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鳳凰衛視

**PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED**

**鳳凰衛視控股有限公司**

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

**(Stock Code: 02008)**

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

The board of directors (“Board”) of Phoenix Satellite Television Holdings Limited (“Company”) announces the unaudited interim results of the Company and its subsidiaries (“Group” or “Phoenix”) for the six months ended 30 June 2017 (“Period”).

**CHAIRMAN’S STATEMENT  
FINANCIAL SUMMARY**

- Revenue for the six months ended 30 June 2017 was approximately HK\$1,594,557,000, which represented a decrease of 6.7% in comparison with the same period last year.
- Profit attributable to owners of the Company was approximately HK\$74,220,000, in comparison with a loss attributable to owners of the Company of approximately HK\$36,254,000 for the same period last year.

## RESULTS

The revenue of the Group for the Period was approximately HK\$1,594,557,000 (six months ended 30 June 2016: HK\$1,708,296,000), which represented a 6.7% decrease in comparison with the same period last year, as cross-media placement and cross-platform measurement are becoming more important for marketers to engage with consumers over the various screens and devices they use. The operating costs for the Period have decreased by 3.6% to approximately HK\$1,726,323,000 (six months ended 30 June 2016: HK\$1,791,202,000).

The operating loss of the Group for the Period was approximately HK\$131,766,000 (six months ended 30 June 2016: HK\$82,906,000) which represented an increase in the operating loss of 58.9% compared to the previous year.

Fair value gain on derivative financial instruments related to subsequent measurement of new media's investment in Particle Inc. for the Period was approximately HK\$275,073,000 (six months ended 30 June 2016: loss of HK\$24,424,000). Particle Inc. is a strategic investment of Phoenix New Media and it mainly operates the Yidian Zixun mobile APP featuring personalized interest-based information and news feed function targeting the mass market.

The net exchange loss of the Group for the Period was approximately HK\$3,474,000 (six months ended 30 June 2016: HK\$23,142,000) mainly resulting from the depreciation of Renminbi ("RMB").

The profit attributable to owners of the Company for the Period was approximately HK\$74,220,000 (six months ended 30 June 2016: loss of HK\$36,254,000).

The chart below summarises the performance of the Group for the six months ended 30 June 2017 and the same period in 2016.

	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Television broadcasting	<b>551,343</b>	654,966
New media	<b>740,620</b>	767,695
Outdoor media	<b>260,248</b>	231,312
Real estate	<b>6,143</b>	15,698
Other businesses	<b>36,203</b>	38,625
Group's total revenue	<b>1,594,557</b>	1,708,296
Operating costs	<b>(1,726,323)</b>	(1,791,202)
Operating loss	<b>(131,766)</b>	(82,906)
Fair value gain on investment properties, net	<b>7,049</b>	7,072
Net gain on new media investment		
Fair value gain/(loss) on derivative financial instruments	<b>275,073</b>	(24,424)
Interest income	<b>62,532</b>	45,235
Exchange loss, net	<b>(3,474)</b>	(23,142)
Write back of provision for impairment of amounts due from joint ventures	–	1,223
Gain on deemed disposal of a subsidiary	–	49,344
Other income, net	<b>24,196</b>	4,056
Profit/(loss) before share of results of joint ventures and associates, income tax and non-controlling interests	<b>233,610</b>	(23,542)
Share of results of joint ventures and associates	<b>(16,641)</b>	(6,816)
Income tax expense	<b>(12,908)</b>	(20,167)
Profit/(loss) for the period	<b>204,061</b>	(50,525)
Non-controlling interests	<b>(129,841)</b>	14,271
Profit/(loss) attributable to owners of the Company	<b>74,220</b>	(36,254)
Basic earnings/(losses) per share, Hong Kong cents	<b>1.49</b>	(0.72)

## **BUSINESS OVERVIEW AND PROSPECTS**

Traditional television business worldwide continues to face challenges from the evolving media technology and the increasing popularity of new media and social media among viewers. Anticipating the disruptive changes in the audience viewing pattern, the Group has adopted an omni-channel distribution strategy, and now, besides the traditional satellite and cable distribution, the quality contents of Phoenix Satellite Television can reach the global audience by means of portal, mobile APPs, OTT, IPTV and social media. For the first half of 2017, the new media segment contributed 46.4% of the Group's revenue, the largest portion from all business segments, while the television broadcasting segment contributed 34.6%.

In the meantime, "Phoenix Satellite Television" is still the core brand of the Group which is well recognised among Chinese viewers with strong audience loyalty. It is also the main hub for producing quality media contents for the Group's different distribution channels. Phoenix Satellite Television continues to feature very attractive programs, with a great deal of accurate and objective reporting on global events and developments in the greater China region, and some in-depth interview and commentary programs. Management is therefore committed to devote resources in the television segment to maintain its competitiveness and to proactively improve performance of television business through a number of strategic sales initiatives. A series of large-scale advertising promotion fairs were held to increase exposure in the advertising market, strengthen customer relationships and attract new customers. The advertising sales approach is now reformed with a focus on designing tailor-made and one-stop advertising solutions for customers.

Under the omni-media strategy, the performance of the new media segment continues to be critical to the Group. Phoenix New Media Limited is listed on the New York Stock Exchange and operates a website "ifeng.com". In response to the popularization of mobile devices and the change in audience viewing behavior, Phoenix New Media has implemented a comprehensive mobile strategy aiming to increase and monetize mobile traffic. A strategic investment in Yidian Zixun mobile APP was made in 2014, featured with personalized interest-based information and news feed functions targeting the mass market. Phoenix New Media has also developed the "ifeng News APP" that delivers serious journalism targeting high-end users.

Another major component of the Group is the outdoor media segment, which for the first half of 2017 contributed 16.3% of the Group's revenue and continues to rank the third among all business segments. Phoenix Metropolis Media mainly runs an outdoor advertising business by means of large LED panels. It is also developing a new digital interactive business. One of these projects, LEJOY Park, an indoor theme park for children featured with scientific exploration enabled by creative interactive technology, was opened in Beijing in June 2017. Currently, the Group is considering the opportunity to spin-off and separately list its outdoor media segment on the Shenzhen Stock Exchange.

As a proactive risk management strategy, over the years the Group has diversified into a range of different businesses including entertainment & games, magazine, education, culture, exhibition, publication and others. Phoenix Entertainment, for example, the new entertainment & games segment, has successfully acquired the copyrights to produce animated comics for martial arts novels written by Mr. Louis Cha Leung-yung (pen name "Jin Yong"), a renowned Hong Kong martial arts novelist. Phoenix Entertainment is also developing mobile games which will be launched in the market later.

There is much evidence to suggest that in the long term the Group will emerge successfully from the current media industry challenge and the long term prospects of the Group are positive. The Group's internal resources, competitive edge and core competencies remain strong, signified by its continuing brand influence, quality media contents, audience loyalty, credibility and healthy financial position. Looking ahead, the Group will stay alert to the opportunities and challenges of the media industry, actively embrace the advancement of technology and refine its strategies and business models to increase its competitiveness in the market.

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMMENTS ON SEGMENTAL INFORMATION

	Six months ended 30 June			
	2017		2016	
	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>
Television broadcasting	551,343	74,768	654,966	144,179
New media	740,620	324,337	767,695	34,423
Outdoor media	260,248	(2,223)	231,312	(25,736)
Real estate	6,143	(26,306)	15,698	(34,089)
Other businesses	36,203	(29,592)	38,625	15,731
Group's total revenue and segment results	<u>1,594,557</u>	<u>340,984</u>	<u>1,708,296</u>	134,508
Unallocated income		24,846		17,279
Unallocated expenses		<u>(132,220)</u>		<u>(175,329)</u>
Profit/(loss) before share of results of joint ventures and associates, income tax and non-controlling interests		<u>233,610</u>		<u>(23,542)</u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 34.6% of the total revenue of the Group for the Period, decreased by 15.8% to approximately HK\$551,343,000 (six months ended 30 June 2016: HK\$654,966,000). The presence of new media has continued to pose a challenge to conventional media. Due to the relatively fixed cost structure, the segmental profit for television broadcasting business decreased to approximately HK\$74,768,000 for the Period (six months ended 30 June 2016: HK\$144,179,000).

The revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 31.3% of the total revenue of the Group for the Period, decreased by 17.1% to approximately HK\$498,611,000 (six months ended 30 June 2016: HK\$601,818,000).

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 0.8% to approximately HK\$52,732,000 as compared to the same period last year (six months ended 30 June 2016: HK\$53,148,000).

The revenue of the new media business for the Period decreased by 3.5% to approximately HK\$740,620,000 (six months ended 30 June 2016: HK\$767,695,000) due to the decrease in portal advertising revenues and mobile value-added services resulting from the decrease in user demands. The segmental profit for new media business for the Period was approximately HK\$324,337,000 (six months ended 30 June 2016: HK\$34,423,000). Increase in segmental result for new media was primarily due to the increase in net gain related to subsequent measurement of the investment in Particle Inc.

The revenue of the outdoor media business for the Period increased by 12.5% to approximately HK\$260,248,000 (six months ended 30 June 2016: HK\$231,312,000). The segmental loss of outdoor media business for the Period decreased by 91.4% to approximately HK\$2,223,000 (six months ended 30 June 2016: HK\$25,736,000).

The segmental loss for real estate business for the Period was approximately HK\$26,306,000 (six months ended 30 June 2016: HK\$34,089,000), which mainly comprises depreciation and interest expenses.

