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鳳凰衛視

**PHOENIX MEDIA INVESTMENT (HOLDINGS) LIMITED**

**鳳凰衛視投資(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 02008)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The board of directors (“**Board**” or “**Directors**” and each of them a “**Director**”) of Phoenix Media Investment (Holdings) Limited (“**Company**”) and its subsidiaries (collectively referred to as “**Group**” or “**Phoenix**”) are pleased to announce the consolidated results of the Group for the year ended 31 December 2021.

**FINANCIAL SUMMARY**

- Revenue for the year ended 31 December 2021 was approximately HK\$3,159,240,000, which represented an increase of 4.3% over the previous year.
- The operating loss of the Group increased to approximately HK\$647,290,000 for the year ended 31 December 2021, representing an increase of 28.9% over previous year as a result of provision for impairment of accounts receivable from Evergrande Group.
- Fair value loss on financial assets related to subsequent measurement of internet media’s investment in Particle Inc. for the year was approximately HK\$7,075,000, in comparison with HK\$1,074,851,000 for the previous year.
- The loss attributable to owners of the Company was approximately HK\$456,201,000, in comparison with HK\$1,037,043,000 for the previous year which included share of fair value loss on internet media investment of approximately HK\$585,686,000.

## BUSINESS OVERVIEW AND PROSPECTS

In 2021, Phoenix completed its shareholding restructuring, intensifying the pace of its business transformation and innovation by adopting multiple strategic measures, a continuing positive trend in its operating performance is shown. Mr. Xu Wei, the Chairman of the board of directors and Chief Executive Officer, emphasises that the brand recognition, credibility and international influence of Phoenix must be demonstrated continuously, and Phoenix shall focus on its core media business, firmly establish a strong base in Hong Kong positioning to target the Chinese communities in Hong Kong, Macau, Taiwan and around the globe, with an aim of building an international first-class Chinese media group.

In 2021, Phoenix delivered first-hand news to Chinese audiences all over the world, demonstrating its media professionalism. The global team of Phoenix focused and broadcasted live reports on a number of news events such as The 100th Anniversary of the Founding of The Communist Party of China, China-U.S. High-Level Talks in Alaska, United Nations Summit on Biodiversity, China-Russia and China-U.S. Summits, Leaders Summit on Climate, Russia-U.S. Summit and the launch of Shenzhou manned spacecrafts. The team also followed up and reported on major events such as the radical changes in Afghanistan and the return of Meng Wanzhou to China. In-depth reportings on Hong Kong's important local news such as the election of Hong Kong Election Committee were also made.

During the year, Phoenix revamped by emphasising on its news professionalism and strengthening its news live broadcast and topic selections. Programs like *Phoenix Morning Express*, *Phoenix Midday Express* and *Phoenix Evening Express* focused on around-the-clock press releases and prime time news, with their formats, packaging and visual effects more in line with the positioning as an international media. Phoenix Hong Kong Channel enhanced Cantonese broadcasts to serve Hong Kong and other Cantonese-speaking audiences and targeted Hong Kong's current affairs and entertainment news as two main focuses, which opened up a new broadcasting landscape. In addition, Phoenix newly launched in-depth and thoughtful topical programs such as *Zoom In*, *Asian Financial Insight*, *China Insight*, *The Great Era*, *Fact Check on News* and *Bench Talk About Taiwan*, which greatly enriched its international broadcast content using the audiovisual narrative style, whereby winning praises from the Chinese audiences.

In 2021, Phoenix's brand value continued to grow. It has been listed as Asia's 500 Most Influential Brands for 16 consecutive years and continued to be rated as Top 4 TV brands in Asia, which reflected its publicity and reputation in fields like media and culture. With international and high-quality production standards, Phoenix's programs garnered numerous awards which demonstrated Phoenix's excellent strengths and professionalism. Among which, *Chief Editor's Time* promotional trailer and *Phoenix Morning Express* promotional trailer won the gold prize and silver prize in Best News/Current Affairs Promotional Trailer Category of Promax UK Awards at Promax Asia 2021 respectively. *Hovering over Macau* won the silver prize in Art Direction Category of New York Festivals International TV & Films Awards. In the 2021 Asian Academy Creative Awards, Phoenix's *Hong Kong Perspectives: Species unique to Hong Kong* won the Best Lifestyle Programme; *Save Our Planet, Save Our Children's Future* won the Best Promo or Trailer; *A Nian* produced by *C'est La Vie* programme won the Best Documentary Programme (One-off); *When The World Was Young — Chinese in the International Column* produced by *Phoenix Panorama* programme won the Best Documentary Series. In addition, *The World of Live Streamers* produced by *C'est La Vie* programme won the Best Documentary Programme (One-off/Special) at the 2021 Asian Television Award.

Phoenix continues to expand its broadcast strength and international influence. Through various channels such as satellites, cable TV networks, mobile internet, over-the-top (OTT) platforms, Internet Protocol Television (IPTV), social media and content distribution platforms, Phoenix has developed a global information (Chinese language) omnimedia matrix. Moreover, Phoenix undertakes media responsibilities in the international communication practice by establishing extensive strategic cooperations with various international organisations and institutions, such as The United Nations Educational, Scientific and Cultural Organisation (UNESCO), The United Nations Development Programme (UNDP) and The World Wide Fund for Nature (WWF), as well as with prestigious think tanks such as The International Emmy Awards, The International Institute for Strategic Studies and The Brookings Institution, in order to build a cooperation platform for cultural exchange between China and the world, and to enhance its affinity and influence in international communication via the respective global, regional and demassified ways.

The Group actively brings forward the business transformation and high-quality development of the Company through various corporate strategies such as content operation, business and resources integration and synergy. The Company has been nurturing new business forms including customised media services and content consumption to further expand the realisation of our media brands, contents, platforms, traffic and resources. Meanwhile, the Group continues to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media and magazines to provide customers with integrated media services while facilitating the ongoing improvements in its service quality and business scale.

The flagship product IFENG News App under Phoenix New Media, an internet media platform of the Group, has actively optimised the content operation and algorithmic strategy, the number and activeness of its users maintained a leading position as one of the most popular mobile terminal information products among Chinese users. While maintaining its advantageous aspects such as the in-depth coverage of major events, unique and original content, quality programmes in vertical domains, and offline summits and galas, Phoenix New Media continues to innovate and build pan-knowledge Multi-Channel Network (MCN), constantly explores the operation and realisation of accounts on third party platforms, as well as develops its business layout in various areas including quality e-commerce, supply chain and consumption guidance, thus bringing new realisation channels and strategic opportunities for the Company. Moreover, during the year, Phoenix New Media actively explored synergic cooperation with other members of the Group, innovated content styles, enriched communication paths, expanded audience coverage, optimised marketing plans, and achieved mutual communication and integration in contents, broadcast and resources, thereby strengthened the overall influence and competitiveness of the Phoenix brand.

