

PRESS RELEASE

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

RESULTS ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2021

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, said today that revenue of the Group for the six-month period ended 30 June 2021 (the “**Period**”) was approximately HK\$1,386,962,000, which represented an increase of 8.9% in comparison with the same period last year. Benefited from the slowdown of the pandemic and strict cost control measures, the operating loss of the Group for the Period was decreased to approximately HK\$299,651,000, which represented a decrease of 31.6% in comparison with the same period last year. Fair value loss on internet media investment for the Period was approximately HK\$2,043,000, in comparison with a fair value loss of approximately HK\$1,080,735,000 for the same period last year. The loss attributable to owners of the Company was approximately HK\$245,175,000, in comparison with approximately HK\$936,486,000 for the same period last year which included the share of fair value loss on internet media investment of approximately HK\$530,000,000.

In the future, Phoenix will, as always, leverage its core advantages in brand and contents while constantly promoting operational awareness and innovation in business systems. By building an internationally recognised omni-media group with credibility, influence and communication strength, we look forward to meeting the expectations of everyone.

RESULTS

The revenue of the Group for the Period was approximately HK\$1,386,962,000 (six months ended 30 June 2020: HK\$1,273,685,000), which represented an increase of 8.9% in comparison with the same period last year. Due to strict cost control measures taken to enhance the operating efficiency, the operating costs for the Period have decreased by 1.5% to approximately HK\$1,686,613,000 (six months ended 30 June 2020: HK\$1,711,767,000).

Benefited from the slowdown of the pandemic and strict cost control measures, the operating loss of the Group for the Period was decreased to approximately HK\$299,651,000 (six months ended 30 June 2020: HK\$438,082,000), which represented a decrease of 31.6% over the same period last year.

Fair value loss on financial assets related to the subsequent measurement of internet media’s investment in Particle Inc. (approximately 0.63% of the equitable interest in Particle Inc.) for the Period was approximately HK\$2,043,000 (the fair value loss for the approximately 20.20% of the equitable interest in Particle Inc. for the six months ended 30 June 2020: loss of HK\$1,080,735,000).

The net exchange gain of the Group for the Period was approximately HK\$29,659,000 (six months ended 30 June 2020: loss of HK\$23,219,000) mainly resulting from the appreciation of the Renminbi.

The loss attributable to owners of the Company was approximately HK\$245,175,000, in

comparison with approximately HK\$936,486,000 for the same period last year which included the share of fair value loss on internet media investment of approximately HK\$530,000,000.

The chart below summarises the performance of the Group for the six months ended 30 June 2021 and the same period in 2020 respectively.

| | Six months ended 30 June | |
|---|---------------------------------|-----------------|
| | 2021 | 2020 |
| | HK\$'000 | HK\$'000 |
| Television broadcasting | 321,985 | 318,874 |
| Internet media | 587,771 | 693,642 |
| Outdoor media | 378,490 | 186,115 |
| Real estate | 16,566 | 3,961 |
| Other businesses | 82,150 | 71,093 |
| Group's total revenue | 1,386,962 | 1,273,685 |
| Operating costs | (1,686,613) | (1,711,767) |
| Operating loss | (299,651) | (438,082) |
| Fair value gain/(loss) on investment properties, net | 7,349 | (112,705) |
| Net loss on internet media investment | (2,043) | (1,080,735) |
| Gain on disposal of a subsidiary | - | 70,133 |
| Exchange gain/(loss), net | 29,659 | (23,219) |
| Other income, net | 32,752 | 1,972 |
| Loss before share of results of joint ventures and associates, income tax and non-controlling interests | (231,934) | (1,582,636) |
| Share of results of joint ventures and associates | (2,225) | (6,171) |
| Income tax (expense)/credit | (22,637) | 154,160 |
| Loss for the period | (256,796) | (1,434,647) |
| Non-controlling interests | 11,621 | 498,161 |
| Loss attributable to owners of the Company | (245,175) | (936,486) |
| Basic loss per share, Hong Kong cents | (4.91) | (18.75) |