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

## **DIVIDENDS**

The directors of the Company (“Directors”) do not recommend payment of any interim dividend for the Period (six months ended 30 June 2016: Nil)

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

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures for the six months ended 30 June 2017.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The liquidity and financial resources of the Group as at 30 June 2017 remained solid, although the Group had been weakened by recurring cash flows from the businesses of the Group as a result of the decrease in revenue. As at 30 June 2017, the Group had cash and unpledged bank deposits totaling about HK\$2,349,182,000 (as at 31 December 2016: HK\$2,678,656,000). The aggregate outstanding borrowings of the Group were approximately HK\$1,248,939,000 (as at 31 December 2016: HK\$1,272,144,000), representing non-interest bearing loans from non-controlling shareholders of a subsidiary, secured and interest bearing bank borrowings to fund the investment in Phoenix International Media Centre in Beijing and other secured and interest bearing bank borrowings. For details, please refer to Note 20 to the unaudited condensed consolidated interim financial information.

The gearing ratio of the Group, based on total liabilities to equity attributable to owners of the Company, was 54.8% as at 30 June 2017 (as at 31 December 2016: 52.5%)

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 ("USD") and 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 USD and RMB. The Group manages its foreign exchange risks by performing regular monitoring and will consider using forward currency contracts as a managing tool to reduce such risks. Taking into account the Group's current operational and capital requirements, the Directors consider there is limited exposure to foreign currency exchange risk.

## **CHARGE ON ASSETS**

As at 30 June 2017, the land in Chaoyang Park, Beijing, together with the building, with carrying value of approximately HK\$101,000,000, HK\$411,000,000 and HK\$1,461,000,000 (as at 31 December 2016: HK\$102,000,000, HK\$425,000,000 and HK\$1,452,000,000) recorded in lease premium for land, property, plant and equipment and investment properties respectively were pledged with a bank to secure bank borrowings to fund the construction work on the Phoenix International Media Centre in Beijing. Bank deposits of approximately HK\$912,599,000 (as at 31 December 2016: HK\$807,162,000) were pledged with banks to secure bank borrowings to optimize return through interest differential and arrangement of external security within the loan. The property in the United States with carrying value of approximately HK\$2,765,000 (as at 31 December 2016: HK\$2,774,000) was pledged with a bank to secure a bank borrowing. Deposits of approximately HK\$330,000 (as at 31 December 2016: HK\$322,000) were pledged with banks to secure banking guarantees given to the landlord of a subsidiary.

Save as disclosed above, the Group did not have any other charges on its assets as at 30 June 2017 and 31 December 2016.

## **CAPITAL STRUCTURE AND SHARE OPTIONS**

As at 30 June 2017, the authorized share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each, of which 4,993,469,500 Shares (as at 31 December 2016: 5,000,999,500 Shares) had been issued and fully paid.

There was no option exercised under the Company's Share Option Schemes during the Period. For details, please refer to P.15 to P.17 of this announcement.

As at 30 June 2017, 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 30 June 2017, the Group employed 2,850 full-time staff (as at 31 December 2016: 2,872) 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 Period reduced to approximately HK\$594,257,000 (six months ended 30 June 2016: HK\$605,288,000).

## **SIGNIFICANT INVESTMENTS HELD**

As at 30 June 2017, the Group invested in listed security with estimated fair market value of approximately HK\$22,178,000 (as at 31 December 2016: HK\$19,003,000) recognised as “financial assets at fair value through profit and loss” and unlisted preferred shares of Particle Inc. recognised as “available-for-sale financial assets” and “derivate financial instruments” with estimated fair value of approximately HK\$636,090,000 (as at 31 December 2016: HK\$605,849,000) and HK\$720,052,000 (as at 31 December 2016: HK\$440,261,000) respectively. Save as disclosed above, the Group did not hold any other significant investment for the Period.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

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 Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provision has been made in the condensed consolidated interim financial information.

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

### **Application for a Domestic Free Television Programme Service Licence in Hong Kong**

On 6 May 2016, Phoenix Hong Kong Television Limited (“Phoenix HK”), which is currently an indirect wholly-owned subsidiary of the Company, has submitted an application (the “Application”) for a domestic free television programme service licence in Hong Kong with digital terrestrial transmission to the Communications Authority. In light of (i) the current unfavourable market condition for domestic free television programme service in Hong Kong and (ii) the change in the business/investment direction of the Company, the board of directors of the Company resolved to withdraw the Application and accordingly Phoenix HK has submitted a written notice to the Communication Authority regarding the withdrawal of the Application on 18 August 2017.

For details, please refer to the Company’s announcements dated 6 May 2016 and 18 August 2017.

### **Discloseable Transaction Regarding the Provision of New Loan to Particle Inc.**

On 20 January 2017, Phoenix New Media Limited (“PNM”) entered into a loan agreement with Particle Inc., pursuant to which PNM agreed to grant to Particle Inc. a loan in the principal amount of RMB74,000,000, bearing interest at a rate of 9% per annum for a period of one year (the “New Loan”).

On 28 January 2016, 5 April 2016, 10 August 2016 and 2 November 2016, PNM granted the loans in the principal amounts of US\$10,000,000, US\$10,000,000, US\$14,800,000 and RMB46,000,000, respectively, to Particle Inc. (the “Loans”). The New Loan, when aggregated with the Loans which were granted within a 12-month period before the New Loan, resulted in certain applicable percentage ratios exceeding 5% but all applicable percentage ratios being less than 25%, and therefore constituted a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

For details, please refer to the Company’s announcement dated 20 January 2017.

### **Continuing Connected Transactions with China Mobile Group Guizhou Co., Ltd. and its subsidiaries (“the CMGG Group”)**

On 25 January 2017, 鳳凰都市傳媒科技股份有限公司 (Phoenix Metropolis Media Technology Company Limited, “Phoenix Metropolis”), a subsidiary of the Company, entered into an advertising contract with 中國移動通信集團貴州有限公司 (China Mobile Group Guizhou Co., Ltd.) (“CMGG”) for a period commencing from 25 January 2017 and ending on 31 March 2017 for promoting the businesses of the CMGG Group at a maximum contract sum not exceeding RMB2,120,000 (equivalent to approximately HK\$2,374,824) (the “CMGG Transaction”). CMGG is a connected person of the Company under the Listing Rules. The CMGG Transaction constituted a continuing connected transaction under the Listing Rules, when aggregated with previous advertising transactions between Phoenix Metropolis and the group companies of 中國移動通信集團公司 (China Mobile Communications Corporation) (“CMCC Group”), within a 12-month period before the CMGG Transaction, exceeded 0.1% but less than 5%, and subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For details, please refer to the Company’s announcement dated 25 January 2017.

### **Proposed Spin-off and Separate Listing of Phoenix Metropolis**

The Board is considering the feasibility of a proposed spin-off and separate listing of Phoenix Metropolis, a subsidiary of the Company engaged in the outdoor media business in the PRC, on the Shenzhen Stock Exchange (the “Proposed Spin-off”). The Proposed Spin-Off is still at a preliminary stage. No application has been submitted to any PRC regulatory authorities nor to the Stock Exchange pursuant to Practice Note 15 to the Listing Rules in relation to the Proposed Spin-off. No final decision has been made by the Board as to whether and when the Proposed Spin-off will proceed.

For details, please refer to the Company’s announcement dated 17 March 2017.

### **Continuing Connected Transactions with MIGU Cultural and Technology Co., Ltd. and its subsidiaries (the “MIGU Group”)**

On 21 March 2017, Phoenix Metropolis entered into an advertising contract with 咪咕文化科技有限公司 (MIGU Cultural and Technology Co., Ltd.) (“MIGU”) for the period of one year commencing from 21 March 2017 for promoting the businesses of the MIGU Group at a maximum contract sum not exceeding RMB3,800,000 (equivalent to approximately HK\$4,306,540) (the “MIGU Transaction”). MIGU is a connected person of the Company under the Listing Rules. The MIGU Transaction constituted a continuing connected transaction under the Listing Rules, when aggregated with previous advertising transactions between Phoenix Metropolis and the CMCC Group within a 12-month period before the MIGU Transaction, exceeded 0.1% but less than 5%, and subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For details, please refer to the Company’s announcement dated 21 March 2017.

### **Continuing Connected Transactions with China Mobile Communication Co., Ltd. and its subsidiaries (the “CMC Group”)**

On 18 May 2017, Phoenix Metropolis entered into an advertising contract with 中國移動通信有限公司 (China Mobile Communication Co., Ltd.) (“CMC”) for the period commencing from 18 May 2017 to 31 March 2018 for promoting the businesses of the CMC Group at a maximum contract sum not exceeding RMB13,130,000 (equivalent to approximately HK\$14,817,205) (the “CMC Transaction”). CMC is a connected person of the Company under the Listing Rules. The CMC Transaction constituted a continuing connected transaction under the Listing Rules, when aggregated with previous advertising transactions between Phoenix Metropolis and the CMCC Group within a 12-month period before the CMC Transaction, exceeded 0.1% but less than 5%, and subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For details, please refer to the Company’s announcement dated 18 May 2017.

