

PRESS RELEASE

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

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 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, said today that revenue of the Group for the six months period ended 30 June 2023 (the “**Period**”) was approximately HK\$1,133,077,000, which represented a decrease of 24.0% in comparison with the same period last year. The operating loss of the Group for the Period decreased to approximately HK\$273,959,000, which represented a decrease of 25.0% over the same period last year. The loss attributable to owners of the Company decreased to approximately HK\$129,158,000, which represented a decrease of 60.9%.

Phoenix intensified the pace of its business transformation and innovation, which has shown a stable, positive trend in its operating performance. As an international media group based in Hong Kong and oriented globally, Phoenix always persists in the philosophy of openness and inclusiveness, adheres to and reinforces its core competitiveness in contents, and leverages on Phoenix’s credibility, communication strength and influence, to promote multi-cultural exchanges from an international perspective, and to serve all Chinese around the world, so as to fulfill the expectations of our stakeholders.

RESULTS

The revenue of the Group for the Period was approximately HK\$1,133,077,000 (six months ended 30 June 2022: HK\$1,490,072,000), which represented a decrease of 24.0% in comparison with the same period last year. The operating costs for the Period have decreased by 24.2% to approximately HK\$1,407,036,000 (six months ended 30 June 2022: HK\$1,855,318,000).

The operating loss of the Group for the Period decreased to approximately HK\$273,959,000 (six months ended 30 June 2022: HK\$365,246,000), which represented a decrease of 25.0% in comparison with the same period last year.

The revenue decrease was mainly due to the challenging market condition in Mainland China. Nevertheless, effective cost control measures, in particular, in the area of staff costs, had been implemented by the Group to alleviate the negative impact caused by the revenue decrease.

The net exchange gain of the Group for the Period was approximately HK\$1,574,000 (six months ended 30 June 2022: loss of HK\$68,796,000).

The loss attributable to owners of the Company decreased to approximately HK\$129,158,000 (six months ended 30 June 2022: HK\$330,508,000), which represented a decrease of 60.9%.

The chart below summarises the performance of the Group for the six months ended 30 June 2023 and the same period in 2022 respectively.

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Television broadcasting	409,250	557,995
Internet media	373,400	453,830
Outdoor media	265,923	381,642
Real estate	8,795	25,014
Other businesses	75,709	71,591
Group's total revenue	1,133,077	1,490,072
Operating costs	(1,407,036)	(1,855,318)
Operating loss	(273,959)	(365,246)
Fair value (loss)/gain on investment properties, net	(14,419)	98
Net loss on internet media investments	—	(35,358)
Exchange gain/(loss), net	1,574	(68,796)
Other income, net	68,748	22,221
Loss before share of results of joint ventures and associates, income tax and non-controlling interests	(218,056)	(447,081)
Share of results of joint ventures and associates	60	146
Income tax credit/(expense)	8,787	(815)
Loss for the period	(209,209)	(447,750)
Non-controlling interests	80,051	117,242
Loss attributable to owners of the Company	(129,158)	(330,508)
Basic loss per share, Hong Kong cents	(2.59)	(6.62)

COMMENTS ON SEGMENTAL INFORMATION

	Six months ended 30 June			
	2023		2022	
	Revenue	Segment Results	Revenue	Segment Results
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Television broadcasting	409,250	(5,848)	557,995	(64,164)
Internet media	373,400	(108,095)	453,830	(275,402)
Outdoor media	265,923	(24,797)	381,642	50,205
Real estate	8,795	(9,488)	25,014	14,013
Other businesses	75,709	(26,405)	71,591	(48,477)
Group's total revenue and segment results	<u>1,133,077</u>	<u>(174,633)</u>	<u>1,490,072</u>	<u>(323,825)</u>
Unallocated income		47,146		25,999
Unallocated expenses		<u>(90,569)</u>		<u>(149,255)</u>
Loss before share of results of joint ventures and associates, income tax and non-controlling interests		<u>(218,056)</u>		<u>(447,081)</u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 36.1% of the total revenue of the Group for the Period, decreased by 26.7% to approximately HK\$409,250,000 (six months ended 30 June 2022: HK\$557,995,000), the segmental loss for television broadcasting business was approximately HK\$5,848,000 for the Period (six months ended 30 June 2022: HK\$64,164,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 22.4% of the total revenue of the Group for the Period, decreased by 26.9% to approximately HK\$253,868,000 (six months ended 30 June 2022: HK\$347,447,000).

