

Chairman's Statement

主席 報告書



楊瀾主席（於本財務年度在任）
Yang Lan Chairperson
(during this financial year)

In the four short years after its establishment in 2001, Sun Media Group Holdings Limited (“Sun Media Group” or “the Group”) has already accumulated various experience on one hand and has overcome many difficult times on the other. Looking back, from successfully disposed of its construction business at the very beginning, the Group has transformed into a true media group with the production of high quality thematic and documentary programmes as its core business. Positioned as a supplier of high quality Chinese contents, the Group is consistently moving towards its goal of becoming a professional Chinese media group with leading brand in the world. However, with its satellite TV business facing increasingly difficult operating environment, the Group realized that relying solely on revenue from TV advertising and production businesses would not be sufficient to support its overall operation.

陽光體育媒體集團有限公司（「陽光體育媒體集團」或「集團」）自二零零一年成立以來，短短四個年頭已經歷了成長的經驗積累及種種風浪的考驗。回望過去，從最初成功出售建築業務，轉型為一個真正的媒體集團，以製作高質素的專題及紀錄片節目為主，定位為一個優質中文內容供應商，並朝著矢志成為華人世界具領導品牌地位的專業媒體集團目標進發。但其後由於衛星電視營商環境異常艱巨，集團深明單純依賴廣告及製作收入是不足以支持本身整體營運，

The management hence amidst tremendous pressure embarked on changing its single stream business, transforming to a two-prong model with equal emphasis on "TV" and "Publishing & Distribution". However, the Group's satellite TV and newspaper publishing business had still continued to record loss in recent years. Hence, to improve the Group's profit and create higher values for our shareholders in future, the Group has successfully divested those heavily loss making businesses and, taking full advantage of the golden opportunity of China relaxing the constraints on foreign investment, adjusted the Group's operation direction to focus on sports and entertainment media, advertising agency and new businesses in relation to large-scale sports and entertainment events.

2003/04 was an important year for Sun Media Group to transform its businesses and establish new business direction. During the year, the global economy was subjected to the influence of a number of adverse factors, including the Iraqi War that had seriously dampened overall market sentiment and consumer confidence, and the outbreak of Severe Acute Respiratory Syndrome (SARS) that caused a serious blow to all businesses across Asia, especially Hong Kong. Against such vicious and turbulent operation environment, Sun Media Group guarded its core businesses diligently and has undertaken major adjustments on its business model. Through adopting various cost control measures, the Group has achieved significant improvement to its businesses. In addition, the Group has also finished the restructuring and has properly dealt with the deficit operations during this financial year.

因此管理層克服種種壓力，徹底擺脫單一業務發展，成功完成業務轉型，將公司業務集中至「電視」及「出版與分銷」兩大業務支柱。然而，直至近年，衛星電視與報紙出版業務仍然持續虧損，故為了進一步改善集團未來的盈利有更佳增長及為股東締造更大的價值，集團已成功剝離該等嚴重虧損的業務，並充分利用國內放寬對外資限制的極好時機，將集團營運方向再作適當調整，把營運重心延伸至極具潛力的體育媒體娛樂、廣告代理以及與大型體育娛樂活動有關的各項新業務。

2003/04年度對陽光體育媒體集團是重大業務調整處理及尋找新的業務發展方向的年度。在這年度中，全球各地經濟均受到各種因素影響，美伊戰事嚴重打擊整體市場氣氛和消費信心；而非典型肺炎疫症（「沙士」）肆虐整個亞洲地區，特別對香港各行各業造成沉重的打擊。面對如此惡劣且反覆的經營環境，陽光體育媒體集團在大規模調整業務模式，仍然堅守本業，並透過實行各項控制成本之措施，使集團的業務在回顧年內有重大改善。此外，集團亦已經完成重組並把嚴重虧損的業務在本財務年度內妥善地整頓。

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Looking back over the past four years, due to the uncertainty of a pay-TV policy in China, the Group had been unable to realize the full potential of its business model to offer thematic culture and history programmes for pay-TV viewers, resulting in its sole reliance on satellite TV for revenue. The revenue from satellite TV was insufficient to support the Group's operation, which became the drive behind our collaboration with Sina Corporation, the acquisition of other multimedia brands and publications, and subsequently the failed effort to reach a co-operation with a major European media group. The management, hence, with determination, started business transformation during this financial year.