### **Continuing Connected Transactions with China Mobile Group Device Co., Ltd. and its subsidiaries (“the CMGD Group”)**

On 6 July 2017, Phoenix Metropolis entered into an advertising contract with 中國移動通信集團終端有限公司 (China Mobile Group Device Co., Ltd.) (“CMGD”) for the period commencing from 6 July 2017 to 31 March 2018 for promoting the businesses of the CMGD Group at a maximum contract sum not exceeding RMB5,970,000 (equivalent to approximately HK\$6,763,413) (the “CMGD Transaction”). CMGD is a connected person of the Company under the Listing Rules. The CMGD Transaction constituted a continuing connected transaction under the Listing Rules, when aggregated with previous advertising transactions between Phoenix Metropolis and the CMCC Group within a 12-month period before the CMGD Transaction, exceeded 0.1% but less than 5%, and subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

For details, please refer to the Company’s announcement dated 6 July 2017.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, the Company has bought back 3,478,000 Shares on the Stock Exchange for a total consideration of HK\$4,511,820. The buy-backs were made for the benefit of the Company and its shareholders as a whole by enhancing the earnings per share of the Company.

Details of the share buy-backs are disclosed as follows:

Trading Date	No. of Shares	Total Consideration <i>HK\$</i>	Price per Share	
			Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>January 2017</b>				
4	182,000	238,380	1.31	1.30
6	300,000	393,000	1.31	–
16	34,000	44,880	1.32	–
	<u>516,000</u>	<u>676,260</u>		
<b>February 2017</b>				
6	470,000	615,880	1.32	1.29
7	1,000,000	1,297,920	1.30	1.29
13	500,000	643,500	1.29	1.28
14	992,000	1,278,260	1.29	1.28
	<u>2,962,000</u>	<u>3,835,560</u>		
	<u>3,478,000</u>	<u>4,511,820</u>		

The above 3,478,000 Shares repurchased during the Period were cancelled on 2 March 2017.

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its securities during the Period.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2017, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which such Directors or chief executives were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

### (1) Long position in the Shares and underlying Shares of the Company (excluding share options)

#### *Ordinary Shares of the Company*

Name	Number of ordinary shares held			Position	Approximate shareholding percentage as at 30 June 2017
	Personal/ other interest	Corporate interest	Total interest		
LIU Changle ( <i>Note 2</i> )	2,688,000	1,854,000,000	1,856,688,000	Long	37.18%

#### *Notes:*

1. As at 30 June 2017, the number of the issued Shares of the Company was 4,993,469,500.
2. As at 30 June 2017, Mr. LIU Changle was the beneficial owner of 93.30% of the issued share capital of Today's Asia Limited, which in turn had an interest in approximately 37.13% of the issued share capital of the Company.

(2) **Long position in the shares and underlying shares of an associated corporation of the Company**

*Phoenix New Media Limited (“PNM”)*

Name	Number of class A ordinary of PNM Shares			Position	Approximate shareholding percentage as at 30 June 2017
	Personal/ other interest	Corporate interest	Total interest		
LIU Changle ( <i>Note 3</i> )	–	1,483,200	1,483,200	Long	0.58%

*Notes:*

1. As at 30 June 2017, the number of the issued Class A ordinary PNM Shares was 256,335,266.
2. PNM is a non-wholly owned subsidiary of the Company.
3. As at 30 June 2017, Mr. LIU Changle was the beneficial owner of 93.30% of the issued share capital of Today’s Asia Limited, which in turn had an interest in approximately 0.58% of the issued class A ordinary of PNM Shares.

(3) **Share Options**

Name	Date of grant	Exercise period	Exercise price per Share HK\$	Underlying Shares pursuant to the share options as at 30 June 2017
3 Executive Directors				
LIU Changle	2017.03.21	2018.03.21 to 2027.03.20	1.41	4,900,000
CHUI Keung	2017.03.21	2018.03.21 to 2027.03.20	1.41	3,900,000
WANG Ji Yan	2017.03.21	2018.03.21 to 2027.03.20	1.41	3,900,000
LIU Diandian <sup>#</sup>	2017.03.21	2018.03.21 to 2027.03.20	1.41	120,000

<sup>#</sup> LIU Diandian is a daughter of LIU Changle

Save as disclosed above, so far as the Directors are aware, as at 30 June 2017, none of the Directors and chief executives of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executives were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code of the Listing Rules to be notified to the Company and the Stock Exchange.

## SHARE OPTION SCHEMES

### (1) Share Option Schemes of the Company

#### (A) Post-IPO Share Option Scheme

On 7 June 2000, two share option schemes of the Company were approved by the shareholders of the Company (“Shareholders”), namely Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme to employees of the Group to acquire Shares. The Pre-IPO Share Option Scheme expired on 13 June 2010, and the Post-IPO Share Option Scheme expired on 25 March 2017.

The details of share options granted by the Company under the Post-IPO Share Option Scheme to the employees of the Group to acquire Shares were as follows:

Type and number of remaining grantees	Date of grant	Vesting period	Exercise period	Exercise price per Share HK\$	Number of share options			
					Balance as at 1 January 2017	Lapsed during the Period	Exercised during the Period	Balance as at 30 June 2017
13 employees	2007.03.26	2007.03.26 to 2011.03.25	2008.03.26 to 2017.03.25	1.45	3,944,000	(3,944,000)	-	-

The Post-IPO Share Option Scheme expired on 25 March 2017 and thus all outstanding options lapsed automatically on the day after date of expiry.

#### (B) 2009 Share Option Scheme

On 19 June 2009, a share option scheme of the Company was approved by the Shareholders (“2009 Share Option Scheme”). On 7 February 2017, the Shareholders approved the cancellation of the outstanding share options granted to directors and employees of the Group under the 2009 Share Option Scheme which have not been exercised or lapsed.

The details of share options granted by the Company under the 2009 Share Option Scheme to the employees of the Group to acquire the Shares of the Company were as follows:

Type and number of remaining grantees	Date of grant	Vesting period	Exercise period	Exercise price per Share HK\$	Number of share options					Balance as at 30 June 2017
					Balance as at 1 January 2017	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	
2 employees	2009.07.22	2009.07.22 to 2013.07.21	2010.07.22 to 2019.07.21	1.17	250,000	-	-	-	-	250,000
3 Executive Directors										
LIU Changle	2011.03.09	2011.03.09 to 2015.03.08	2012.03.09 to 2021.03.08	2.92	4,900,000	-	-	(4,900,000)	-	-
CHUI Keung	2011.03.09	2011.03.09 to 2015.03.08	2012.03.09 to 2021.03.08	2.92	3,900,000	-	-	(3,900,000)	-	-
WANG Ji Yan	2011.03.09	2011.03.09 to 2015.03.08	2012.03.09 to 2021.03.08	2.92	3,900,000	-	-	(3,900,000)	-	-
431 employees	2011.03.09	2011.03.09 to 2015.03.08	2012.03.09 to 2021.03.08	2.92	80,154,000	-	(6,100,000)	(74,054,000)	-	-
6 employees	2011.06.28	2011.06.28 to 2015.06.27	2012.06.28 to 2021.06.27	3.06	2,790,000	-	-	(2,790,000)	-	-
Total:					<u>95,894,000</u>	<u>-</u>	<u>(6,100,000)</u>	<u>(89,544,000)</u>	<u>-</u>	<u>250,000</u>

During the Period, 6,100,000 options granted to 12 employees were lapsed when they ceased their employment with the Group. 89,544,000 options granted to 437 employees were surrendered and cancelled.

Save as disclosed above, no share option was granted, exercised, lapsed or cancelled during the Period. No option was granted to the Directors, chief executives or substantial Shareholders of the Company, or their respective associates, or to the suppliers of goods or services under the 2009 Share Option Scheme. No participant was granted any option in excess of the individual limit as set out under the 2009 Share Option Scheme.



(C) 2017 Share Option Scheme

On 7 February 2017, a share option scheme of the Company was approved by the shareholders (“2017 Share Option Scheme”) to grant options to those directors and employees who accept the grant by agreeing to surrender and cancel their same number of existing options under the 2009 Share Option Scheme, details of which are set out below:

Type and number of grantees	Date of grant	Vesting period	Exercise period	Exercise price per Share HK\$	Number of share options granted (Subject to acceptance of the grantees)
3 Executive Directors					
LIU Changle	2017.03.21	2017.03.21 to 2018.03.20	2018.03.21 to 2027.03.20	1.41	4,900,000
CHUI Keung	2017.03.21	2017.03.21 to 2018.03.20	2018.03.21 to 2027.03.20	1.41	3,900,000
WANG Ji Yan	2017.03.21	2017.03.21 to 2018.03.20	2018.03.21 to 2027.03.20	1.41	3,900,000
LIU Diandian	2017.03.21	2017.03.21 to 2018.03.20	2018.03.21 to 2027.03.20	1.41	120,000
441 employees	2017.03.21	2017.03.21 to 2018.03.20	2018.03.21 to 2027.03.20	1.41	78,874,000
Total:					91,694,000*

\* On 21 March 2017, 91,694,000 share options were granted under the 2017 Share Option Scheme, subject to the acceptance of the grantees by agreeing to surrender and cancel their same number of existing options under the 2009 Share Option Scheme. There were a total of 89,544,000 share options under the 2009 Share Option Scheme cancelled accordingly.

During the Period, 40,000 share options under the 2009 Share Option Scheme were cancelled due to non-acceptance within the acceptance period, while 80,000 share options under the 2017 Share Option Scheme granted to 2 employees were cancelled when they ceased their employment with the Group. As at 30 June 2017, under the 2017 Share Option Scheme, there were a total of 89,424,000 share options granted to the grantees who have cancelled their same number of existing options under the 2009 Share Option Scheme and agreed to accept the same number of share options under the 2017 Share Option Scheme.

