

PRESS RELEASE

PHOENIX MEDIA INVESTMENT (HOLDINGS) LIMITED (Stock Code: 02008)

Results announcement for the year ended 31 December 2023

The Chairman and Chief Executive Officer of Phoenix Media Investment (Holdings) Limited (the “**Company**” and its subsidiaries collectively the “**Group**” or “**Phoenix**”), Mr. Xu Wei, emphasises that Phoenix shall firmly establish a strong base in Hong Kong, aiming at the global brand positioning, focusing on core business, advocating international communication, transmitting Chinese culture, and devoting fully to promote internationalisation and to build a leading Chinese language media group. As an international media group based in Hong Kong and oriented globally, Phoenix always maintains high-quality corporate governance, persists in the philosophy of openness and inclusiveness, adheres to and reinforces its core competitiveness in contents, and leverages on its credibility, communication strength and influence to promote Chinese culture and serve all Chinese around the world, as well as to promote multi-cultural exchanges from an international perspective, so as to fulfill the expectations of our stakeholders and maximize the interests of shareholders. The Group’s revenue for the year ended 31 December 2023 was approximately HK\$2,467,957,000. The operating loss decreased to approximately HK\$305,741,000 and the loss attributable to owners of the Company decreased to approximately HK\$258,989,000.

RESULTS

The revenue of the Group for the year ended 31 December 2023 was approximately HK\$2,467,957,000 (year ended 31 December 2022: HK\$3,003,733,000), which represented a decrease of 17.8% over the previous year. The operating costs for the year ended 31 December 2023 decreased by 18.0% to approximately HK\$2,773,698,000 (year ended 31 December 2022: HK\$3,382,353,000).

The operating loss of the Group decreased to approximately HK\$305,741,000 for the year ended 31 December 2023 (year ended 31 December 2022: HK\$378,620,000), which represented a decrease of 19.2% over the previous year.

The net exchange loss of the Group for the year ended 31 December 2023 was approximately HK\$4,868,000 (year ended 31 December 2022: HK\$113,011,000).

The loss attributable to owners of the Company decreased to approximately HK\$258,989,000 (year ended 31 December 2022: HK\$383,340,000), which represented a decrease of 32.4% over the previous year.

The chart below summarises the performance of the Group for the years ended 31 December 2023 and 31 December 2022 respectively.

	Year ended 31 December	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Television broadcasting	917,570	1,077,964
Internet media	778,797	933,245
Outdoor media	598,055	785,341
Real estate	26,382	38,879
Other businesses	147,153	168,304
Group's total revenue	2,467,957	3,003,733
Operating costs	(2,773,698)	(3,382,353)
Operating loss	(305,741)	(378,620)
Fair value loss on investment properties	(34,285)	(6,276)
Net gain on internet media investment	—	41,910
Exchange loss, net	(4,868)	(113,011)
Other income, net	39,624	45,810
Loss before share of results of joint ventures and associates, income tax and non-controlling interests	(305,270)	(410,187)
Share of results of joint ventures and associates	(13,067)	(7,626)
Income tax expense	(16,357)	(29,062)
Loss for the year	(334,694)	(446,875)
Non-controlling interests	75,705	63,535
Loss attributable to owners of the Company	(258,989)	(383,340)
		(Restated)
Basic loss per share, Hong Kong cents	(51.86)	(76.76)

MANAGEMENT DISCUSSION AND ANALYSIS

Comments on Segmental Information

	Year ended 31 December			
	2023		2022	
	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>
Television broadcasting	917,570	45,882	1,077,964	(49,241)
Internet media	778,797	(97,361)	933,245	(183,407)
Outdoor media	598,055	29,281	785,341	115,955
Real estate	26,382	(34,060)	38,879	8,228
Other businesses	147,153	(65,397)	168,304	(83,841)
Group's total revenue and segment results	<u>2,467,957</u>	<u>(121,655)</u>	<u>3,003,733</u>	<u>(192,306)</u>
Unallocated income		25,949		45,205
Unallocated expenses		<u>(209,564)</u>		<u>(263,086)</u>
Loss before share of results of joint ventures and associates, income tax and non-controlling interests		<u>(305,270)</u>		<u>(410,187)</u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 37.2% of the total revenue of the Group for the year ended 31 December 2023, decreased by 14.9% to approximately HK\$917,570,000 (year ended 31 December 2022: HK\$1,077,964,000), the segmental profit for the television broadcasting business was approximately HK\$45,882,000 for the year ended 31 December 2023 (year ended 31 December 2022: loss of HK\$49,241,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 23.5% of the total revenue of the Group for the year ended 31 December 2023, decreased by 16.9% to approximately HK\$580,858,000 (year ended 31 December 2022: HK\$698,853,000).