SARS not only seriously affected the local economy and dampened consumer sentiment, it also prompted advertisers to cut down advertising expenses. One of our core businesses, publishing and distribution, was hit hard. Although the management adopted proactive business strategies to reposition "Sing Pao Daily" and to aggressively control operational and administrative expenditures, bringing the net loss from operations of Leadership Publishing Group Limited ("Leadership Publishing") down by 70% during this financial year. Due to the continuous loss, the Group withdrew its position as controlling shareholder in Leadership Publishing.

As for its TV business, Sun Satellite TV Channel ("Sun Satellite TV") with its limited resources has successfully established the leading position in brand, market and revenue among foreign satellite channels in China. However, against the rapidly changing foreign satellite TV operating environment in the PRC with more and more satellite licenses issued and the lack of a pay-TV policy, the management realized that more manpower

回顧陽光體育媒體集團由創始至今的四年歷程，由於一直受到國內收費電視政策未明之影響，故集團原本以文化、歷史主題內容片庫為收費電視服務的商業模型無法展開，導致形成單一依靠衛星電視收入模型；接著與新浪合作、收購多項跨媒體品牌及出版等，甚至其後，幾乎與一個歐洲巨型媒體集團達成合作，均是因為管理層意識到來自衛星電視等收入不足以支援整個集團之營運，而計劃依靠聯盟合作來轉型。可是，最後在不可預測之原因下功虧一簣。因此，管理層在過去一年中便堅決地實行了業務模式轉型。

沙士疫潮事件嚴重影響本港經濟，令廣告商削減廣告開支及打擊市民之消費意慾，首當其衝的便是我們其中一項主業－報章出版及分銷業務。雖然管理層已實行進取的業務策略，為《成報》重新定位，並積極在營運及行政方面持續採取成本控制措施，將「現代旗旗出版集團有限公司」（「現代旗旗」）之本年度虧損淨額大幅減少70%，但鑑於其持續經營虧損，集團決定撤出出現代旗旗之控股股東之地位。

在電視業務方面，儘管陽光衛星電視頻道（「陽光衛視」）以有限的資源率先於境外衛視中取得了品牌、收入及市場的領導地位，但由於要適應國內境外衛視經營環境的急劇變化，加上更多的衛星牌照獲得批准，而且收費電視收入模式亦長期未被政策許可之情況下，管理層深明若要繼續長期發展國內主要衛星電視業務－陽光衛視，便必須投入更多人力及財務資源以保

and financial resources had to be injected into Sun Satellite TV to sustain its competitiveness and long term growth. Since the Group was unable to secure profit in the short run with its existing resources, the Group sold 70% of its stakes in Sun Satellite TV to Strategic Media International Limited (“Strategic Media”) to lift the financial burden to support the operation of Sun Satellite TV, while at the same time optimize the revenue base of the Group’s TV business.

Apart from striving for growth in current operations, the Group is also committed to exploit into new business areas to diversify the revenue base.

The Group ultimately identified car racing activities as its new business driver and began without hesitation to actively involve in sports media business. In May 2004, the Group acquired two companies that are related to Formula 1 and China motor race events, namely FRD Holdings Inc. (“FRD”) and China Sports Media Limited (“China Sports”). This move enabled the Group to smoothly shift its business focus from culture and education media to sports and entertainment media, including related advertising agency business and organisation of mega-events. The management believes these new businesses will become another milestone for the Group.

To establish new sources of income to support future developments and growth in revenue, Sun Media Group will from now on, while continuing its thematic cultural and educational media business, be actively developing the new sports and entertainment related business. To cope with the business direction adjustment, the Group has changed its Chinese name to “陽光體育媒體集團有限公司” for identification purposes with effect from 19th July 2004.