Save as disclosed above, no share option had been granted, exercised, lapsed or cancelled since the date of adoption of 2017 Share Option Scheme to the date of this announcement. The said share options shall vest in full after one year from the date of grant before becoming exercisable on 21 March 2018 and shall expire on 20 March 2027 and lapse automatically on the day after date of expiry.

## (2) Share Option Schemes of the Subsidiaries of the Company

### (A) PNM Share Option Scheme

On 20 June 2008, the Shareholders approved the share option scheme of PNM (“PNM Share Option Scheme”) to grant share options to any executive, employee or director of PNM or any affiliate to acquire PNM Shares.

On 20 October 2016, the Shareholders approved the proposed grant of options under the PNM Share Option Scheme to holders of existing options as replacement options beyond the refreshed limit.

The details and movements of the PNM Share Option Scheme during the Period are as follows:

Type of remaining grantees	Date of grant	Exercise period	Exercise price per PNM share (US\$)	Number of share options					Balance as at 30 June 2017
				Balance as at 1 January 2017	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	
Employees	2008.07.04	2008.07.04-2018.05.25	0.03215	2,224,877	-	-	-	(4,000)	2,220,877
	2008.07.04	2008.07.09-2018.05.25	0.03215	6,000	-	-	-	(6,000)	-
	2008.07.04	2008.08.28-2018.05.25	0.03215	3,375	-	-	-	-	3,375
	2008.07.04	2008.09.17-2018.05.25	0.03215	16,500	-	-	-	-	16,500
	2008.07.04	2008.10.10-2018.05.25	0.03215	4,500	-	-	-	(4,500)	-
	2008.07.04	2008.10.10-2018.05.25	0.03215	4,000	-	-	-	-	4,000
	2008.07.04	2008.10.23-2018.05.25	0.03215	6,750	-	-	-	-	6,750
	2008.07.04	2008.12.17-2018.05.25	0.03215	6,000	-	-	-	-	6,000
	2008.07.04	2008.12.24-2018.05.25	0.03215	3,750	-	-	-	-	3,750
	2008.07.04	2009.01.15-2018.05.25	0.03215	439,504	-	-	-	-	439,504
	2008.07.04	2009.02.26-2018.05.25	0.03215	3,375	-	-	-	-	3,375
	2008.07.04	2009.03.10-2018.05.25	0.03215	5,500	-	-	-	-	5,500
	2008.07.04	2009.03.17-2018.05.25	0.03215	2,475	-	-	-	-	2,475
	2008.07.04	2009.03.24-2018.05.25	0.03215	20,000	-	-	-	(20,000)	-
	2008.07.04	2009.03.31-2018.05.25	0.03215	3,000	-	-	-	-	3,000
	2008.07.04	2009.04.01-2018.05.25	0.03215	450	-	-	-	-	450
	2008.07.04	2009.04.07-2018.05.25	0.03215	6,750	-	-	-	-	6,750
	2008.07.04	2009.04.09-2018.05.25	0.03215	3,000	-	-	-	-	3,000
	2008.07.04	2009.05.19-2018.05.25	0.03215	10,688	-	-	-	-	10,688
	2008.07.04	2009.05.26-2018.05.25	0.03215	33,087	-	-	-	-	33,087
	2009.07.31	2010.01.04-2018.05.25	0.03215	781,250	-	-	-	-	781,250
	2009.07.31	2010.02.16-2018.05.25	0.03215	100,000	-	-	-	-	100,000
	2009.07.31	2010.04.27-2018.05.25	0.03215	5,250	-	-	-	-	5,250
	2009.07.31	2010.05.18-2018.05.25	0.03215	96,001	-	-	-	-	96,001
	2009.07.31	2010.07.10-2018.05.25	0.03215	61,600	-	-	-	-	61,600
	2009.09.15	2010.09.15-2018.05.25	0.03215	693,800	-	-	-	-	693,800

Type of remaining grantees	Date of grant	Exercise period	Exercise price per PNM share (US\$)	Number of share options					Balance as at 30 June 2017
				Balance as at 1 January 2017	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period	
	2010.01.08	2011.01.08-2018.05.25	0.03215	104,400	-	-	-	-	104,400
	2010.07.01	2008.03.05-2018.05.25	0.03215	111,000	-	-	-	-	111,000
	2010.07.01	2010.09.15-2018.05.25	0.03215	26,000	-	-	-	-	26,000
	2010.07.01	2011.02.21-2018.05.25	0.03215	220,000	-	-	-	-	220,000
	2010.07.01	2011.07.01-2018.05.25	0.03215	52,000	-	-	-	-	52,000
	2013.03.15	2014.03.15-2023.03.14	0.445925	5,855,088	-	-	-	-	5,855,088
	2013.05.23	2014.05.23-2023.05.22	0.46565	2,900,000	-	-	-	-	2,900,000
	2013.10.01	2014.10.01-2023.09.30	0.78670	56,250	-	-	-	-	56,250
	2015.07.16	2016.07.16-2025.07.15	0.91550	395,000	-	(295,000)	-	-	100,000
	2016.10.17	2017.10.17-2026.10.16	0.47340	9,581,964	-	(950,000)	-	-	8,631,964
	2016.10.21	2017.05.01-2020.07.06	0.48230	12,401,951	-	(475,000)	-	-	11,926,951
	2016.10.21	2017.05.01-2020.07.06	0.48230	3,900,000	-	-	-	-	3,900,000
	2016.10.21	2017.05.01-2020.07.06	0.48230	4,300,000	-	-	-	-	4,300,000
Total:				<u>44,445,135</u>	<u>-</u>	<u>(1,720,000)</u>	<u>-</u>	<u>(34,500)</u>	<u>42,690,635</u>

(B) *PNM March 2011 Scheme*

On 15 March 2011, PNM adopted the restricted share unit (“RSU”) and restricted share (“RS”) scheme (the “PNM March 2011 Scheme”) to grant RSU or RS to the executives, employees or directors of PNM or its affiliates.

All RS and RSU granted under the PNM March 2011 Scheme have been fully vested in 2014 and 2015 respectively.

Save as disclosed above, no option was granted to the Directors, chief executives or substantial Shareholders, or their respective associates of the Company, or to the suppliers of goods or services under the PNM Share Option Scheme during the Period.

## **DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Under the terms of the Company’s share option schemes approved by the Shareholders on 7 June 2000, 19 June 2009 and 7 February 2017, the relevant committee responsible to administer the share option schemes may, at their discretion, invite any employee of the Company or any of the Group companies, including any executive directors, to take up options to subscribe for Shares. The maximum number of Shares in respect of which options may be granted under the share option schemes must not exceed 10% of the issued share capital of the Company. However, the share option scheme approved by the Shareholders on 7 June 2000 expired on 25 March 2017 and no further options can be granted under the scheme.

Save as disclosed herein, and other than those in connection with the Group reorganisation scheme prior to the Company's listing of Shares, at no time during the Period was the Company or any of the companies comprising the Group a party to any arrangement to enable the Directors or their associates to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## **DIRECTORS' INTERESTS IN CONTRACTS**

No contracts of significance in relation to the Group's business to which the Company, or any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2017, so far as is known to the Directors and the chief executive of the Company, the interest of the Shareholders (not being Directors and the chief executive of the Company) in the Shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO or entered in the register kept by the Company pursuant to Section 352 of the SFO, were as follows:

### **(1) Long Positions of Substantial Shareholders in the Ordinary Shares of the Company**

<b>Name of substantial Shareholders</b>	<b>Number of Shares</b>	<b>Approximate shareholding percentage as at 30 June 2017</b>
Today's Asia Limited ( <i>Note 2</i> )	1,854,000,000	37.13%
Extra Step Investments Limited ( <i>Note 3</i> )	983,000,000	19.69%
TPG China Media, L.P. ( <i>Note 4</i> )	607,000,000	12.16%

*Notes:*

- As at 30 June 2017, the number of issued Shares of the Company was 4,993,469,500.
- Today's Asia Limited is beneficially owned by Mr. LIU Changle and Mr. CHAN Wing Kee as to 93.30% and 6.70% respectively.
- Extra Step Investments Limited is a wholly-owned subsidiary of China Mobile (Hong Kong) Group Limited ("CMHKG") which in turn is a subsidiary of China Mobile Communications Corporation ("CMCC"). By virtue of the SFO, CMCC and CMHKG are deemed to be interested in the 983,000,000 Shares held by Extra Step Investments Limited. Mr. SHA Yuejia and Mr. XIA Bing, both non-executive Directors of the Company, are respectively executive director and vice president of China Mobile Limited and general manager of the Marketing Department of CMCC.

4. TPG China Media, L.P. is controlled by TPG Asia Advisors VI DE, Inc., which in turn is ultimately controlled by Mr. David BONDERMAN and Mr. James G. COULTER. By virtue of the SFO, TPG Asia Advisors VI DE, Inc., Mr. David BONDERMAN and Mr. James G. COULTER are all deemed to be interested in the 607,000,000 Shares held by TPG China Media, L.P.. Mr. SUN Yanjun and Mr. LAU Wai Kei Ricky, being the non-executive Director and alternate Director respectively, are both managing director and partner of TPG.