Phoenix Metropolis Media has been focussing on outdoor LED media for years, and providing the PRC and overseas well-known brand customers with professional services that are characterised by comprehensive, reliable and creative services with sufficient technical support. In 2021, the number of our customers from top international brands reached a historical high, and has optimised the cooperation with the PRC and overseas well-known brands. Driven by this phenomenon, Phoenix Metropolis Media has brought new tactical measures to innovative marketing, using interactive creativity such as autostereoscopic display, dynamic posters, live streaming and Dolby Vision to boost brand sales. In terms of technology, the cloud-based smart broadcast control COS system is newly upgraded to further consolidate the advantages of the national digital network. Phoenix's outdoor LED display panel media resources currently cover over 300 cities in China with over 1,000 panels. Its

global network encompasses over 20 countries and regions including Asia, Americas, Europe and Oceania, achieves genuine global distribution as well as fully satisfies the customers' advertising needs for outdoor media.

The Group has also maintained a systematic development in other business segments. In the field of digital technology, the Company has strived to promote the integrated development of the technology and media industry. It has held several technological interactive digital art exhibitions, such as *Along the River during the Qingming Festival 3.0* and *A Panorama of Rivers and Mountains 3.0*, to enrich cultural scenes and application experiences with digital technology. In the fields of culture and arts, the Group has incubated and set up different business sectors, such as creative planning, performing arts activities, art curation and cultural IP development and operation, and it has launched activities such as The Full Moon Rising in the Greater Bay Area - Mid-Autumn Festival Concert, Compassion Award Ceremony, From Neo-Classicism to Post-Contemporary: Salon Exhibition of Young Artists and Kulangsu Contemporary Art Exhibition to form a sustainable business mode.

At present, against the backdrop of an era of world multi-polarisation, economic globalisation and cultural diversification, international communication is becoming increasingly important. Phoenix will persist in the philosophy of openness and inclusiveness, adhere and deepen its core competitiveness in contents, and fully utilise the Group's credibility, communication strength and influence, so as to promote Chinese culture more effectively from a global perspective, and to present to the world a true, stereoscopic and comprehensive China and fulfill the expectations of our stakeholders.

## RESULTS

The revenue of the Group for the year ended 31 December 2021 was approximately HK\$3,159,240,000 (year ended 31 December 2020: HK\$3,029,046,000), which represented an increase of 4.3% over the previous year. The operating costs for the year ended 31 December 2021 increased by 7.8% to approximately HK\$3,806,530,000 as a result of provision for impairment of accounts receivable from Evergrande Group (year ended 31 December 2020: HK\$3,531,197,000).

The operating loss of the Group increased to approximately HK\$647,290,000 for the year ended 31 December 2021, representing an increase of 28.9% over previous year as a result of provision for impairment of accounts receivable from Evergrande Group.

Fair value loss on financial assets related to subsequent measurement of internet media's investment in Particle Inc. (approximately 0.60% of the equitable interest in Particle Inc.) for the year ended 31 December 2021 was approximately HK\$7,075,000 (approximately 20.20% of the equitable interest in Particle Inc. for the year ended 31 December 2020: HK\$1,074,851,000).

Fair value gain of approximately HK\$37,000 (year ended 31 December 2020: loss of HK\$140,493,000) was recognised for the investment properties.

The loss attributable to owners of the Company was approximately HK\$456,201,000, in comparison with HK\$1,037,043,000 for the previous year which included share of fair value loss on internet media investment of approximately HK\$585,686,000.

The chart below summarises the performance of the Group for the year ended 31 December 2021 and the year ended 31 December 2020 respectively.

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Television broadcasting	<b>703,705</b>	747,052
Internet media	<b>1,247,785</b>	1,473,327
Outdoor media	<b>942,977</b>	574,979
Real estate	<b>41,359</b>	45,121
Other businesses	<b>223,414</b>	188,567
Group's total revenue	<b>3,159,240</b>	3,029,046
Operating costs	<b>(3,806,530)</b>	(3,531,197)
Operating loss	<b>(647,290)</b>	(502,151)
Fair value gain/(loss) on investment properties	<b>37</b>	(140,493)
Net loss on internet media investment	<b>(5,074)</b>	(1,074,851)
Exchange gain, net	<b>45,045</b>	44,355
Gain on disposal of a subsidiary	<b>-</b>	70,133
Other income/(expense), net	<b>63,131</b>	(12,803)
Loss before share of results of joint ventures and associates, income tax and non-controlling interests	<b>(544,151)</b>	(1,615,810)
Share of results of joint ventures and associates	<b>3,185</b>	(5,041)
Income tax (expense)/credit	<b>(84,272)</b>	124,358
Loss for the year	<b>(625,238)</b>	(1,496,493)
Non-controlling interests	<b>169,037</b>	459,450
Loss attributes to owners of the Company	<b>(456,201)</b>	(1,037,043)
Basic loss per share, Hong Kong cents	<b>(9.14)</b>	(20.77)

## MANAGEMENT DISCUSSION AND ANALYSIS

### Comments on Segmental Information

	Year ended 31 December			
	2021		2020	
	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>
Television broadcasting	703,705	(135,715)	747,052	(165,163)
Internet media	1,247,785	(300,346)	1,473,327	(1,048,389)
Outdoor media	942,977	207,038	574,979	16,402
Real estate	41,359	(7,716)	45,121	(124,285)
Other businesses	223,414	(130,195)	188,567	(104,817)
Group's total revenue and segment results	<u>3,159,240</u>	<u>(366,934)</u>	<u>3,029,046</u>	<u>(1,426,252)</u>
Unallocated income		55,342		98,120
Unallocated expenses		<u>(232,559)</u>		<u>(287,678)</u>
Loss before share of results of joint ventures and associates, income tax and non-controlling interests		<u><u>(544,151)</u></u>		<u><u>(1,615,810)</u></u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 22.3% of the total revenue of the Group for the year ended 31 December 2021, decreased by 5.8% to approximately HK\$703,705,000 (year ended 31 December 2020: HK\$747,052,000) as a result of the adverse impact of COVID-19 outbreak on the global economy and market condition. As the cost structure is relatively fixed, the segmental loss for the television broadcasting business was approximately HK\$135,715,000 for the year ended 31 December 2021 (year ended 31 December 2020: HK\$165,163,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 20.0% of the total revenue of the Group for the year ended 31 December 2021, decreased by 5.7% to approximately HK\$630,863,000 (year ended 31 December 2020: HK\$669,266,000).

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel and others decreased by 6.4% to approximately HK\$72,842,000 (year ended 31 December 2020: HK\$77,786,000).