持和加強陽光衛視在市場上的競爭力。而由於集團自身之有限資源在現有經營環境中，得難達至盈利，因此，集團與 Strategic Media International Limited (「Strategic Media」) 合作，透過出售陽光衛視70%股權予 Strategic Media 以減輕了集團對支持陽光衛視營運之財政負擔，並且優化集團整體電視業務的盈利基礎。

集團除了一直尋求現有業務增長外，亦致力擴開展新的業務領域，擴潤收入來源。

最後，集團落實以賽車運動為業務主動力，而且全面參與體育傳媒事業，並即時付諸實行。集團於二零零四年五月一舉收購兩家與一級方程式及中國各項賽車活動有關之公司－「方程式賽車發展控股有限公司」及「中國體育傳媒有限公司」，成功將陽光體育媒體集團之營運重心由文化教育媒體業務轉向重點發展包括廣告代理及大型活動等體育與娛樂媒體業務。管理層深信此舉將為集團發展之另一個里程碑。

今後，陽光體育媒體集團除繼續主力發展以文化電視製作教育媒體業務外，亦將積極發展與體育娛樂媒體相關的新業務，藉此締造新的具規模成長之收入與利潤來源，使集團的收益在往後數年能錄得顯著增長。為配合業務發展方向的調整，集團之中文名稱已於二零零四年七月十九日起易名為「陽光體育媒體集團有限公司」供識別用途。

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The Chinese economy has been picking up fast after the SARS crisis and the growth trend is expected to persist. The promising economic environment plus China's staging of the global sports events such as the 2008 Olympic Games, Formula 1 races, other China motor races events and related mega-entertainment events will provide the Group with tremendous business opportunities.

Having a well established position in the industry, a correct and clear business strategy and an experienced and responsible management team, the Group is never more determined in achieving its goal of becoming a global Chinese media group.

I would like to take this opportunity to express my gratitude to the Board of Directors, the management and staff for their continuous and persistent efforts during this financial year. I would also like to thank all the staff members for their supports, which enabled the rapid development of our multimedia business. As now we have a re-focused direction, with our quality assets and the resolution of all the previous loss-making businesses, we have created a solid foundation for future income growth and a better reputation in the international media industry.

展望未來，沙士疫後的中國經濟迅速復甦，預期經濟增長持續強勁。此外，加上即將來臨的各項體育盛事，如二零零八年的奧運會、一級方程式賽車大賽及中國各項賽車活動以及相關的大型娛樂活動等盛事，勢將為我們帶來無限商機。

憑藉穩健的業內地位、清晰明確的營運發展策略及經驗豐富及負責任的管理人員，集團矢志成為真正的全球華人媒體集團。

本人希望藉此機會向我們努力不懈的董事會、管理層與及全體員工謹此致謝。縱使本財務年度之市況艱難，惟他們在逆境中不斷力求進步的精神，實在令本人十分欣慰。仰賴上下員工的支援，我們多元化的媒體業務得以迅速發展。此外，隨着集團業務發展方向重新定位，加上資產優良，及對於過去之虧損業務已作出處理，我們已為未來收入增長奠定良好基礎，使集團於國際傳媒行業的聲譽更隆。

Lastly, on behalf of Sun Media Group, I would like to thank our shareholders for their support. With your invaluable support, we are well prepared to grasp the golden opportunities in the advertising industry and the development of the sports and entertainment media businesses towards a brighter future.

Yang Lan

Chairperson

(during this financial year)

Hong Kong, 27th July, 2004

最後，本人謹代表陽光體育媒體集團感謝我們的股東一直以來對集團的支持。在你們寶貴的支持下，陽光體育媒體集團已打好基礎，蓄勢待發，以把握國內之廣告業，以及體育和娛樂媒體業務發展等種種黃金機遇，朝著更美好的未來進發。

主席

楊瀾

(於本財務年度內在任)

香港，二零零四年七月二十七日