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel, integrated media operating platform and others decreased by 11.2% to approximately HK\$336,712,000 (year ended 31 December 2022: HK\$379,111,000).

The revenue of the internet media business for the year ended 31 December 2023 decreased by 16.5% to approximately HK\$778,797,000 (year ended 31 December 2022: HK\$933,245,000). The segmental loss of internet media business for the year ended 31 December 2023 was approximately HK\$97,361,000 (year ended 31 December 2022: HK\$183,407,000). The reduction in advertising revenue was mainly due to the intensified industry-wide competition.

The revenue of the outdoor media business for the year ended 31 December 2023 decreased by 23.8% to approximately HK\$598,055,000 (year ended 31 December 2022: HK\$785,341,000). The segmental profit of the outdoor media business for the year ended 31 December 2023 decreased by 74.7% to approximately HK\$29,281,000 (year ended 31 December 2022: HK\$115,955,000).

The segmental loss for real estate business for the year ended 31 December 2023 was approximately HK\$34,060,000 (year ended 31 December 2022: profit of HK\$8,228,000), which included the net fair value loss of approximately HK\$34,285,000 (year ended 31 December 2022: HK\$6,276,000), recognised for the investment properties.

BUSINESS OVERVIEW AND PROSPECTS

In 2023, Phoenix intensified the pace of its business transformation and innovation development. The Company has shown a stable and positive trend in its operating performance, continuously demonstrating the vitality and resilience of its development. Mr. Xu Wei, the Chairman of the Board and Chief Executive Officer, emphasises that Phoenix shall firmly establish a strong base in Hong Kong, aiming at the global brand positioning, focusing on core business, advocating international communication, transmitting Chinese culture, and devoting fully to promote internationalisation and to build a leading Chinese language media group.

Phoenix delivers first-hand local and overseas news to the audience around the world with professionalism, accuracy and promptness. In 2023, Phoenix emphatically reported on various major news events, such as the war between Russia and Ukraine, the earthquake in Turkey, the conflict between Palestine and Israel, the visit of President Xi Jinping to Russia and Vietnam, his participation in APEC Summit and the China-U.S. presidential meeting with U.S. President Biden, and the Two Sessions of the National People's Congress and the Chinese People's Political Consultative Conference in the year of transition, the first China – Central Asia Summit and the Taiwan Election. Meanwhile, by upholding the professional spirit of “live reporting of all major events from the scenes”, Phoenix sent multiple battlefield reporters to push deeper into the battlefield of Russia and Ukraine and reported on major emergency incidents such as Wagner Group Mutiny in eye-witnessing form. As a Chinese language media based in Hong Kong, Phoenix reported meticulously on major news such as the Hong Kong District Council Election, the visit of the China Manned Space delegation to Hong Kong and Macau. In addition, by maintaining China's viewpoint with a global perspective, Phoenix launched a series of in-depth and thoughtful original and premium programmes with international relevance such as Hong Kong Nature Stories, Operation Arctic, winning praises from the Chinese-language audiences around the world.