**(2) Long Position of Other Person in the Ordinary Shares of the Company**

<b>Name of other person who has more than 5% interest</b>	<b>Number of Shares</b>	<b>Approximate shareholding percentage as at 30 June 2017</b>
China Wise International Limited ( <i>Note 2</i> )	412,000,000	8.25%

*Notes:*

1. As at 30 June 2017, the number of issued Shares of the Company was 4,993,469,500.
2. China Wise International Limited is a wholly-owned subsidiary of Cultural Developments Limited, which in turn is a wholly-owned subsidiary of Bank of China Group Investment Limited. Bank of China Group Investment Limited is a wholly-owned subsidiary of Bank of China Limited, which in turn is a subsidiary of Central Huijin Investments Limited. By virtue of the SFO, Central Huijin Investments Limited, Bank of China Limited, Bank of China Group Investment Limited and Cultural Developments Limited are all deemed to be interested in the 412,000,000 Shares held by China Wise International Limited. Mr. GONG Jianzhong, non-executive Director of the Company, is a director and chief executive officer of Bank of China Group Investment Limited and a director of a number of companies controlled by Bank of China Group Investment Limited or in which Bank of China Group Investment Limited has an interest.

Save as disclosed above, there was no person (other than the Directors or the chief executives of the Company) known to the Directors or the chief executives of the Company, who, as at 30 June 2017, had an interest or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were required to be entered in the register kept by the Company pursuant to section 336 of the SFO.

**PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

**ADVANCES TO AN ENTITY**

Details of the relevant advance to an entity from the Group are set out in Note 16 to the unaudited condensed consolidated interim financial information.

## **UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES**

Changes of Director's information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

### **LIU Changle**

Mr. LIU Changle was conferred an honorary degree of Doctor of Philosophy by Nanhua University in May 2017.

### **Thaddeus Thomas BECZAK**

Mr. Thaddeus Thomas BECZAK resigned from China Minsheng Financial Holding Corporation Limited, which is listed on the Main Board of the Stock Exchange, as an independent non-executive director, chairman of the nomination committee, and member of the audit committee and remuneration committee with effect from 13 July 2017.

Saved as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **CORPORATE GOVERNANCE PRACTICES**

The Company adopts its own code on corporate governance which combined its own existing principles and practices with most of the code provisions of the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules, with the objective of taking forward a corporate governance structure which builds on Phoenix 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 corporate governance, risk management and internal control systems. The Board has established a Risk Management Committee ("RMC") on 30 November 2015 with its written terms of reference in alignment with the code provisions as set in the revised Code applied to the accounting periods beginning on or after 1 January 2016. The RMC monitored corporate governance practices, risk management and internal control systems of the Company throughout the Period under review.

The following summarizes the corporate governance practices of the Company and explanations of deviations from the Code. Saved as disclosed below, the Company has, throughout the Period, complied with the Code.

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

#### *Code Provision*

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

### *Deviation and its Reasons*

Mr. LIU Changle has continually served as both the chairman to the Board and chief executive officer of the Company since its incorporation. He is responsible for managing the Board and the business of the Group.

On 26 November 2008, Mr. LIU entered into a non-competition deed (the “Non-Competition Deed”) in favour of the Company which took effect on 5 December 2008 in order to manage any potential competing interest with the Group. Details of the Non-Competition Deed were set out in the announcement of the Company dated 26 November 2008.

Mr. LIU has also unconditionally and irrevocably undertaken to the Company that he shall use his best endeavours to ensure that his associates and the respective employees of his associates (except for those within the Group) observe the restrictions and undertakings contained in the Non-Competition Deed.

The Board considers that Mr. LIU’s invaluable experience in the broadcasting industry is a great benefit to the Group. Through the supervision of the Board and the Board committees, balance of power and authority can be ensured and therefore, there is no imminent need to change the arrangement.

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

### *Code Provision*

Under code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election and all directors appointed to fill casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific terms, should be subject to retirement by rotation at least once every three years.

### *Deviation and its Reason*

Apart from the two executive Directors, Mr. LIU Changle and Mr. CHUI Keung, no other Directors are currently appointed with specific terms. According to the articles of association of the Company, at each Annual General Meeting one-third of the Directors for the time being (or, if their numbers is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation, but the chairman of the Board 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 in each year. As such, with the exception of the chairman, all Directors are subject to retirement by rotation. The Board considers that there is no imminent need to amend the articles of association of the Company.

## **DIRECTORS' SECURITIES TRANSACTIONS**

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

Having made specific enquiry of all Directors, it was confirmed that the Directors have complied with the required standards set out in the Model Code regarding Directors' securities transactions throughout the Period.

The Company has also adopted a code of conduct governing securities transactions by 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 (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 annual report and accounts and half-year report and to provide advices and comments thereon to the Board. The Audit Committee meets at least twice a year with the Company's management to review the accounting principles and practices adopted by the Group and to discuss auditing, risk management and internal control and financial reporting matters. 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 one non-executive Director, namely Mr. GONG Jianzhong and two independent non-executive Directors, namely Mr. Thaddeus Thomas BECZAK (Chairman) and Mr. LEUNG Hok Lim.

During the Period under review, the Audit Committee had reviewed the unaudited condensed consolidated interim financial information for the Period and the related interim results announcement, and provided advice and comments thereto.

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

This interim results announcement of the Company for the Period is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the professional investor relation platform at [www.irasia.com/listco/hk/phoenixtv](http://www.irasia.com/listco/hk/phoenixtv). The interim report of the Company for the Period will be despatched to Shareholders and published on the abovementioned websites on or before 30 September 2017.



## UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Board of the Company has the pleasure of presenting the unaudited condensed consolidated financial information of the Group as at and for the six months ended 30 June 2017, together with the comparative figures for the corresponding period and relevant date in 2016.

### CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

For the six months ended 30 June 2017

		<b>For the six months ended 30 June</b>	
		<b>2017</b>	<b>2016</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	5	<b>1,594,557</b>	1,708,296
<b>Operating expenses</b>	6	<b>(1,269,432)</b>	(1,322,318)
<b>Selling, general and administrative expenses</b>	6	<b>(456,891)</b>	(468,884)
<b>Other gains, net</b>			
Fair value gain on investment properties		<b>7,049</b>	7,072
Other operating gain, net	6	<b>285,776</b>	4,296
<b>Interest income</b>		<b>96,358</b>	72,728
<b>Interest expense</b>		<b>(23,807)</b>	(24,732)
<b>Share of profit less losses of joint ventures</b>		<b>(2,940)</b>	(4,694)
<b>Share of profit less losses of associates</b>		<b>(13,701)</b>	(2,122)
<b>Profit/(loss) before income tax</b>		<b>216,969</b>	(30,358)
<b>Income tax expense</b>	7	<b>(12,908)</b>	(20,167)
<b>Profit/(loss) for the period</b>		<b>204,061</b>	(50,525)
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<b>74,220</b>	(36,254)
Non-controlling interests		<b>129,841</b>	(14,271)
		<b>204,061</b>	(50,525)
<b>Earnings/(loss) per share for profit/(loss) attributable to the owners of the Company</b>			
Basic earnings/(loss) per share, Hong Kong cents	9	<b>1.49</b>	(0.72)
Diluted earnings/(loss) per share, Hong Kong cents	9	<b>1.49</b>	(0.72)

The notes on pages 32 to 62 form an integral part of this condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME –  
UNAUDITED**

*For the six months ended 30 June 2017*

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
<b>Profit/(loss) for the period</b>	<b>204,061</b>	(50,525)
<b>Other comprehensive income for the period</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	<b>14,442</b>	(73,254)
Fair value loss on available-for-sale financial assets	<b>(31,758)</b>	(89)
<b>Total comprehensive income for the period</b>	<b>186,745</b>	(123,868)
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the Company	<b>66,656</b>	(81,037)
Non-controlling interests	<b>120,089</b>	(42,831)
	<b>186,745</b>	(123,868)

The notes on pages 32 to 62 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

As at 30 June 2017

		As At 30 June 2017 <i>HK\$'000</i>	As At 31 December 2016 <i>HK\$'000</i> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Purchased programme and film rights, net	10	14,058	14,886
Lease premium for land	11	207,500	210,179
Property, plant and equipment, net	12	1,113,643	1,160,842
Investment properties	13	1,473,969	1,464,088
Intangible assets	14	25,884	25,872
Investments in joint ventures		21,238	24,159
Investments in associates		81,795	84,414
Available-for-sale financial assets	18	648,148	617,835
Derivative financial instruments	24	738,022	458,073
Other long-term assets		45,520	46,008
Deferred income tax assets		80,408	69,849
Pledged bank deposits	23	200,000	185,000
		<u>4,650,185</u>	<u>4,361,205</u>
<b>Current assets</b>			
Accounts receivable, net	15	697,701	721,566
Prepayments, deposits and other receivables	16	710,646	565,330
Inventories		9,016	8,456
Amounts due from related companies	27	383,791	261,774
Derivative financial instruments	24	8,565	10,860
Self-produced programmes		7,080	7,328
Purchased programme and film rights, net	10	40	231
Financial assets at fair value through profit or loss	17	22,178	19,003
Prepaid tax		11,355	11,355
Pledged bank deposits	23	712,599	622,162
Bank deposits		340,588	394,666
Restricted cash		557	548
Cash and cash equivalents		<u>2,008,594</u>	<u>2,283,990</u>
		<u>4,912,710</u>	<u>4,907,269</u>
<b>Total assets</b>		<u><b>9,562,895</b></u>	<u><b>9,268,474</b></u>

The notes on pages 32 to 62 form an integral part of this condensed consolidated interim financial information.