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 26.2% to approximately HK\$155,382,000 (six months ended 30 June 2022: HK\$210,548,000).

The revenue of the internet media business for the Period decreased by 17.7% to approximately HK\$373,400,000 (six months ended 30 June 2022: HK\$453,830,000). The segmental loss of the internet media business for the Period was approximately HK\$108,095,000 (six months ended 30 June 2022: HK\$275,402,000).

The revenue of the outdoor media business for the Period decreased by 30.3% to approximately HK\$265,923,000 (six months ended 30 June 2022: HK\$381,642,000). The segmental loss of the

outdoor media business for the Period was approximately HK\$24,797,000 (six months ended 30 June 2022: profit of HK\$50,205,000).

The segmental loss of the real estate business for the Period was approximately HK\$9,488,000 (six months ended 30 June 2022: profit of HK\$14,013,000).

BUSINESS OVERVIEW AND PROSPECTS

In the first half of 2023, Phoenix intensified the pace of its business transformation and innovation, which has shown a stable, positive trend in its operating performance. Mr. Xu Wei, the Chairman of the Board and Chief Executive Officer, emphasises that Phoenix firmly establishes a strong base in Hong Kong, aiming at the development orientation of Hong Kong, Macau, Taiwan and the global Chinese community, focusing on its core businesses and devoting fully to promote internationalisation and to build an international leading Chinese media group.

Phoenix delivers the latest news of the world and Mainland China to Chinese audience around the world with professionalism, accuracy and promptness. In the first half of the year, Phoenix emphatically reported on various major news events such as the war between Russia and Ukraine, the earthquake in Turkey, the evacuation of nationals in Sudan, the Two Sessions of the National People's Congress and the Chinese People's Political Consultative Conference in the year of transition, the visit of President Xi Jinping to Russia, the first China-Central Asia Summit and China Manned Space Mission, and also live-reported on the key moments of interactions between Chinese and U.S. principal officials during the visit of Blinken, the U.S. Secretary of State, to China. Meanwhile, upholding the philosophy of live reporting of all major events from the scenes, Phoenix sent several reporters deep into the battlefield of Ukraine's to perform news coverage during the outbreak of Russia-Ukraine war, especially for the Wagner Group rebellion, Phoenix was the only international Chinese-language media to witness the scene of Wagner's withdrawal from the first-person perspective. In addition, as a Chinese-language media based in Hong Kong, Phoenix reported meticulously on major news such as the full resumption of normal travel between Hong Kong and the Mainland China as well as the northbound travel for Hong Kong vehicles.

Phoenix continues to emphasise on its news prominence and improve its programme quality. Phoenix Hong Kong Channel focuses on news and entertainment, receiving wide recognition from Cantonese-speaking audiences. Phoenix InfoNews Channel focuses on around-the-clock news-updates and breaking news reporting in prime time, striving to be the first-ever on the spot to live stream major news. Phoenix Chinese Channel launched a series of premium programmes in an in-depth, thoughtful and visionary approach at an international level, which enriched its international broadcast content in audiovisual narrative style as well as enhanced the expressiveness and influence of the international broadcasts, whereby winning praises from the Chinese-language audiences worldwide.

Phoenix continues to enhance its international network broadcast efforts and influence. To be in line with the development trend of digitalisation, networking and intelligent audiovisual technology, the Group extended its coverage worldwide through various means such as satellites, cable TV networks, mobile internet, Internet Protocol Television (IPTV) and over-the-top (OTT) platforms, social media and intelligent distribution platforms, and expanded its international broadcasting capabilities with mobile-first and Internet-based mindset broadcasting philosophy. Social media accounts such as "Phoenix", "Phoenix TV News" and "Hong Kong V" have continued to enhance the influence brought by the delivery of omni-media content, while Fengshows has continued to launch international content products, of which the number of subscribers of its overseas social media accounts continued to grow. In the future, Phoenix will also explore the light production and

collaborative content product model of streaming media platforms, expand the application of artificial intelligence tools, keep innovating the presentation of audiovisual contents, and establish a three-dimensional, diverse and integrated Chinese-language media broadcasting matrix, so as to improve its overall delivery and monetisation of the content.