The Company continued to be listed as “Asia’s 500 Most Influential Brands” and “China’s 500 Most Valuable Brands” published by World Brand Lab, and remained as one of the 4 prominent Asian TV brands. In addition, it obtained the top 3 position of the “China’s Top 10 Influential Guochao Brands” in the selection of The Chinese Brand of the Year, which reflected its popularity and reputation in the media and culture field. At the same time, the Company won the award of Honourable Mention Excellence in ESG in the selection of the Hong Kong Corporate Governance and ESG Excellence Awards 2023 by the Chamber of Hong Kong Listed Companies, which demonstrated the Company’s active pursuit of sustainable development concept and courage to take on corporate social responsibility. In addition, the programmes produced by Phoenix garnered numerous international and national awards. At the 2023 New York Festivals International TV & Film Awards, 25th Anniversary of the Hong Kong Special Administrative Region – Bicycle won the silver award in Camerawork, while Zoom In: Life of Women in Afghanistan and Zoom In: The Last ‘Comfort Women’ Survivors won the silver awards in News Program and Documentary, respectively. At the nomination of the 29th Chinese Documentary Top 10 Programmes, My Hong Kong Story, the Journey and C’est La Vie won the Chinese Documentary Top Ten Best and Top Ten Outstanding Programme respectively. The programmes produced by Phoenix TV also received numerous finalist awards at the AIB’s Award and Sport Movies & TV – Milano International FICTS Fest, which demonstrated its outstanding production skills and strengths at a world-class level.

Phoenix extends its coverage worldwide through various channels such as satellites, cable TV networks, mobile internet, Internet Protocol Television (IPTV) and over-the-top (OTT) platforms, social media as well as intelligent distribution platforms, with more than 500 million TV audiences and more than 100 million overseas new media audiences. Adapting the broadcasting trend of digitalisation, networking and intellectualisation and application scenarios, Phoenix continues to innovate the form of content and products, continuously strengthens the collaboration between television broadcasting and internet media as well as multi-screen linkage, and utilises a broadcasting matrix with an extensive coverage and diversified channels to conduct mobile, social and customised integrated broadcasts. During the year, the number of users of domestic and overseas social media accounts including “Phoenix”, “Fengshows”, “Phoenix TV News (鳳凰資訊)” and “Hong Kong V” continued to grow, and the international broadcasting influence of integrated media content is continuously increasing. Meanwhile, the Company also built a content data intelligence platform that uses artificial intelligence generating technology to empower content production, and explored a light-production, collaborative content production model for streaming media platforms. In the future, Phoenix will continue to develop a three-dimensional, multi-thinking and integrated Chinese-language media broadcasting platform, and fully improve its capabilities in content delivery and monetisation.

Phoenix actively establishes a platform for international cultural exchange to promote cultural exchanges and mutual learning of civilisation. During the year, Phoenix and its partners co-organised certain international events such as the Annual Conference of Taihu World Cultural Forum, the Zero-Carbon Mission International Climate Summit, the Earth Hour, the Davos Forum – Zero Carbon Mission Series and Dialogue with The Next 50: Global Celebration of the 50th Anniversary of The UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage. At the same time, Phoenix TV also organised high-end forums and brand events including the Phoenix Financial Forum For the Greater Bay Area, You Bring Charm to the World Award, A Full Moon

Rising Above the Greater Bay Area – The Greater Bay Area Film Concert and Compassion Award, which injected fresh vitality to international communications and continued to enhance the affinity and influence of Chinese culture. In addition, Phoenix signed strategic cooperation agreements with a number of institutions and enterprises to assist Chinese cities and enterprises to better reach out to the world, expanding the international influence of Chinese brands and transmitting Chinese culture together.

During the year, the Group promoted business innovation and marketing upgrades and further improved the monetisation of its media brands, contents, platforms, traffic and resources through various operational strategies, such as content innovation, integrated marketing, business and resource integration and synergy development. Meanwhile, the Group continued to promote the synergistic operation of its omni-media platforms, including television broadcasting, internet media, outdoor media, magazines, mobile app and social media account, with a view to providing customers with integrated and customised products and broadcasting services, facilitating Phoenix's operational transformation and improving the quality and efficiency of business development.