		As At 30 June 2017 <i>HK\$'000</i>	As At 31 December 2016 <i>HK\$'000</i> (Audited)
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	22	499,347	500,100
Reserves		4,556,755	4,525,371
		<u>5,056,102</u>	<u>5,025,471</u>
<b>Non-controlling interests</b>		<u>1,735,566</u>	<u>1,603,304</u>
<b>Total equity</b>		<u>6,791,668</u>	<u>6,628,775</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Secured bank borrowings	20(a)	346,242	349,464
Derivative financial instrument	24	322	220
Other long-term liabilities		4,689	4,681
Loans from non-controlling shareholders of subsidiaries	20(b)	272,690	266,430
Deferred income tax liabilities		168,786	167,980
		<u>792,729</u>	<u>788,775</u>
<b>Current liabilities</b>			
Accounts payable, other payables and accruals	21	964,069	1,057,099
Secured bank borrowings	20(a)	606,013	632,295
Deferred income		353,175	88,209
Loans from non-controlling shareholders of a subsidiary	20(b)	19,305	19,274
Current income tax liabilities		35,703	52,465
Derivative financial instrument	24	233	1,582
		<u>1,978,498</u>	<u>1,850,924</u>
<b>Total liabilities</b>		<u>2,771,227</u>	<u>2,639,699</u>
<b>Total equity and liabilities</b>		<u>9,562,895</u>	<u>9,268,474</u>

The notes on pages 32 to 62 form an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

*For the six months ended 30 June 2017*

	Attributable to owners of the Company										
	Share capital <i>HK\$'000</i>	Treasury share reserve <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Revaluation reserve <i>HK\$'000</i>	Employee share-based payment reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 January 2017	500,100	(5,042)	51,658	141,239	1,503,315	(145,513)	16,709	151,204	2,811,801	1,603,304	6,628,775
Profit for the Period	-	-	-	-	-	-	-	-	74,220	129,841	204,061
Other comprehensive income											
Currency translation differences	-	-	-	-	-	10,046	-	-	-	4,396	14,442
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	(17,610)	-	-	(14,148)	(31,758)
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,046</u>	<u>(17,610)</u>	<u>-</u>	<u>74,220</u>	<u>120,089</u>	<u>186,745</u>
<b>Transactions with owners</b>											
Share option scheme											
– value of employee services	-	-	-	-	-	-	-	11,440	-	15,493	26,933
– cancellation and lapse of share options	-	-	106,328	-	-	-	-	(106,328)	-	-	-
Repurchase of shares	-	(4,512)	(30)	-	-	-	-	-	-	-	(4,542)
Cancellation of repurchase shares	(753)	9,554	(8,801)	-	-	-	-	-	-	-	-
Dividends related to 2016	-	-	-	-	-	-	-	-	(49,935)	-	(49,935)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(18,931)	(18,931)
Allocation to statutory reserve	-	-	-	1,344	-	-	-	-	(1,344)	-	-
Capital contribution from non-controlling interests	-	-	-	-	7,090	-	-	-	-	15,525	22,615
Deemed disposal of partial interest in a subsidiary arising from exercise of share options	-	-	-	-	(75)	-	-	(3)	-	86	8
<b>Total transactions with owners</b>	<u>(753)</u>	<u>5,042</u>	<u>97,497</u>	<u>1,344</u>	<u>7,015</u>	<u>-</u>	<u>-</u>	<u>(94,891)</u>	<u>(51,279)</u>	<u>12,173</u>	<u>(23,852)</u>
Balance at 30 June 2017	<u>499,347</u>	<u>-</u>	<u>149,155</u>	<u>142,583</u>	<u>1,510,330</u>	<u>(135,467)</u>	<u>(901)</u>	<u>56,313</u>	<u>2,834,742</u>	<u>1,735,566</u>	<u>6,791,668</u>

Attributable to owners of the Company

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Revaluation reserve <i>HK\$'000</i>	Employee share-based payment reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>Balance at 1 January 2016</b>	500,099	49,619	131,854	1,505,548	20,616	10,249	155,694	2,640,681	1,530,008	6,544,368
<b>Loss for the Period</b>	-	-	-	-	-	-	-	(36,254)	(14,271)	(50,525)
<b>Other comprehensive income</b>										
Currency translation differences	-	-	-	-	(44,734)	-	-	-	(28,520)	(73,254)
Fair value loss on available-for-sale financial assets	-	-	-	-	-	(49)	-	-	(40)	(89)
<b>Total comprehensive income for the period</b>	-	-	-	-	(44,734)	(49)	-	(36,254)	(42,831)	(123,868)
<b>Transactions with owners</b>										
Share option scheme										
- value of employee services	-	-	-	-	-	-	-	-	10,121	10,121
- recognition of shares issued on exercise of options	1	10	-	-	-	-	(2)	-	-	9
- lapse of share options	-	941	-	-	-	-	(941)	-	-	-
Dividends related to 2015	-	-	-	-	-	-	-	(50,010)	-	(50,010)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(15,046)	(15,046)
Allocation to statutory reserve	-	-	(391)	-	-	-	-	391	-	-
Deemed disposal of a subsidiary	-	-	-	-	-	-	-	-	(2,509)	(2,509)
Deemed disposal of partial interest in a subsidiary arising from exercise of share options	-	-	-	(756)	-	-	(1,428)	-	5,132	2,948
<b>Total transactions with owners</b>	1	951	(391)	(756)	-	-	(2,371)	(49,619)	(2,302)	(54,487)
<b>Balance at 30 June 2016</b>	<u>500,100</u>	<u>50,570</u>	<u>131,463</u>	<u>1,504,792</u>	<u>(24,118)</u>	<u>10,200</u>	<u>153,323</u>	<u>2,554,808</u>	<u>1,484,875</u>	<u>6,366,013</u>

*Note:* The statutory reserve of the Group refers to the People's Republic of China ("PRC") statutory reserve fund. Appropriations to such reserve fund are made out of profit after tax as recorded in the statutory financial statements of the PRC subsidiaries. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital of the PRC subsidiaries. The statutory reserve fund can be used to make up prior years' losses of the PRC subsidiaries.

The notes on pages 32 to 62 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

*For the six months ended 30 June 2017*

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	34,026	286,226
Interest received	25,544	27,493
Interest paid	(23,807)	(24,733)
Hong Kong taxation refund	–	1,662
Overseas taxation paid	(39,295)	(63,165)
	<b>(3,532)</b>	<b>227,483</b>
<b>Net cash (used in)/generated from operating activities</b>		
<b>Cash flows from investing activities</b>		
(Increase)/decrease in restricted cash	(9)	931
Decrease/(increase) in bank deposits	54,078	(92,387)
(Increase)/decrease in pledged bank deposits	(105,437)	16,524
Purchase of intangible assets	(1,256)	–
Purchase of property, plant and equipment	(50,793)	(50,117)
Purchase of programme and film rights	(5,676)	(5,871)
Proceeds from disposal of property, plant and equipment	4,241	1,570
Capital injection in an investment	–	(45,237)
Loan to a related party	(84,969)	(157,319)
Investment income from financial assets at fair value through profit or loss	498	1,663
Investment income from bank deposits and pledged bank deposits	3,015	4,629
Investments in associates	(10,196)	–
Purchase of available-for-sale financial assets and derivative financial instruments	–	(9,724)
Net cash outflows from deemed disposal of a subsidiary	–	(4,719)
	<b>(196,504)</b>	<b>(340,057)</b>
<b>Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from exercise of share options of the Company	–	9
Dividends paid to owners of the Company	(49,935)	(50,010)
Proceeds from exercise of share options of a subsidiary	8	2,025
Drawdown of secured bank borrowings	531,199	244,188
Repayment of secured bank borrowings	(562,266)	(261,021)
Repayment of loans from non-controlling shareholders of a subsidiary	–	(127,528)
Loans from non-controlling shareholders of subsidiary	5,836	134,501
Capital contribution from non-controlling shareholders of a subsidiary	22,615	–
Dividends paid to non-controlling interests	(18,931)	(15,046)
Payment for repurchase of shares of the Company	(4,542)	–
	<b>(76,016)</b>	<b>(72,882)</b>
<b>Net cash used in financing activities</b>		
Net decrease in cash and cash equivalents	(276,052)	(185,456)
Cash and cash equivalents at beginning of period	2,283,990	2,542,692
Net exchange gains/(losses) on cash and cash equivalents	656	(48,790)
	<b>2,008,594</b>	<b>2,308,446</b>
<b>Cash and cash equivalents at end of period</b>		

The notes on pages 32 to 62 form an integral part of this condensed consolidated interim financial information.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION – UNAUDITED

## 1 GENERAL INFORMATION

Phoenix Satellite Television Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) engage in satellite television broadcasting activities and provision of new media services.

The Company is a limited liability company incorporated in the Cayman Islands and domiciled in the Hong Kong Special Administrative Region of the PRC. The address of its registered office is Cricket Square, Hutchins Drive, PO 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”).

The condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the board of directors of the Company on 18 August 2017.

This condensed consolidated interim financial information has not been audited.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

### (a) Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2017 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### (b) Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements.

#### (a) *Effect of adopting new amendments to standards*

The following amendments to standards are mandatory for accounting periods beginning on or after 1 January 2017.