The revenue of the internet media business for the year ended 31 December 2021 decreased by 15.3% to approximately HK\$1,247,785,000 (year ended 31 December 2020: HK\$1,473,327,000). The segmental loss of internet media business for the year ended 31 December 2021 was approximately HK\$300,346,000 (year ended 31 December 2020: HK\$1,048,389,000 as a result of significant net loss related to the investment in Particle Inc.).

The revenue of the outdoor media business for the year ended 31 December 2021 increased by 64.0% to approximately HK\$942,977,000 (year ended 31 December 2020: HK\$574,979,000). The segmental profit of the outdoor media business for the year ended 31 December 2021 increased by 1,162.3% to approximately HK\$207,038,000 (year ended 31 December 2020: HK\$16,402,000).

The segmental loss for real estate business for the year ended 31 December 2021 was approximately HK\$7,716,000 (year ended 31 December 2020: HK\$124,285,000), which included the net fair value gain of approximately HK\$37,000 (year ended 31 December 2020: loss of HK\$140,493,000), recognised for the investment properties.

Please refer to Note 5 to the consolidated financial statements for a detailed analysis of segmental information and the section entitled “Business Overview and Prospects” in this announcement for commentary on the core business of the Group.

## **THE IMPACT OF THE PANDEMIC ON THE GROUP’S OPERATION**

The unstable COVID-19 pandemic during the year intermittently affected certain business operations of the Group, especially impacted on the revenue from various large offline advertising events and exhibitions sponsored by advertisers or other customers. The pandemic resurgence in certain PRC regions in the fourth quarter 2021 resulted in more gathering restrictions, and brought in unfavorable factor for the Group’s media services business. On the other hand, the COVID-19 pandemic did not affect the ordinary television broadcasting and new media platforms operations of the Group.

## **DIVIDENDS**

The Board did not recommend the payment of final dividend to the shareholders of the Company for the year (final dividend for 2020: Nil) due to the economic instability and challenges in the media industry ahead.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company (“AGM”) will be held at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on 6 June 2022, Monday at 3:00 p.m.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 31 May 2022, Tuesday to 6 June 2022, Monday (both dates inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the forthcoming AGM, all share transfers must be lodged with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 30 May 2022, Monday.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

As at 31 December 2021, the Group's equity interest in Phoenix New Media Limited ("PNM") remained as 54.49% (as at 31 December 2020: 54.49%).

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures for the year ended 31 December 2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The liquidity and financial resources of the Group as at 31 December 2021 remained solid. As at 31 December 2021, the Group's total cash and current bank deposits were about HK\$1,304,835,000 (as at 31 December 2020: HK\$1,849,547,000), as well as structured deposits of approximately HK\$1,595,442,000 (as at 31 December 2020: 1,451,040,000) which have been recorded as financial assets at fair value through profit or loss. The aggregate outstanding borrowings of the Group were approximately HK\$533,932,000 (as at 31 December 2020: HK\$726,179,000), representing non-interest bearing loans, non-interest bearing loans from non-controlling shareholders of subsidiaries and other secured and interest bearing bank borrowings.

The gearing ratio of the Group, based on total liabilities to equity attributable to owners of the Company, was 83.3% as at 31 December 2021 (as at 31 December 2020: 78.9%).

Save as disclosed above, the financial position of the Group remained liquid. Most of the Group's monetary assets, liabilities and transactions are denominated in Hong Kong dollars, US dollars ("US\$") and Renminbi ("RMB"), with minimal balances in Pound Sterling and New Taiwan dollars. The Group is therefore exposed to foreign exchange risks arising from currency exposures, primarily with respect to US\$ and RMB. The Group manages its foreign exchange risks by performing regular reviews and monitoring its foreign exchange exposure. The Group will consider using forward currency contracts as a tool to manage and reduce such risks. Taking into account the Group's current operational and capital requirements, the Directors do not consider the Group is significantly exposed to any foreign currency exchange risk.

## **CHARGE ON ASSETS**

Bank deposit of approximately HK\$155,792,000 (as at 31 December 2020: HK\$387,640,000) was pledged with a bank to secure a bank borrowing to optimise return through interest difference and arrangement of external security within the loan. The property in the United States with carrying value of approximately HK\$2,587,000 (as at 31 December 2020: HK\$2,615,000) was pledged with a bank to secure a bank borrowing. As at 31 December 2020, the land and property in Chaoyang Park, Beijing, with carrying value of approximately HK\$94,000,000, HK\$331,000,000 and HK\$1,403,000,000 recorded in right-of-use assets, property, plant and equipment and investment properties respectively were pledged with a bank to secure a bank borrowing to fund the investment in Phoenix International Media Centre in Beijing. Such bank borrowing was fully repaid and the charge of the land and property in Chaoyang Park, Beijing was released by 31 December 2021.

Save as disclosed above, the Group did not have any other charges on its assets as at 31 December 2021 and 31 December 2020.



## **CAPITAL STRUCTURE AND SHARE OPTIONS**

As at 31 December 2021, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares (“**Shares**”) of HK\$0.10 each, of which 4,993,659,500 Shares (as at 31 December 2020: 4,993,469,500 Shares) had been issued and fully paid.

There were 190,000 options exercised under the Company’s share option schemes during the year.

As at 31 December 2021, the operations of the Group were mainly financed by owners’ equity, bank borrowings, loans from non-controlling shareholders of subsidiaries and banking facilities.

## **STAFF**

As at 31 December 2021, the Group employed 2,948 staff at market remuneration supplemented with employee benefits such as comprehensive medical coverage, insurance plan, defined contribution pension schemes and employee share option schemes. Staff costs for the year ended 31 December 2021 increased to approximately HK\$1,332,337,000 (year ended 31 December 2020: HK\$1,301,022,000).

To maintain the uninterrupted business operation and to safeguard the health and safety of employees, the Company had introduced a number of precautionary measures in response to the COVID-19 pandemic, including strict compliance with the relevant government guidelines, implementation of work-from-home arrangement for employees, health declaration and home confinement arrangement. The Company also stepped up its hygiene measures by installing infrared body temperature monitors, arranging disinfection of the workplace and company vehicles, providing hand sanitisers, rapid antigen test kits (when applicable) and surgical masks to employees, and required staff to wear them when they are in the office. The Company also provided vaccination leaves, reimbursement of COVID-19 testing expenses when applicable and additional health insurance coverage to its employees such as benefits and additional cash subsidies in case of COVID-19 hospitalisation as well as the simplified claim procedure.

## **SIGNIFICANT INVESTMENTS HELD**

As at 31 December 2021, the Group invested in listed securities investments with estimated fair market value of approximately HK\$14,317,000 (as at 31 December 2020: HK\$12,440,000) which was recognised as “financial assets at fair value through profit or loss”, and such investments made up of less than 5% of the Group’s total assets. Save as disclosed above, the Group had not held any other significant investment for the year ended 31 December 2021.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCE OF FUNDING**

In view of the challenging environment ahead, the Group will continue to consolidate its existing businesses while exploring new business opportunities that will complement and enhance its existing businesses.