The number and activeness of the users on the flagship product IFENG News App under Phoenix New Media (ifeng.com), an internet media platform of the Group, maintained a leading position as one of the most popular mobile terminal information products among Chinese users. By combining algorithms and editing skills for precise content recommendation, hotspots and community operation, product experience has been continuously optimised. Phoenix New Media adheres to the content quality of mainstream media. During the year, a number of major local and foreign news reports have effectively boosted the in-app traffic. The average usage time and click-through rate of the customers have increased. The number of fans across the network for many original programmes continued to grow, bringing stronger bargaining power to brand advertising. The overseas influence of Global Insights has continued to increase and the commercialisation revenue has been steadily growing, while major events such as ifeng.com Financial Summit, World Cities Branding Conference, Forever Happiness, Influence of Women Award and Activist League Charity Grand Ceremony have continued to consolidate the influence in the industry. Meanwhile, the Company also strengthened the cooperation between television broadcasting and the internet by integrating the news reports of major events and marketing to amplify synergies, as well as to continuously enhancing the overall influence of the Phoenix brand and its competitiveness in the industry.

Phoenix Metropolis Media has been focusing on outdoor LED media for years, providing the PRC and overseas famous brand customers with professional services featuring comprehensiveness, creativity, safety and stability with sufficient technical support. During the year, the Company strived to address market changes. Driven by the continuous upgrade and optimisation of media resources and the enrichment of creative marketing strategies on the basis of stabilising the advantages of the PRC's digital network, Phoenix Metropolis Media maintained its fundamental operation and reached a record high in the number of new customers, and the cooperation with both PRC and overseas well-known brands remained stable. Currently, Phoenix Metropolis Media's outdoor LED display panel media resources cover over 300 cities in China with over 1,000 panels, and over 31 overseas countries and regions, and as such it has achieved global procurement and distribution for satisfying the customers' outdoor advertising needs in all aspects.

The Group’s “Phoenix Weekly” continued to maintain a steady development in its publication and new media business. The number of users across the network continued to rise to 50 million and created a number of new operating revenue growth points, of which the video business has seen a rapid growth in its revenue and its market share is continuously expanding. “Phoenix Weekly” also focuses on leveraging the advantages of originality and creativity, and achieved breakthrough in video transformation, with over 15 million users across two major platforms, namely Douyin and WeChat Channels, and a number of documentaries have made into trending searches, receiving positive feedback from all sectors. The overall operating revenue structure of “Phoenix Weekly” is more diversified and reasonable, effectively addressing the changes in the industry and the market.

The Group has also maintained a systematic development in other business segments. In the fields of digital technology and cultural arts, the Group has always been consolidating its internal and external resources to continuously facilitate the high-quality development of culture industry integration.

As an international media group based in Hong Kong and oriented globally, Phoenix always maintains high-quality corporate governance, persists in the philosophy of openness and inclusiveness, adheres to and reinforces its core competitiveness in contents, and leverages on its credibility, communication strength and influence to promote Chinese culture and serve all Chinese around the world, as well as to promote multi-cultural exchanges from an international perspective, so as to fulfill the expectations of our stakeholders and maximise the interests of shareholders.

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ABOUT PHOENIX

“Phoenix” launched Phoenix Chinese Channel on 31 March 1996, with the aim of offering quality Chinese programmes to Chinese communities around the world. Now, with about 60 news bureaux and production teams located worldwide, Phoenix operates popular global channels among audiences worldwide, such as Phoenix Chinese Channel, Phoenix InfoNews Channel, Phoenix Chinese News and Entertainment Channel, Phoenix North America Chinese Channel, Phoenix Movies Channel and Phoenix Hong Kong Channel etc. Through continuous effort in the past 28 years, Phoenix Media Investment (Holdings) Limited has extended its coverage worldwide through various channels such as satellites, cable TV networks, mobile internet, Internet Protocol Television (IPTV) and over-the-top (OTT) platforms, social media as well as intelligent distribution platforms. The Group continues to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media, magazines, mobile app and social media and has maintained a systemic development in other business segments covering digital technology, cultural arts and other fields.

Phoenix Media Investment (Holdings) Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 02008). Phoenix New Media Limited is a non wholly-owned subsidiary of the Company operating internet media business, whose shares are listed on the New York Stock Exchange in the United States (Stock code: FENG).

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Further information about Phoenix Media Investment (Holdings) Limited can be found at <http://www.irasia.com/listco/hk/phoenixtv/> and www.hkexnews.hk.