HKAS 7 Amendments	Disclosure Initiative
HKAS 12 Amendments	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above new standards and amendments to standards does not have any significant impact to the results and financial position of the Group.



(b) *New standards and amendments to standards that have been issued but are not effective for the financial year ending 31 December 2017 and have not been early adopted by the Group*

HKAS 28 (2011) and HKFRS 10 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(3)</sup>
HKAS 40 Amendments	Transfers of Investment Property <sup>(1)</sup>
HKFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions <sup>(1)</sup>
HKFRS 4 Amendments	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>(1)</sup>
HKFRS 9 (2014)	Financial Instruments <sup>(1)</sup>
HKFRS 15 and HKFRS 15 (Amendments)	Revenue from Contracts with Customers <sup>(1)</sup>
HKFRS 16	Leases <sup>(2)</sup>
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration <sup>(1)</sup>
Annual Improvements Project	Annual Improvements to HKFRSs 2014–2016 Cycle <sup>(1)</sup>

<sup>(1)</sup> Effective for the Group for annual period beginning on 1 January 2018

<sup>(2)</sup> Effective for the Group for annual period beginning on 1 January 2019

<sup>(3)</sup> Effective date to be determined

The Group will apply the above new standards and amendments to standards from 1 January 2018 or later periods. The Group has already commenced an assessment of the related impact to the Group but is not yet in a position to state what impact they would have on the Group's results of operations and financial position.

### 3 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

### 4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

There have been no changes in the risk management department or in any risk management policies since year end.

## 4.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

## 4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The Finance Department reviews the valuations of the financial instruments, including the convertible redeemable preferred shares which are categorised into Level 3 of the fair value hierarchy. The Finance Department holds discussion with the independent valuers on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting dates.

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2017.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
– Trading equity securities	22,178	–	–	22,178
<b>Available-for-sale financial assets</b>				
– Convertible redeemable preferred shares				
– debt component	–	–	636,090	636,090
– Equity securities	–	–	12,058	12,058
<b>Derivative financial instruments</b>				
– Convertible redeemable preferred shares				
– derivative component	–	–	720,052	720,052
– Convertible loan				
– derivative component	–	–	8,565	8,565
– Options	–	–	17,970	17,970
	<u>22,178</u>	<u>–</u>	<u>1,394,735</u>	<u>1,416,913</u>
<b>Liabilities</b>				
<b>Derivative financial instruments</b>				
– Interest rate swap contracts	–	(555)	–	(555)
	<u>–</u>	<u>(555)</u>	<u>–</u>	<u>(555)</u>

The following table presents the Group's financial assets and liability that are measured at fair value at 31 December 2016.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
– Trading equity securities	19,003	–	–	19,003
<b>Available-for-sale financial assets</b>				
– Convertible redeemable preferred shares				
– debt component	–	–	605,849	605,849
– Equity securities	–	–	11,986	11,986
<b>Derivative financial instruments</b>				
– Convertible redeemable preferred shares				
– derivative component	–	–	440,261	440,261
– Convertible loan				
– derivative component	–	–	10,860	10,860
– Options	–	–	17,812	17,812
	<u>19,003</u>	<u>–</u>	<u>1,086,768</u>	<u>1,105,771</u>
<b>Liabilities</b>				
<b>Derivative financial instruments</b>				
– Interest rate swap contracts	–	(1,802)	–	(1,802)
	<u>–</u>	<u>(1,802)</u>	<u>–</u>	<u>(1,802)</u>

During the six months ended 30 June 2017 and 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

During the six months ended 30 June 2017, there were no changes in valuation techniques and reclassifications of financial assets and liabilities (six months ended 30 June 2016: Nil).

(a) *Financial instruments in Level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. As at 30 June 2017, instruments included in Level 1 comprise shares of HSBC Holdings PLC ("HSBC"), an entity listed on the Stock Exchange, of approximately HK\$22,178,000 (as at 31 December 2016: HK\$19,003,000) (Note 17).

(b) *Financial instruments in Level 2*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(c) *Financial instruments in Level 3*

(1) Quantitative information about fair value measurements using significant unobservable inputs for major financial instruments in Level 3

Description	Fair value at 30 June 2017 HK\$'000	Valuation technique(s)	Unobservable inputs	Value of unobservable inputs	Relationship of unobservable inputs to fair value
Convertible redeemable preferred shares (comprising debt component of HK\$636,090,000 and derivative component of HK\$720,052,000)	<b>1,356,142</b>	Discounted cash flow method	Discount rate	23%	The lower the discount rate, the higher the fair value
			Lack of marketability discount ("DLOM")	25%	The lower the DLOM, the higher the fair value
			Volatility	45%	The lower the volatility, the higher the fair value
			Revenue growth rate	10%-161%	The higher the revenue growth rate, the higher the fair value
			Terminal growth rate	3%	The higher the terminal growth rate, the higher the fair value
Options	<b>17,970</b>	Various techniques (including discounted cash flow method, option-pricing method and binomial model)	Discount rate	30%	The lower the discount rate, the higher the fair value
Convertible loan – derivative component	<b>8,565</b>	Various techniques (including discounted cash flow method, option-pricing method and binomial model)	Discount rate	12.4%	The lower the discount rate, the higher the fair value

Description	Fair value at 31 December 2016 HK\$'000	Valuation technique(s)	Unobservable inputs	Value of unobservable inputs	Relationship of unobservable inputs to fair value
Convertible redeemable preferred shares (comprising debt component of HK\$605,849,000 and derivative component of HK\$440,261,000)	1,046,110	Discounted cash flow method	Discount rate	23%	The lower the discount rate, the higher the fair value
			DLOM	25%	The lower the DLOM, the higher the fair value
			Volatility	43%	The lower the volatility, the higher the fair value
			Revenue growth rate	10%-205%	The higher the revenue growth rate, the higher the fair value
			Terminal growth rate	3%	The higher the terminal growth rate, the higher the fair value
Options	17,812	Various techniques (including discounted cash flow method, option-pricing method and binomial model)	Discount rate	33%	The lower the discount rate, the higher the fair value
Convertible loan – derivative component	10,860	Various techniques (including discounted cash flow method, option-pricing method and binomial model)	Discount rate	17.1%–18.2%	The lower the discount rate, the higher the fair value

The convertible redeemable preferred shares represent investments in Series B convertible redeemable preferred shares, Series C convertible redeemable preferred shares and Series D1 convertible redeemable preferred shares as at 30 June 2017 and 31 December 2016 (see Note 28 for details).

An independent professional valuer adopted the discounted cash flow (“DCF”) method to first estimate the equity value of Particle Inc., which was then allocated to Particle Inc.’s common shares and Preferred Shares using the option-pricing and binomial models. The fair value of the Preferred Shares was further allocated to the debt component and derivative component using the DCF method.

The following table presents the changes in level 3 instruments during the six months ended 30 June 2017 and year ended 31 December 2016. The carrying value of derivative component of the Preferred Shares recognised in the condensed consolidated balance sheet is net of deferred day one gain, which arose from the difference between its fair value at initial recognition and its transaction price. The deferred day one gain is amortised over the term of the Preferred Shares.

	Equity	Convertible	Options	Preferred Shares			Total	
	Securities	loan		Debt	Derivative	Deferred		
		Derivative						component
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	Gross	day one gain	Net	HK\$'000
					HK\$'000	HK\$'000	HK\$'000	HK\$'000
Opening balance on 1 January 2017	11,986	10,860	17,812	605,849	444,615	(4,354)	440,261	1,086,768
Losses recognised in other comprehensive income	-	-	-	(31,758)	-	-	-	(31,758)
Gains/(losses) recognised in profit or loss	-	(2,302)	158	-	276,365	-	276,365	274,221
Interest income	-	-	-	59,593	-	-	-	59,593
Amortisation of deferred day one gain in profit or loss	-	-	-	-	-	1,010	1,010	1,010
Currency translation differences	72	7	-	2,406	2,416	-	2,416	4,901
Closing balance on 30 June 2017	12,058	8,565	17,970	636,090	723,396	(3,344)	720,052	1,394,735
Changes in unrealised gains/(losses) for the period included in profit or loss at the end of the period ended 30 June 2017	-	(2,302)	158	59,593	276,365	1,010	277,375	334,824
Changes in unrealised losses for the period included in other comprehensive income at the end of the period ended 30 June 2017	-	-	-	(31,758)	-	-	-	(31,758)

	Equity	Convertible	Options	Preferred Shares			Total	
	Securities	loan		Debt	Derivative	Deferred		
		Derivative	component				component	Net
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	Gross	day one gain	HK\$'000	HK\$'000
					HK\$'000	HK\$'000		
Opening balance on 1								
January 2016	1,212	-	-	390,200	223,219	(6,477)	216,742	608,154
Transfer	(1,212)	-	-	-	-	-	-	(1,212)
Additions	11,986	14,085	18,282	122,744	38,171	-	38,171	205,268
Gains recognised in other comprehensive income	-	-	-	11,650	-	-	-	11,650
Gains and losses recognised in profit or loss	-	(3,225)	(471)	-	183,152	-	183,152	179,456
Interest income	-	-	-	81,024	-	-	-	81,024
Amortisation of deferred day one gain in profit or loss	-	-	-	-	-	2,123	2,123	2,123
Currency translation differences	-	-	1	231	73	-	73	305
Closing balance on 31								
December 2016	11,986	10,860	17,812	605,849	444,615	(4,354)	440,261	1,086,768
Changes in unrealised gains/(losses) for the year included in profit or loss at the end of the year	-	(3,225)	(471)	81,024	183,152	2,123	185,275	262,603
Changes in unrealised gains for the year included in other comprehensive income at the end of the year	-	-	-	11,650	-	-	-	11,650