## CONTINGENT LIABILITIES

Various companies in the Group are involved in litigations arising in the ordinary course of their respective businesses. Having reviewed the outstanding claims and taking into account the legal advice received, the Directors are of the opinion that adequate provisions have been made in the consolidated financial information for the year.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, the Company had not redeemed any Shares. Neither the Company nor any of its subsidiaries had purchased or sold any of the Shares during the year.

## CORPORATE GOVERNANCE PRACTICES

The Company has adopted its own code on corporate governance which combined its existing principles and practices with most of the code provisions of the Corporate Governance Code (based on the previous version prior to the revisions thereto effective for the financial year beginning on 1 January 2022) (“**Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) with the objective of taking forward a corporate governance structure which builds on the Company’s own standards and experience, while respecting the benchmarks set in the Code.

The Company has an in-house audit function to assist the Board in monitoring and advising on the effectiveness of the Group’s governance, risk management and internal control processes. The Risk Management Committee of the Company has also monitored the progress on corporate governance practices, risk management and internal control systems of the Company throughout the year under review. The following summarises the corporate governance practices of the Company and the explanations of deviations from the Code.

Save as disclosed below, the Company has, throughout the year ended 31 December 2021, complied with the Code.

### (1) **Distinctive Roles of Chairman and Chief Executive Officer**

#### *Code Provision*

Under code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

### *Deviation and its Reasons*

Mr. Liu Changle (“**Mr. Liu**”) had been continually serving as both the chairman of the Board (“**Chairman**”) and chief executive officer of the Company (“**CEO**”) since its incorporation until 26 February 2021 when he resigned from the role as CEO and remained as the Chairman. Mr. Xu Wei (“**Mr. Xu**”) was appointed as CEO on the same day. On 22 June 2021, Mr. Liu resigned from the role as Chairman. With the departure of Mr. Liu, the Company needs someone with extensive media industry experience to provide leadership to the Board, therefore Mr. Xu, the CEO and executive Director, also assumes the role as Chairman. The Board believes it is in the best interests of the Company for Mr. Xu to assume the roles of Chairman and CEO until such time as the Board considers that such roles should be assumed by different persons.

## **(2) Appointments, Re-election and Removal**

### *Code Provision*

Under the second limb of code provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

### *Deviation and its Reason*

Mr. Xu, the Chairman, is not subject to retirement by rotation, which deviates from code provision A.4.2.

The reason for such deviation was due to the provision of the articles of association of the Company, which provided that the Chairman and/or the managing director shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire each year. The Board considers that consecutive appointment of the Chairman is beneficial to the direction and implementation of the Company’s long term business planning and strategy, and as such, the Board is of the view that the Chairman should not be subject to retirement by rotation.

## **(3) Effective Communications**

### *Code Provision*

Under code provision E.1.2, the chairman of the Board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend.

### *Deviation and its Reason*

The then Chairman, Mr. Liu was absent from the annual general meeting of the Company (“**AGM**”) held on 4 June 2021 due to a conflicting business schedule, and he had invited Mr. Thaddeus Thomas Beczak, an independent non-executive director and the chairman of Audit Committee and Nomination Committee of the Company, to chair the AGM on his behalf.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors.

Having made specific enquiries of all Directors, it was confirmed that the Directors have complied with the above-mentioned required standards of dealings regarding Directors' securities transactions throughout the year ended 31 December 2021.

The Company has also adopted a code of conduct governing securities transactions by the employees of the Group who may possess or have access to the inside information in relation to the Group or its securities.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference based upon the guideline recommended by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Code. The primary duties of the Audit Committee are to review the Company's interim and annual results and financial reports, the accounting principles and practices adopted by the Group and to discuss auditing, risk management and internal control and financial reporting matters. The Audit Committee meets at least twice a year with the Company's management. The terms of reference of the Audit Committee was published on both the websites of the Company and the Stock Exchange. As at the date of this announcement, the Audit Committee comprised two independent non-executive Directors, namely Mr. Thaddeus Thomas Beczak (chairman of the Audit Committee) and Mr. Leung Hok Lim and one non-executive Director, namely Ms. Wang Haixia.

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2021 and provided advice and comments thereon before such statements were presented to the Board for approval. The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

## **OTHER IMPORTANT EVENTS AND SUBSEQUENT EVENTS**

### **Change of Chairman and CEO**

On 26 February 2021, Mr. Liu resigned from his role as CEO and Mr. Xu was appointed as the new CEO. Subsequently, Mr. Liu resigned as the Chairman and an executive Director on 22 June 2021 and Mr. Xu was appointed as an executive Director and was elected as Chairman on the same day.

For the biography of Mr. Xu, please refer to the announcements of the Company dated 26 February 2021 and 22 June 2021.

### **Disposal of Shares by the Controlling Shareholder**

On 17 April 2021, Today's Asia Limited ("**Today's Asia**"), a then controlling shareholder (as defined under the Listing Rules) of the Company, informed the Company that it had entered into two framework agreements: (i) on 16 April 2021 (after trading hours), a framework agreement ("**Framework Agreement I**") with Bauhinia Culture (Hong Kong) Holdings Limited ("**Bauhinia HK**"), pursuant to which Today's Asia conditionally agreed in principle to sell, and Bauhinia HK conditionally agreed in principle to purchase 1,048,668,495 shares in the Company (representing approximately 21% of the issued share capital of the Company) being held by Today's Asia at HK\$0.61 per share (which represented an aggregate consideration of approximately HK\$640 million) ("**Transfer I**") subject to the terms and conditions of the Framework Agreement I; and (ii) on 17 April 2021, a framework agreement ("**Framework Agreement II**") with Common Sense Limited ("**Common Sense**"), a wholly-owned subsidiary of Shun Tak Holdings Limited, pursuant to which Today's Asia conditionally agreed in principle to sell, and Common Sense conditionally agreed in principle to purchase 845,441,505 shares in the Company (representing approximately 16.93% of the issued share capital of the Company) being held by Today's Asia at HK\$0.61 per share (which represented an aggregate consideration of approximately HK\$516 million) ("**Transfer II**") subject to the terms and conditions of the Framework Agreement II.

On 1 June 2021, Today's Asia entered into two agreements with Bauhinia HK and Common Sense respectively to finalise the terms and conditions of Transfer I and Transfer II, which superseded the Framework Agreement I and Framework Agreement II.

