wai and Shek Mun Site Offices for East Rails Extension	7.5
▪ KCRC Noise Mitigation Measures at Fo Tan Station	39.38
▪ KCRC Concourse and Subway Advance Work at Kowloon Tong Station	5.48
Water Service Department	
▪ Reservoir Extension & Associated Mainlaying Works at Tuen Mun East and Siu Lam	48.2
▪ Replacement of Water Mains in Fo Tan, Shatin and Shek Wu Hui, Sheung Shui	39.28
Territory Development Department	
▪ Peng Chau Development Package 3	23.8

Depending on business opportunities, we intend to dispose of the construction business within the forthcoming financial year.

#### Fund Raising

In addition to pursuing our new focus on media-related business, we are committed to maintaining a healthy financial position. To strengthen our capital base for the various investments in media-related business, we successfully raised approximately HK\$87 million

月，我們成功收購了澳門旅遊衛星電視有限公司的控制性股權，該公司現在澳門經營澳門衛星旅遊台（「旅遊台」）。旅遊台的管理層在節目製作及電視廣播方面極具經驗，而且旅遊台亦名列國家廣播總局納入可有限接收的境外衛星電視頻道之名單內，因此這有助於提高我們的製作能力，同時擴大我們的觀眾基礎。

我們計劃於不久將來與世界著名的企業組成聯盟，以發展旅遊、科技、健康及其他領域內容的業務。

#### 建造工程業務

最近已簽署的合約包括：

合約簡介	合約金額 (港幣百萬元)
九廣鐵路公司	
▪ 九廣鐵路公司粉嶺站月臺擴建工程	4.1
▪ 九廣鐵路公司東鐵支線部大圍及石門臨時寫字樓工程	7.5
▪ 九廣鐵路公司火炭站隔音屏障工程	39.38
▪ 九廣鐵路公司九龍塘火車站大堂及行人隧道前期擴展工程	5.48
水務處	
▪ 屯門東食水供應系統擴展工程及小欖食水配水庫擴展工程及相關的水管設工程	48.2
▪ 火炭、沙田及上水石湖墟重鋪水管工程	39.28
拓展處	
▪ 坪洲發展計劃第三組工程	23.8

若有合適商機，我們計劃於下一個財政年度出售建造工程業務。

#### 集資活動

除了將業務新重點放在媒體相關業務之上，我們亦致力於維持穩健的財務狀況。為擴大資金基礎，以作媒體業務的投資，我們已於



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and HK\$129 million from two share placements to independent investors on 18 July 2000 and 22 July 2000 respectively.

Additionally, we issued convertible bonds to Credit Suisse First Boston (Hong Kong) Limited ("CSFB") on 28 February 2001 with an amount of US\$8,000,000 (HK\$62,400,000) ("Tranche 1 Bonds") and we further have an option to issue to CSFB further convertible bonds with an amount up to US\$8,000,000 (HK\$62,400,000) ("Tranche 2 Bonds"). Both the Tranche 1 Bonds and Tranche 2 Bonds bear interest at the rate of 4% per annum and are due on 28th February 2004.

These successful fund raising exercises were important steps in strengthening our business across the Greater China region, and enhancing our leading position in the market. More importantly, these tend to show that our new business direction has won recognition from the investment community and that investors have great confidence in our prospects.

二零零零年七月十八日及二十二日向獨立投資者配售股份，分別成功集資約港幣87,000,000及港幣129,000,000萬元。

此外，我們於二零零一年二月二十八日發行可換股債券予Credit Suisse First Boston (Hong Kong) Limited (「CSFB」)，金額達8,000,000美元(港幣62,400,000元) (「第一批債券」)，我們擁有一項選擇權，可發行另一批可換股債券予CSFB，金額最高可達8,000,000美元(港幣62,400,000元) (「第二批債券」)。第一批及第二批債券均按年利率4%計息，及於二零零四年二月二十八日屆滿。

上述成功的集資活動為我們強化大中華區業務奠定了重要的一步，亦鞏固了我們在市場上的領導地位。更重要的是，這顯示出投資者不但認同我們的新業務方向，亦對我們的前景充滿信心。





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### Prospects

In the year 2000, we have turned the "impossible" into many possible achievements and have created the "Sun" as our origin. Driven by our mission "to educate through entertainment, to illuminate through information", we will continue to devote ourselves to turn knowledge in every significant discipline into contents packaged both interestingly and entertainingly, and deliver them through multiple channels to satisfy our viewers' intellectual needs.

Having successfully captured the market with our quality history and biography programmes, we are actively expanding our market share by providing a wider variety of high quality programmes. With highly talented professionals and sufficient resources, launching new programme categories is part of our initiatives. Thus, the long-awaited programme "Yang Lan Studio" will soon be launched by Sun TV. The anticipated popularity of "Yang Lan Studio" has inspired various huge corporations to compete for the sponsorship of this programme. Furthermore, a variety of other infotainment programmes with themes such as in-depth current affairs and factual features will be launched before the end of 2001.