During the Period, Phoenix continued to enhance its brand value, whereby it has been listed as China's 500 Most Valuable Brands published by World Brand Lab for 20 consecutive years and has been ranked among the top four in the media industry, which reflected its popularity and reputation in media and culture fields. Phoenix's programmes garnered numerous international 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 Craft: Promotion/Open & ID, while *Zoom In: Life of Women in Afghanistan* and *Zoom In: The Last 'Comfort Women' Survivors* won the silver awards in Program and Documentary, respectively. Moreover, the programmes produced by Phoenix garnered numerous awards at the AIB International Media Excellence Awards, Asian Television Awards, and the Chinese Documentary Festival, which demonstrated its outstanding production skills and strengths at an international level.

Phoenix undertakes media responsibilities in the international communication practice by promoting Sino-foreign cultural exchange, and establishing extensive strategic cooperation relationships with various international organisations and institutions such as The United Nations Educational, Scientific and Cultural Organisation (UNESCO) and The World Wide Fund for Nature (WWF). During the Period, Phoenix co-organised major events with its partners such as the Earth Hour; 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, which enhanced its affinity and influence in international communication via global, regional and demassified ways and injected new momentum into international broadcasts. At the same time, Phoenix also organised high-end brand events including You Bring Charm to the World Award and A Full Moon Rising Above the Greater Bay Area – The Greater Bay Area Film Concert in cooperation with its partners to enhance its influence as an international media.

In the first half of the year, the Group has 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 and App with a view to providing customers with a one-stop integrated and customised products and broadcasting services, facilitating the operational transformation and business development.

The number and activeness of the users on the flagship product IFENG News App under Phoenix New Media, 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 optimising the product experience through precise content recommendation, hotspots and community operation combined with algorithms and editing skills. In the first half of the year, the average usage time and click-through rate of the customers have increased, while a number of major reports have boosted the in-app traffic. Original programmes have sparked discussions on social media, boosted media influence, and brought stronger bargaining power to brand advertising. The commercialisation of the international programme *Global Insights* has achieved an initial success, while major events such as Women's Power Sphere, iFeng Food Festival and World Automobile Gala have continued to consolidate the influence in the industry. In addition, Phoenix New Media has also strengthened cooperation with other members of the Group by integrating the news reports of major events and

marketing to amplify synergies as well as to continuously enhancing the overall influence and competitiveness of the Phoenix brand.

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, reliability and creativity with abundant technical support. In the first half of the year, the Company has maintained its fundamental operation notwithstanding market pressure. Driven by the continuous upgrade of media resources and introduction of new creative marketing strategies based on the strength of the national digital network, Phoenix Metropolis Media reached a record high in the number of new customers, while the cooperation with both PRC and overseas well-known brands were stable and optimised. Currently, Phoenix Metropolis Media's outdoor LED display panel media resources cover over 300 cities in China with over 1,000 panels. Its global network encompasses over 30 countries and regions, and as such it has literally achieved global procurement and distribution for satisfying the customers' outdoor advertising needs in all aspects.

The Group has also maintained a systematic development in other business segments. After the Group's Phoenix Weekly has successfully expanded from a magazine publication to a multimedia integration and multi-brand management model, it has now entered the video field. Its new media brand "Phoenix WEEKLY" matrix has over 42 million local and overseas users with 10 million video users. In the field of digital technology, the Group has strived to promote the broad integration of the digital technology and culture industry, and to continuously adjust its internal and external resources so as to facilitate the development of relevant businesses.

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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 27 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 and intelligent distribution platforms etc. The Group continues to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media, magazines and APP and has maintained a systemic development in other business segments covering digital technologies, cultural and 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.