On 22 June 2021, Today's Asia informed the Company that both Transfer I with Bauhinia HK and Transfer II with Common Sense were completed. Immediately after completion of Transfer I and Transfer II, Today's Asia ceased to be a shareholder of the Company and each of Bauhinia HK and Common Sense has become a substantial shareholder (as defined under the Listing Rules) of the Company respectively holding approximately 21% and 16.93% of the issued shares of the Company.

For details, please refer to the announcements of the Company dated 18 April 2021, 1 June 2021 and 22 June 2021.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), and the Company's investor relations website at [www.irasia.com/listco/hk/phoenixtv](http://www.irasia.com/listco/hk/phoenixtv). The 2021 annual report of the Company will be despatched to the shareholders and published on the above-mentioned websites on or before 26 April 2022.

## CONSOLIDATED FINANCIAL INFORMATION

The Board has the pleasure of presenting the consolidated financial information of the Group as at and for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020.

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31 December 2021*

	<i>Note</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3	<b>3,159,240</b>	3,029,046
Operating expenses	6	<b>(2,936,930)</b>	(2,740,646)
Selling, general and administrative expenses	6	<b>(869,600)</b>	(790,551)
Other gains/(losses), net			
Fair value gain/(loss) on investment properties		<b>37</b>	(140,493)
Other operating gains/(losses), net	4	<b>76,371</b>	(964,478)
Interest income		<b>70,701</b>	43,193
Interest expense		<b>(43,970)</b>	(51,881)
Share of profits less losses of joint ventures		<b>5,070</b>	1,297
Share of profits less losses of associates		<b>(1,885)</b>	(6,338)
		<hr/>	<hr/>
<b>Loss before income tax</b>	6	<b>(540,966)</b>	(1,620,851)
Income tax (expense)/credit	7	<b>(84,272)</b>	124,358
		<hr/>	<hr/>
<b>Loss for the year</b>		<b>(625,238)</b>	(1,496,493)
		<hr/> <hr/>	<hr/> <hr/>
<b>Loss attributable to:</b>			
Owners of the Company		<b>(456,201)</b>	(1,037,043)
Non-controlling interests		<b>(169,037)</b>	(459,450)
		<hr/>	<hr/>
		<b>(625,238)</b>	(1,496,493)
		<hr/> <hr/>	<hr/> <hr/>
<b>Loss per share for loss attributable to the owners of the Company for the year</b>			
Basic loss per share, Hong Kong cents	8	<b>(9.14)</b>	(20.77)
		<hr/> <hr/>	<hr/> <hr/>
Diluted loss per share, Hong Kong cents	8	<b>(9.14)</b>	(20.77)
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Loss for the year</b>	<b>(625,238)</b>	(1,496,493)
<b>Other comprehensive (expense)/income:</b> <i>Items that have been reclassified/may be reclassified to profit or loss</i>		
Currency translation differences	<u>149,834</u>	<u>136,077</u>
<b>Total comprehensive (expense)/income for the year</b>	<b><u>(475,404)</u></b>	<b><u>(1,360,416)</u></b>
<b>Attributable to:</b>		
Owners of the Company	<u>(364,587)</u>	(949,693)
Non-controlling interests	<u>(110,817)</u>	<u>(410,723)</u>
	<b><u>(475,404)</u></b>	<b><u>(1,360,416)</u></b>

## CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Purchased programme and film rights, net		12,934	16,372
Right-of-use assets		962,458	829,407
Property, plant and equipment, net		737,587	813,018
Investment properties		1,470,424	1,417,526
Intangible assets		51,451	44,788
Investments in joint ventures		41,662	37,356
Investments in associates		95,752	82,409
Other long-term assets		27,759	54,206
Deferred income tax assets		120,125	116,327
		<u>3,520,152</u>	<u>3,411,409</u>
<b>Current assets</b>			
Accounts receivable, net	10	1,037,330	1,207,772
Prepayments, deposits and other receivables		1,009,601	888,535
Inventories		5,242	6,003
Amounts due from related companies		16,615	18,542
Self-produced programmes		7,350	8,951
Purchased programme and film rights, net		707	358
Financial assets at fair value through profit or loss	13	1,706,050	1,532,788
Prepaid tax		—	5,181
Pledged bank deposits		155,792	387,640
Bank deposits		39,729	53,155
Restricted cash		19,278	37,642
Cash and cash equivalents		1,265,106	1,796,392
		<u>5,262,800</u>	<u>5,942,959</u>
<b>Total assets</b>		<u><u>8,782,952</u></u>	<u><u>9,354,368</u></u>



	<i>Note</i>	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		499,366	499,347
Reserves		<u>3,543,279</u>	<u>3,907,619</u>
		<b>4,042,645</b>	4,406,966
<b>Non-controlling interests</b>		<u>1,371,782</u>	<u>1,471,258</u>
<b>Total equity</b>		<u>5,414,427</u>	<u>5,878,224</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Secured bank borrowings	<i>12(a)</i>	1,740	1,787
Lease liabilities		596,905	512,439
Financial liabilities at fair value through profit or loss	<i>13</i>	—	5,225
Other long-term liabilities		5,044	4,863
Loans from non-controlling shareholders of subsidiaries	<i>12(b)</i>	35,491	45,787
Deferred income tax liabilities		<u>155,882</u>	<u>149,700</u>
		<b>795,062</b>	719,801
<b>Current liabilities</b>			
Accounts payable, other payables and accruals	<i>11</i>	1,517,120	1,534,418
Secured bank borrowings	<i>12(a)</i>	140,078	367,575
Lease liabilities		223,842	202,495
Deferred income		163,426	209,899
Loans from non-controlling shareholders of subsidiaries	<i>12(b)</i>	351,579	306,167
Current income tax liabilities		174,710	132,194
Financial liabilities at fair value through profit or loss	<i>13</i>	<u>2,708</u>	<u>3,595</u>
		<b>2,573,463</b>	2,756,343
<b>Total liabilities</b>		<u>3,368,525</u>	<u>3,476,144</u>
<b>Total equity and liabilities</b>		<u><b>8,782,952</b></u>	<u><b>9,354,368</b></u>

# NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT

## 1 GENERAL INFORMATION

Phoenix Media Investment (Holdings) Limited (the “Company”) and its subsidiaries (together, the “Group”) engage principally in satellite television broadcasting and provision of internet media services.

The Company is a limited liability company incorporated in the Cayman Islands and domiciled in Hong Kong Special Administrative Region of the People’s Republic of China (“PRC”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention, except for the revaluation of investment properties and financial assets/liabilities at fair value through profit or loss.

### (a) Effect of adopting new standards and amendments to standards effective in 2021

HKAS 39, HKFRS 4, HKFRS 7 and HKFRS 9 and HKFRS 16 (Amendment)	Interest Rate Benchmark Reform Phase 2
Amendments to HKFRS 16	Covid-19-related Rent Concessions beyond 30 June 2021 (early adopted)

The adoption of the other new or revised standards, amendments and interpretations of HKFRS stated above did not have any significant impact to the Group’s consolidated financial statements in the current and prior periods.