COMMENTS ON SEGMENTAL INFORMATION

| | Six months ended 30 June | | | |
|---|--------------------------|------------------|------------------|--------------------|
| | 2021 | | 2020 | |
| | Revenue | Segment Results | Revenue | Segment Results |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Television broadcasting | 321,985 | (107,616) | 318,874 | (128,157) |
| Internet media | 587,771 | (42,663) | 693,642 | (1,047,932) |
| Outdoor media | 378,490 | 73,059 | 186,115 | (73,297) |
| Real estate | 16,566 | (1,379) | 3,961 | (132,017) |
| Other businesses | 82,150 | (73,557) | 71,093 | (70,065) |
| Group's total revenue and segment results | <u>1,389,962</u> | <u>(152,156)</u> | <u>1,273,685</u> | <u>(1,451,468)</u> |
| Unallocated income | | 42,214 | | 21,121 |
| Unallocated expenses | | <u>(121,992)</u> | | <u>(152,289)</u> |
| Loss before share of results of joint ventures and associates, income tax and non-controlling interests | | <u>(231,934)</u> | | <u>(1,582,636)</u> |

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 23.2% of the total revenue of the Group for the Period, increased to approximately HK\$321,985,000 (six months ended 30 June 2020: HK\$318,874,000). The segmental loss for television broadcasting business was approximately HK\$107,616,000 for the Period (six months ended 30 June 2020: HK\$128,157,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 20.4% of the total revenue of the Group for the Period, increased 0.8% to approximately HK\$283,527,000 (six months ended 30 June 2020: HK\$281,229,000).

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel and others increased 2.2% to approximately HK\$38,458,000 (six months ended 30 June 2020: HK\$37,645,000).

The revenue of the internet media business for the Period decreased 15.3% to approximately HK\$587,771,000 (six months ended 30 June 2020: HK\$693,642,000). The segmental loss of the internet media business for the Period was approximately HK\$42,663,000 (six months ended 30 June 2020: HK\$1,047,932,000) which included the fair value loss of approximately HK\$2,043,000 (six months ended 30 June 2020: HK\$1,080,735,000) related to the investment in Particle Inc.

The revenue of the outdoor media business for the Period increased 103.4% to approximately HK\$378,490,000 (six months ended 30 June 2020: HK\$186,115,000). The segmental profit of outdoor media business for the Period was approximately HK\$73,059,000 (six months ended 30 June 2020: segmental loss of HK\$73,297,000).

The segmental loss in the real estate business for the Period was approximately HK\$1,379,000 (six months ended 30 June 2020: HK\$132,017,000), which included the net fair value gain of approximately HK\$7,349,000 (six months ended 30 June 2020: loss of HK\$112,705,000), recognised for the investment properties.

BUSINESS OVERVIEW AND PROSPECTS

In the first half of 2021, the Company underwent a change in its controlling shareholders and gradually implemented the integration and optimisation of business and resources, in which the Company's operations showed a positive trend. Mr. XU Wei, the chairman of the Board and chief executive officer, emphasises that the brand power, credibility and international influence of Phoenix must be demonstrated while continuously improving its core capabilities in news information and content production to build an internationally leading and mainstream omni-media group.

Phoenix continues to uphold its international characteristics and media credibility. Based in Hong Kong, Phoenix delivers first-hand quality news to Chinese audiences all over the world with the spirit of media professionalism, adhering to the reporting philosophy of “Chinese perspective”, “patriotic sentiment”, “global vision” and “exclusivity and uniqueness”. In 2021, the global team of Phoenix tracked and broadcasted live reports on a number of news events such as the Two Sessions in China, 100th Anniversary of the Founding of the Chinese Communist Party, Shenzhou 12 manned spacecraft, Boao Forum for Asia, China-US Talks in Alaska, China-US Climate Summit and Russia-United States Summit. It also focused on planning a series of exclusive reports on Hong Kong's National Security Education Day, the revision and improvement of Hong Kong's election system, and the visit of aerospace scientists to Hong Kong, which won praises from Chinese audiences all over the world.

Phoenix's brand value continued to grow. In 2021, Phoenix was rated by the World Brand Laboratory and its independent evaluation committee as one of the China's 500 Most Valuable Brands 2021 (18th Edition) , and ranked among the top 4 in the media industry. Phoenix's programmes have always been enjoying good reputation among Chinese media. With international and high-quality programme production standards, Phoenix garnered numerous awards at the New York Festivals International TV & Films Awards 2020, including the bronze prize in the Craft: Promotion/Open & ID for Hovering over Macau and the Asian Academy Creative Awards 2020 for its documentary C'est La Vie, which demonstrated Phoenix's outstanding brand influence and professionalism.