As we are building a unique media group in the highly lucrative market with a promising future, we would not limit ourselves to the current extent of coverage. Capitalizing on the proven success of our first thematic channel, we have planned to launch our second and third channels, namely the Travel Channel and the Technology Channel, before early next year we expect. These new satellite channels is likely to bring in additional revenue streams and lower our average costs of operation, which in turn may improve the financial position of the Group.

Another initiative to enhance our overall cost effectiveness is to shift most production work to Shanghai and Beijing and maximize the use of production resources there. Our production centre in Hong Kong will be focusing on post-production which includes promotion, program packaging and programming. This move also enables us to possess higher responsiveness to the intellectual and infotainment needs of our major audiences in the PRC.

From a more macro perspective, to echo the policy of "Opening Up the West" in the PRC, we also plan to work on strengthening our coverage to "educate" and "illuminate" the West. The many uprising business opportunities there will boost the growth of many industries, for which advertising is one of the most important marketing tools. This exciting development, together with China's

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在二零零零年中，我們成功地把許多「不可能的任務」轉化為可能的成就，並創造出「陽光」作為我們的根源。我們肩負著使命——「以娛樂傳播教育，藉資訊照亮生活」，繼續努力不懈地把每一個重要領域的知識包裝成具趣味性及娛樂性的內容，並通過多種渠道傳送給觀眾，以滿足他們對知識的需求。

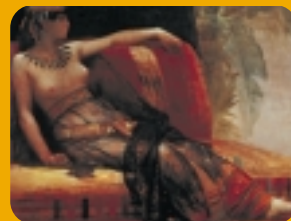
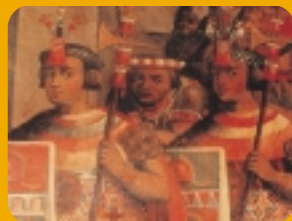
憑著高質素的歷史及人物傳記節目，我們已成功佔據了市場。現在，我們正積極提供更多類型的高質素節目，從而進一步擴大市場佔有率。我們擁有優秀的專業人才及豐富的資源，推出嶄新節目類型是其中一項重要策略。因此，期待已久的主打節目「楊瀾工作室」將於近期隆重推出。由於市場預期「楊瀾工作室」會大受觀眾歡迎，由此引致多間大型企業爭奪該節目的贊助權。另外，多個資訊性娛樂節目，包括以社會時事及寫實專題為主的節目，亦會於二零零一年年底前陸續推出。

在潛力巨大、前途光明的媒體市場中，我們正積極建立一個獨一無二的媒體集團，我們不會局限於現有的覆蓋範圍。繼成功推出首個主題頻道後，我們計劃於明年初前推出第二及第三個頻道，分別名為旅遊頻道及科技頻道。新衛星頻道的推出，將帶來新的收益來源，並降低平均營運成本，提升集團的財務狀況。

我們計劃將大部份製作工作轉移到位於北京及上海的製作中心進行，並儘量充分地利用當地的製作資源，以提高成本效益。香港的製作中心則將集中負責宣傳、編排、節目包裝等後期製作。此舉無疑可讓我們更迅速地根據國內觀眾對知識及資訊的需求作出調整。

從更宏觀的角度去看，為配合中國「西部開發」的政策，我們已計劃加強對西部的覆蓋範圍，積極進行「教育及啟發」的工作。西部不斷湧現的大量商機將刺激各行業的增長，而廣告正是進行市場推廣的最重要工具之一。這些



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imminent accession to the WTO, will enlarge the whole advertising sector in the PRC.

Looking ahead, we will strengthen our position as a dominant premier content provider and to explore new revenue sources across a wide spectrum of media. Building on our cornerstones laid during the year, the "Sun" is set to "shine more brightly" in the future. We are determined to bring the Sun's energy to all people in Greater China, and eventually all Chinese in every corner of the world.

**Appreciation**

We would like to take this opportunity to extend our heartfelt appreciation to our management team and staff for their dedicated efforts and significant contributions to the Group. We would also like to express our gratitude to our business partners and shareholders for their continued support in the past and for the coming years.

By order of the Board

Wu Zheng, Bruno

Executive Chairman & Chief Executive Officer

Hong Kong, 12th June 2001

令人振奮的發展，加上中國正準備加入世貿組織，定能擴大國內的廣告市場。

展望未來，我們將強化本身作為主要優質內容供應商的領導地位，亦會在廣闊的媒體市場範圍內開拓新的收入來源。憑藉我們今年所建立的穩健基礎，未來，「陽光」將更燦爛地照耀大地。我們致力把「陽光」的能量帶給所有大中華的人民，甚至世界每一角落的中國人。

**致謝**

最後，本人藉此機會向管理層及各位員工為本集團於過去及未來所作的貢獻及努力致以衷心感謝。本人亦謹代表董事會感謝各業務夥伴及各股東一直對集團的支援及信心。

承董事會命

執行主席兼行政總裁

吳征

香港，二零零一年六月十二日

# SUN TV