### (b) New standards, amendments to standards and interpretations not yet effective for the Group and have not been early adopted by the Group except otherwise stated

The following new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year ended 31 December 2021 and have not been early adopted by the Group except otherwise stated:

HKAS 16 (Amendments)	Property, Plant and Equipment — Proceeds Before Intended Use <sup>(1)</sup>
HKAS 37 (Amendments)	Onerous Contracts — Cost of fulfilling a Contract <sup>(1)</sup>
Annual Improvements	Annual Improvements to HKFRSs 2018–2020 <sup>(1)</sup>
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations <sup>(1)</sup>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current <sup>(2)</sup>
HKAS 8 (Amendments)	Definition of Accounting Estimates <sup>(2)</sup>
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>(2)</sup>
HKFRS 17	Insurance Contracts <sup>(2)</sup>
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>(2)</sup>
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies <sup>(2)</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(3)</sup>
HKFRS 3 (Amendments)	Reference to the Conceptual Framework <sup>(4)</sup>

- (1) Effective for annual period beginning on 1 January 2022
- (2) Effective for annual period beginning on 1 January 2023
- (3) Effective for annual periods beginning on or after a date to be determined
- (4) Effective for business combinations for which the acquisition date is on or after the beginning of the first accounting periods beginning on or after 1 January 2022

These standards are not expected to have a material impact on the Group in the current or future reporting periods.

### 3 REVENUE

The Group is principally engaged in satellite television broadcasting and the provision of internet and outdoor media services. An analysis of the Group's revenue by nature is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Advertising sales		
Television broadcasting	610,150	669,370
Internet media	1,093,546	1,294,059
Outdoor media	942,977	574,979
Mobile, video and wireless value added services income	154,239	179,268
Subscription sales	64,404	63,030
Magazine advertising and subscription or circulation	33,204	31,590
Rental income	41,359	45,121
Others	219,361	171,629
	<u>3,159,240</u>	<u>3,029,046</u>

### 4 OTHER OPERATING GAINS/(LOSSES), NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Exchange gain, net	45,045	44,355
Investment income	8,719	12,438
Fair value (loss)/gain on financial assets and liabilities at fair value through profit or loss		
Investment in Particle Inc.	(7,075)	(1,074,851)
Other financial assets and liabilities	12,342	(37,398)
Provision for impairment of other investments	—	(3,293)
Impairment of investment in an associate	—	(24,912)
Impairment of goodwill	—	(13,394)
Gain on disposal of an associate	—	6,650
Gain on disposal of a subsidiary	—	70,133
Government subsidy	9,124	37,664
Others, net	8,216	18,130
	<u>76,371</u>	<u>(964,478)</u>

**5 SEGMENT INFORMATION**

	Year ended 31 December 2021								
	Television broadcasting			Internet media HK\$'000	Outdoor media HK\$'000	Real estate HK\$'000	Other activities HK\$'000	Inter- segment elimination HK\$'000	Group HK\$'000
Primary channels HK\$'000	Others HK\$'000	Sub-total HK\$'000							
<b>Revenue</b>									
External sales	630,863	72,842	703,705	1,247,785	942,977	41,359	223,414	—	3,159,240
Inter-segment sales (Note c)	—	49,203	49,203	30,305	3,154	35,128	6,435	(124,225)	—
<b>Total revenue</b>	<b>630,863</b>	<b>122,045</b>	<b>752,908</b>	<b>1,278,090</b>	<b>946,131</b>	<b>76,487</b>	<b>229,849</b>	<b>(124,225)</b>	<b>3,159,240</b>
<b>Timing of revenue recognition</b>									
At point in time	—	—	—	113,008	—	—	11,913	—	124,921
Over time	630,863	72,842	703,705	1,134,777	942,977	2,535	211,501	—	2,995,495
Revenue from other source	—	—	—	—	—	38,824	—	—	38,824
	<b>630,863</b>	<b>72,842</b>	<b>703,705</b>	<b>1,247,785</b>	<b>942,977</b>	<b>41,359</b>	<b>223,414</b>	<b>—</b>	<b>3,159,240</b>
Segment results	(46,160)	(89,555)	(135,715)	(300,346)	207,038	(7,716)	(130,195)	—	(366,934)
Unallocated income (Note a)									55,342
Unallocated expenses (Note b)									(232,559)
Loss before share of result of joint ventures/associates, income tax and non-controlling interests									(544,151)
Share of profit less losses of joint ventures									5,070
Share of profits less losses of associates									(1,885)
Income tax expense									(84,272)
Loss for the year									(625,238)
Non-controlling interests									169,037
Loss attributable to owners of the Company									<b>(456,201)</b>
Depreciation	(6,818)	(14,144)	(20,962)	(67,600)	(180,385)	(40,238)	(30,042)	—	(339,227)
Unallocated depreciation									(29,905)
									<b>(369,132)</b>
Interest income	—	544	544	56,861	9,279	350	821	—	67,855
Unallocated interest income									2,846
									<b>70,701</b>
Interest expenses	—	(99)	(99)	(2,694)	(30,433)	(919)	(3,091)	—	(37,236)
Unallocated interest expenses									(6,734)
									<b>(43,970)</b>
Provision for impairment of accounts receivable	—	(841)	(841)	(223,999)	(10,097)	—	(4)	—	(234,941)