Phoenix continues to expand its international communication strength and influence and its distribution channels. Through utilisation of satellite, cable TV networks, mobile internet, OTT platforms, IPTV and social media, it has actively built a content ecosystem of multiplatform and multi-channel communication matrix, and kept producing accurate and customised content products that meet the needs of different terminals and different groups of audiences. Phoenix has also established multi-level cooperation with overseas media,

international institutions and organisations to create a global Chinese-language news and information network platform, and continuously enhance its competitiveness of international communication.

The Group actively promotes the business transformation and high-quality development of the Company through various development strategies such as content operation, industry trends integration and operation synergy. The Company has been nurturing new industry trends of customised media services, content consumption and e-commerce as well as cultural tourism and vertical industries to further expand the monetisation of brands, contents, platforms, traffic and resources of media. In addition, the Group will continue to enhance its synergistic operating capabilities of its omni-media platforms including television broadcasting, internet, large outdoor LED screens and weekly magazines to provide the customers with integrated media services that suit their diversified needs, thus facilitating the ongoing improvements in operation quality and scale.

The number of active users on the flagship product ifeng News App under Phoenix New Media (ifeng.com), an internet media platform of the Group, has maintained at a high level. By prioritising user experience, and through the combination of smart algorithms and manual editing with continuous calculation and upgrade for precise push and refined operations, it has been one of the most popular mobile device information products among Chinese users. Phoenix New Media has effectively enhanced its brand reputation and influence through a variety of means such as in-depth coverage of major events, unique and quality original content in vertical domains, and offline summits and galas. Phoenix New Media continues to innovate in its business and orderly develops its business layout in various areas, including quality e-commerce, supply chain as well as consumer guidance video clips, bringing new monetisation channels and strategic opportunities for the Company.

Phoenix Metropolis Media works with global media providers, in satisfying the needs of its customers in all aspects by providing them with professional services that are characterized by wide coverage, highly reputable, strong planning and creativity as well as sufficient technical support. The continuous innovation in terms of creativity and technology such as autostereoscopic display, dynamic posters, live streaming and Dolby Vision are new measures to boost sales. In the first half of the year, the cloud-based smart broadcast control COS system was newly upgraded to continue to consolidate the advantages of the national digital network, striving to create more commercial cases on intelligence placing for customers. Phoenix's outdoor LED media resources currently cover over 300 cities in China with over 900 screens. Its global network encompasses 19 countries and regions including Asia, the Americas, Europe and Oceania, achieving genuine global procurement and distribution.

The Group has also maintained a systematic development in other business segments.

In the area of digital technology, Phoenix Digital Technology under Phoenix is committed to establishing an operator for technological cultural services. It has held high-tech interactive digital art exhibitions, such as Along the River during the Qingming Festival 3.0, A Panorama of Rivers and Mountains 3.0, and Gong Xi — Bringing Auspiciousness, to enrich cultural scenes and application experiences with digital technology and actively cultivate the emerging digital culture industry trends.

In the area of cultural creativity, Phoenix Culture has served as the cultural creativity industry cluster of the Group. The Group has incubated and set up different business sectors, such as

creative planning, art curation, performing arts activities, cultural tourism, and cultural IP development and operation, and has deepened the integration and service of the whole industry chain of commerce, tourism, real estate, and special towns to form a sustainable business mode. Phoenix Culture will capitalise on its consolidated resources in the future, reinforce the core competitiveness in the field of cultural creativity, and build the cluster ecology of Phoenix Culture by leveraging on the platform of content, industry and capital to foster the Company's coordinated development in the field of cultural creativity.

Despite the layout of international media and global governance undergoing profound changes, Phoenix will always adhere to the development philosophy of openness and inclusiveness, and strive to facilitate the cultural exchanges and dialogue between China and the world. In the future, Phoenix will, as always, leverage its core advantages in brand and contents while constantly promoting operational awareness and innovation in business systems. By building an internationally recognised omni-media group with credibility, influence and communication strength, we look forward to meeting the expectations of everyone.

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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 25 years, Phoenix Media Investment (Holdings) Limited has developed as an omni-media business with integrated structure, covering various media channels such as television broadcasting, mobile internet, outdoor media, over-the-top platform, social media, App and publication etc. The Group now has a diversified portfolio covering animated comics, games, digital technologies, creative cultural, cloud technology services, education, exhibitions 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://phtv.ifeng.com/english.shtml> and www.irasia.com/listco/hk/phoenixtv.