	Television broadcasting			Internet media HK\$'000	Outdoor media HK\$'000	Real estate HK\$'000	Other activities HK\$'000	Inter- segment elimination HK\$'000	Group HK\$'000
	Primary channels HK\$'000	Others HK\$'000	Sub-total HK\$'000						
<b>Revenue</b>									
External sales	669,266	77,786	747,052	1,473,327	574,979	45,121	188,567	—	3,029,046
Inter-segment sales (Note c)	—	19,417	19,417	11,225	4,514	32,408	8,710	(76,274)	—
<b>Total revenue</b>	<b>669,266</b>	<b>97,203</b>	<b>766,469</b>	<b>1,484,552</b>	<b>579,493</b>	<b>77,529</b>	<b>197,277</b>	<b>(76,274)</b>	<b>3,029,046</b>
<b>Timing of revenue recognition</b>									
At point in time	—	—	—	170,522	—	—	15,665	—	186,187
Over time	669,266	77,786	747,052	1,302,805	574,979	1,756	172,902	—	2,799,494
Revenue from other source	—	—	—	—	—	43,365	—	—	43,365
	<b>669,266</b>	<b>77,786</b>	<b>747,052</b>	<b>1,473,327</b>	<b>574,979</b>	<b>45,121</b>	<b>188,567</b>	<b>—</b>	<b>3,029,046</b>
Segment results	(14,989)	(150,174)	(165,163)	(1,048,389)	16,402	(124,285)	(104,817)	—	(1,426,252)
Unallocated income (Note a)									98,120
Unallocated expenses (Note b)									(287,678)
Loss before share of result of joint ventures/associates, income tax and non-controlling interests									(1,615,810)
Share of profit less losses of joint ventures									1,297
Share of profits less losses of associates									(6,338)
Income tax credit									124,358
Loss for the year									(1,496,493)
Non-controlling interests									459,450
Loss attributable to owners of the Company									<b>(1,037,043)</b>
Depreciation	(6,885)	(12,960)	(19,845)	(83,854)	(170,649)	(25,953)	(32,445)	—	(332,746)
Unallocated depreciation									(32,166)
									<b>(364,912)</b>
Interest income	—	1,262	1,262	31,248	1,685	240	987	—	35,422
Unallocated interest income									7,771
									<b>43,193</b>
Interest expenses	—	(97)	(97)	(6,069)	(26,650)	(4,895)	(3,505)	—	(41,216)
Unallocated interest expenses									(10,665)
									<b>(51,881)</b>
Reversal of provision for impairment of accounts receivable	—	—	—	—	933	—	—	—	933
Provision for impairment of accounts receivable	—	(1,898)	(1,898)	(84,191)	—	—	(291)	—	(86,380)

Notes:

- (a) Unallocated income represents exchange gain, interest income, investment income and other income.
- (b) Unallocated expenses represent primarily:
- corporate staff costs;
  - office rental;
  - general administrative expenses;
  - marketing and advertising expenses related to the Group as whole; and
  - exchange loss
- (c) Sales between segments are carried out based on terms determined by management with reference to market prices.

Revenue from external customers by country, based on the destination of the customer:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
The PRC	3,056,100	2,926,022
Hong Kong	48,607	40,336
Others	54,533	62,688
	<u>3,159,240</u>	<u>3,029,046</u>

Non-current assets, other than deferred income tax assets, by country:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
The PRC	3,047,554	2,921,214
Hong Kong	314,799	337,360
Others	37,674	36,508
	<u>3,400,027</u>	<u>3,295,082</u>

## 6 LOSS BEFORE INCOME TAX

The following items have been (credited)/charged to the loss before income tax during the year:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Crediting</b>		
Reversal of provision for impairment of accounts receivable	—	(993)
Gain on disposal of property, plant and equipment	<b>(2,004)</b>	(2,457)
<b>Charging</b>		
Production costs of self-produced programmes	<b>161,887</b>	177,529
Commission expenses	<b>280,675</b>	244,050
Bandwidth costs	<b>67,953</b>	66,743
Provision for impairment of accounts receivable	<b>234,941</b>	86,380
Employee benefit expenses (including Directors' emoluments)	<b>1,332,337</b>	1,301,022
Operating lease rental in respect of		
— Directors' quarters	<b>2,166</b>	2,118
— Land and buildings of third parties	<b>31,792</b>	23,996
— LED panels	<b>22,685</b>	11,701
Loss on disposal of property, plant and equipment	<b>3,014</b>	1,433
Depreciation of property, plant and equipment	<b>146,162</b>	146,334
Depreciation of right-of-use assets	<b>222,970</b>	218,578
Amortisation of purchased programme and film rights	<b>10,302</b>	14,756
Amortisation of intangible assets	<b>18,719</b>	28,084
Impairment of intangible assets	—	15,640
Auditor's remuneration		
— Audit services	<b>14,979</b>	14,134
— Non-audit services	<b>886</b>	1,109
Outgoings for investment properties	<b>2,174</b>	227

## 7 INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the year. Taxation on PRC and overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	<b>244</b>	610
— PRC and overseas taxation	<b>89,576</b>	35,447
Deferred income tax	<b>(5,548)</b>	(160,415)
	<b>84,272</b>	(124,358)

On 20 January 1998, the PRC State Administration of Taxation granted a Tax Ruling of Business Tax and Foreign Enterprise Income Tax on certain of the Group's advertising fees collected from an advertising agent, Shenzhou in the PRC (the "Ruling"). The Group has dealt with the aforementioned taxes according to the Ruling in the consolidated financial statements. However, PRC tax laws and regulations and the interpretations thereof may change in the future so that the Group would be subject to PRC taxation on certain income deemed to be sourced in the PRC other than Hong Kong. The Group will continue to monitor developments in the PRC tax regime in order to assess the ongoing applicability and validity of the Ruling.

A deferred tax provision of approximately HK\$121,139,000 has been recorded in the Group's consolidated balance sheet as at 31 December 2020 for sale of the Group's investment in convertible redeemable preferred shares. Following the completion of sale of the investment, the deferred tax liability was reclassified to current tax payable. No deferred tax provision in relation to this investment was recorded during the year ended 31 December 2021.

## 8 LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2021	2020
Loss attributable to owners of the Company ( <i>HK\$ '000</i> )	<u>(456,201)</u>	<u>(1,037,043)</u>
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<u>4,993,650</u>	<u>4,993,470</u>
Basic loss per share ( <i>Hong Kong cents</i> )	<u><u>(9.14)</u></u>	<u><u>(20.77)</u></u>

### (b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares which comprise share options of the Company and a subsidiary (2020: share options of the Company and a subsidiary).

There was no dilutive potential ordinary shares in existence during 2021 as the share options of the Company and a subsidiary were anti-dilutive.

	2021	2020
Loss attributable to owners of the Company ( <i>HK\$ '000</i> )	<u>(456,201)</u>	<u>(1,037,043)</u>
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<u>4,993,650</u>	<u>4,993,470</u>
Weighted average number of ordinary shares for diluted loss per share ( <i>'000</i> )	<u>4,993,650</u>	<u>4,993,470</u>
Diluted loss per share ( <i>Hong Kong cents</i> )	<u><u>(9.14)</u></u>	<u><u>(20.77)</u></u>

## 9 DIVIDENDS

No final dividend that relates to the period to 31 December 2020 was paid in December 2021 (year ended 31 December 2020: Nil). The Board of Directors of the Company ("Board") did not recommend the payment of final dividend to shareholders for the year.



## 10 ACCOUNTS RECEIVABLE, NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Accounts receivable	1,567,493	1,489,294
Less: Provision for impairment	<u>(530,163)</u>	<u>(281,522)</u>
	<u><b>1,037,330</b></u>	<u><b>1,207,772</b></u>

The carrying amounts of accounts receivable, net, approximate their fair values.

The Group has appointed an advertising agent in the PRC to promote the sales of the Group's advertising airtime and programme sponsorship and collect advertising revenues within the PRC on behalf of the Group. The Group generally requires its advertising customers to pay in advance. Customers of other business segments are given credit terms of 30 to 180 days.

At 31 December 2021, the ageing analysis of the accounts receivable from customers based on invoice date was as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0-30 days	312,873	351,216
31-60 days	175,614	212,164
61-90 days	161,972	182,464
91-120 days	131,589	141,274
Over 120 days	<u>785,445</u>	<u>602,176</u>
	1,567,493	1,489,294
Less: Provision for impairment	<u>(530,163)</u>	<u>(281,522)</u>
	<u><b>1,037,330</b></u>	<u><b>1,207,772</b></u>

The carrying amounts of the Group's accounts receivable are denominated in the following currencies:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
RMB	1,551,552	1,477,515
US\$	13,005	9,823
UK pound	1,859	718
Other currencies	<u>1,077</u>	<u>1,238</u>
	<u><b>1,567,493</b></u>	<u><b>1,489,294</b></u>

## 11 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUALS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Accounts payable	390,055	382,377
Other payables and accruals	<u>1,127,065</u>	<u>1,152,041</u>
	1,517,120	1,534,418
Less: Non-financial liabilities	<u>(3,826)</u>	<u>(8,314)</u>
	<u><b>1,513,294</b></u>	<u><b>1,526,104</b></u>

At 31 December 2021, the ageing analysis of the accounts payable based on invoice date was as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0-30 days	190,833	201,980
31-60 days	13,170	26,983
61-90 days	14,515	7,913
91-120 days	18,772	20,062
Over 120 days	152,765	125,439
	<u>390,055</u>	<u>382,377</u>

The carrying amounts of accounts payable, other payables and accruals approximate their fair values.

The carrying amounts of accounts payable, other payables and accruals are denominated in the following currencies:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
HK\$	182,783	403,292
RMB	1,322,658	1,107,789
US\$	4,194	11,361
UK pound	2,840	3,086
Other currencies	819	576
	<u>1,513,294</u>	<u>1,526,104</u>

## 12 BORROWINGS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Secured bank borrowings ( <i>Note a</i> )	141,818	369,362
Loans from non-controlling shareholders of subsidiaries ( <i>Note b</i> )	387,070	351,954
	<u>528,888</u>	<u>721,316</u>

(a) **Secured bank borrowings**

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Non-current</b>		
Long-term secured bank borrowings	1,740	1,787
<b>Current</b>		
Current portion of long-term secured bank borrowings	<u>140,078</u>	<u>367,575</u>
Total secured bank borrowings	<u><u>141,818</u></u>	<u><u>369,362</u></u>
The secured bank borrowings are repayable as follows:		
— Within one year	140,078	367,575
— More than one year but not exceeding two years	—	—
— More than two years but not exceeding five years	—	—
— More than five years	<u>1,740</u>	<u>1,787</u>
Total secured bank borrowings	<u><u>141,818</u></u>	<u><u>369,362</u></u>

(b) **Loans from non-controlling shareholders of subsidiaries**

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Non-current</b>		
Long-term loans from non-controlling shareholders of subsidiaries	35,491	45,787
<b>Current</b>		
Short-term loans from non-controlling shareholders of subsidiaries	<u>351,579</u>	<u>306,167</u>
Total loans from non-controlling shareholders of subsidiaries	<u><u>387,070</u></u>	<u><u>351,954</u></u>
The loans from non-controlling shareholders of subsidiaries are repayable as follows:		
— Within one year	351,579	306,167
— More than one year but not exceeding two years	11,114	11,339
— More than two years but not exceeding five years	—	—
— More than five years	<u>24,377</u>	<u>34,448</u>
Total loan from non-controlling shareholders of subsidiaries	<u><u>387,070</u></u>	<u><u>351,954</u></u>

The loans from non-controlling shareholders of subsidiaries are denominated in RMB, unsecured and interest-free (2020: loans from non-controlling shareholders of subsidiaries are denominated in RMB, unsecured and interest-free).

### 13 FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Current assets</b>		
Trading equity securities	14,317	12,440
Convertible redeemable preferred shares ( <i>Note 14</i> )	28,537	36,431
Other investments	67,754	32,877
Structured deposits	1,595,442	1,451,040
	<u>1,706,050</u>	<u>1,532,788</u>
<b>Current liability</b>		
Cross-currency interest rate swap contract	(2,708)	(3,595)
	<u>(2,708)</u>	<u>(3,595)</u>
<b>Non-current liability</b>		
Interest rate swap contract	—	(5,225)
	<u>—</u>	<u>(5,225)</u>

### 14 INVESTMENTS IN PARTICLE INC. (“PARTICLE”)

PNM has completed the disposal of its Preferred Shares of Particle to Run Liang Tai Management Limited and its designated entities (the “Purchaser”) on 19 October 2020. Upon Particle’s completion of part of the Series F financing in February 2021, PNM’s shareholding in Particle decreased from 0.67% to 0.60% as at 31 December 2021. As at 31 December 2021, PNM held 4,584,209 Series D1-2 Preferred Shares which PNM was entitled to approximately 0.60% equity interest on an as-if and fully converted basis in Particle, which is classified as financial asset at fair value through profit or loss as at 31 December 2021.

The independent professional valuer adopted the market approach to calculate the enterprise value of Particle at 31 December 2021. Accordingly, the fair value of the investment in Series D1-2 Preferred Shares have decreased from approximately HK\$36,431,000 at 31 December 2020 to approximately HK\$28,537,000 at 31 December 2021 and a fair value loss of approximately HK\$7,075,000 was recognised in the consolidated income statement.

### 15 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

During the year ended 31 December 2021 and 31 December 2020, the Group’s equity interest in PNM remains unchanged as 54.49%.

## 16 SUBSEQUENT EVENT

After the outbreak of Coronavirus Disease 2019 in early 2020, a series of precautionary and control measures have been and continued to be implemented in countries where the Group operates. The Group will pay close attention to the development of the COVID-19 and continue to evaluate its impact to the Group.

By Order of the Board  
**Phoenix Media Investment (Holdings) Limited**  
**Xu Wei**  
*Chairman and Chief Executive Officer*

Hong Kong, 18 March 2022

*As at the date of this announcement, the Board comprises:*

### ***Executive Directors***

*Mr. Xu Wei (Chairman and Chief Executive Officer) and Mr. Sun Yusheng (Deputy Chief Executive Officer and Editor-in-Chief)*

### ***Non-executive Directors***

*Ms. Ho Chiu King, Pansy Catilina (Vice-chairman), Mr. Sun Guangqi, Mr. Jian Qin and Ms. Wang Haixia*

### ***Independent Non-executive Directors***

*Mr. Leung Hok Lim, Mr. Thaddeus Thomas Beczak, Mr. Fang Fenglei and Mr. Zhou Longshan*