(2) Quantitative sensitivity analysis

A quantitative sensitivity analysis is shown below:

	Revenue growth rate 10% increase or decrease HK\$'000	Terminal growth rate 1% increase or decrease HK\$'000	Discount rate 3% increase or decrease HK\$'000	DLOM 3% increase or decrease HK\$'000	Volatility 5% increase or decrease HK\$'000
Six months ended 30 June 2017					
Convertible redeemable preferred shares	440,051/ (382,115)	64,644/ (54,955)	(283,057)/ 389,223	(57,003)/ 60,532	(99,976)/ 6,334
	Revenue growth rate 10% increase or decrease HK\$'000	Terminal growth rate 1% increase or decrease HK\$'000	Discount rate 3% increase or decrease HK\$'000	DLOM 3% increase or decrease HK\$'000	Volatility 5% increase or decrease HK\$'000
Year ended 31 December 2016					
Convertible redeemable preferred shares	272,086/ (258,250)	50,702/ (40,171)	(201,155)/ 277,349	(41,244)/ 47,149	(959)/ 81,496

No sensitivity analysis for options amounted to HK\$17,970,000 (2016: HK\$17,812,000) and derivative component of convertible loan amounted to HK\$8,565,000 at 30 June 2017 (2016: HK\$10,860,000) is presented as a reasonably possible change in key assumptions used in the sensitivity analysis would not result in any significant potential financial impact.

#### 4.4 Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, restricted cash, bank deposits, pledged bank deposits, accounts receivable, deposits and other receivables, amounts due from related companies, loans from non-controlling shareholders of subsidiaries, accounts payable, other payables and accruals, approximate their fair values due to their short maturities.

For the fair values of borrowings, please refer to Note 20(c).



## 5 SEGMENTAL INFORMATION

Operating segments have been determined based on the reports reviewed by executive directors that are used to make strategic decisions. The executive directors consider the business from a product perspective.

The Group has five main operating segments including:

- (i) Television broadcasting – broadcasting of television programmes and commercials and provision of promotion activities;
  - (a) Primary channels, including Phoenix Chinese Channel and Phoenix InfoNews Channel
  - (b) Others, including Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel, Phoenix Hong Kong Channel and others
- (ii) New media – provision of website portal and value-added telecommunication services;
- (iii) Outdoor media – provision of outdoor advertising services;
- (iv) Real estate – property development and investment (mainly Phoenix International Media Centre in Beijing); and
- (v) Other activities – programme production and ancillary services, merchandising services, magazine publication and distribution, and other related services.

Period ended 30 June 2017

	Television broadcasting								Group HK\$'000
	Primary channels HK\$'000	Others HK\$'000	Sub-total HK\$'000	New media HK\$'000	Outdoor media HK\$'000	Real estate HK\$'000	Other activities HK\$'000	Inter- segment elimination HK\$'000	
Revenue									
External sales	498,611	52,732	551,343	740,620	260,248	6,143	36,203	-	1,594,557
Inter-segment sales (Note c)	-	18,397	18,397	-	-	2,521	493	(21,411)	-
Total revenue	<u>498,611</u>	<u>71,129</u>	<u>569,740</u>	<u>740,620</u>	<u>260,248</u>	<u>8,664</u>	<u>36,696</u>	<u>(21,411)</u>	<u>1,594,557</u>
Segment results	95,351	(20,583)	74,768	324,337	(2,223)	(26,306)	(29,592)	-	340,984
Unallocated income (Note a)									24,846
Unallocated expenses (Note b)									(132,220)
Profit before share of results of joint ventures, associates, income tax and non-controlling interests									233,610
Share of profits less losses of joint ventures									(2,940)
Share of profits less losses of associates									(13,701)
Income tax expense									(12,908)
Profit for the period									204,061
Non-controlling interests									(129,841)
Profit attributable to owners of the Company									<u>74,220</u>
Depreciation	(13,270)	(8,166)	(21,436)	(22,154)	(14,399)	(18,076)	(2,001)	-	(78,066)
Unallocated depreciation									(20,959)
									<u>(99,025)</u>
Interest income	-	207	207	89,624	1,410	47	340	-	91,628
Unallocated interest income									4,730
									<u>96,358</u>
Interest expenses	-	(36)	(36)	(14,431)	-	(6,793)	-	-	(21,260)
Unallocated interest expenses									(2,547)
									<u>(23,807)</u>
Impairment of property, plant and equipment	-	-	-	-	(2,979)	-	-	-	(2,979)
Provision for impairment of accounts receivable	-	-	-	-	(1,974)	-	-	-	(1,974)
Reversal of provision for impairment of accounts receivable	-	-	-	3,214	-	-	-	-	3,214

Period ended 30 June 2016

	Television broadcasting								Group HK\$'000
	Primary channels HK\$'000	Others HK\$'000	Sub-total HK\$'000	New media HK\$'000	Outdoor media HK\$'000	Real estate HK\$'000	Other activities HK\$'000	Inter- segment elimination HK\$'000	
Revenue									
External sales	601,818	53,148	654,966	767,695	231,312	15,698	38,625	-	1,708,296
Inter-segment sales (Note c)	-	20,644	20,644	-	-	1,532	38	(22,214)	-
Total revenue	<u>601,818</u>	<u>73,792</u>	<u>675,610</u>	<u>767,695</u>	<u>231,312</u>	<u>17,230</u>	<u>38,663</u>	<u>(22,214)</u>	<u>1,708,296</u>
Segment results	164,450	(20,271)	144,179	34,423	(25,736)	(34,089)	15,731	-	134,508
Unallocated income (Note a)									17,279
Unallocated expenses (Note b)									(175,329)
Loss before share of results of joint ventures, associates, income tax and non-controlling interests									(23,542)
Share of profits less losses of joint ventures									(4,694)
Share of profits less losses of associates									(2,122)
Income tax expense									(20,167)
Loss for the period									(50,525)
Non-controlling interests									14,271
Loss attributable to owners of the Company									<u>(36,254)</u>
Depreciation	(17,040)	(11,515)	(28,555)	(25,646)	(16,924)	(16,010)	(3,888)	-	(91,023)
Unallocated depreciation									(22,305)
									<u>(113,328)</u>
Interest income	1	424	425	64,705	1,229	79	85	-	66,523
Unallocated interest income									6,205
									<u>72,728</u>
Interest expenses	-	(36)	(36)	(2,054)	-	(19,262)	-	-	(21,352)
Unallocated interest expenses									(3,380)
									<u>(24,732)</u>
Impairment of property, plant and equipment	-	-	-	(104)	(1,948)	-	-	-	(2,052)
Unallocated impairment of property, plant and equipment									(12,100)
									<u>(14,152)</u>
Provision for impairment of accounts receivable	-	-	-	(57,316)	(3,687)	-	(627)	-	(61,630)
Reversal of provision for impairment of accounts receivable	-	-	-	8,103	-	-	-	-	8,103
Reversal of provision for impairment of amounts due from joint ventures	-	-	-	1,223	-	-	-	-	1,223

Notes:

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

## 6 PROFIT/(LOSS) BEFORE INCOME TAX

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

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
<b>Crediting</b>		
Reversal of provision for impairment of accounts receivable	<b>(3,214)</b>	(8,103)
Gain on disposal of property, plant and equipment	<b>(3,516)</b>	–
<b>Charging</b>		
Production costs of self-produced programmes	<b>82,168</b>	100,105
Commission expenses	<b>172,994</b>	180,065
Bandwidth costs	<b>31,766</b>	38,790
Provision for impairment of accounts receivable	<b>1,974</b>	61,630
Employee benefit expenses (including Directors' emoluments)	<b>594,257</b>	605,288
Operating lease rental in respect of		
– Directors' quarters	<b>943</b>	946
– Land and buildings of third parties	<b>30,174</b>	36,782
– LED panels	<b>98,441</b>	96,770
Loss on disposal of property, plant and equipment	<b>3,191</b>	2,265
Amortisation of purchased programme and film rights	<b>5,965</b>	9,008
Amortisation of intangible assets	<b>952</b>	781
Amortisation of lease premium for land	<b>2,836</b>	2,913
Depreciation of property, plant and equipment	<b>99,025</b>	113,328

Other operating gain, net comprise the following items:

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>HK\$'000</b>	<b>HK\$'000</b>
Exchange losses, net	<b>(3,474)</b>	(23,142)
Investment income	<b>3,513</b>	5,127
Gain on deemed disposal of a subsidiary	–	49,344
Fair value gain/(loss) on derivative financial instruments	<b>276,478</b>	(23,261)
Fair value gain/(loss) on financial assets at fair value through profit or loss	<b>3,175</b>	(4,442)
Write back of provision for impairment of amounts due from joint ventures	–	1,223
Others, net	<b>6,084</b>	(553)
	<b>285,776</b>	4,296

## 7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2016: 16.5%) on the estimated assessable profit for the period. Taxation on PRC and overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated income statement represents:

	<b>For the six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current income tax		
– Hong Kong profits tax	<b>10,610</b>	9,164
– PRC and overseas taxation	<b>11,833</b>	17,273
Deferred income tax	<b>(9,535)</b>	(6,270)
	<b>12,908</b>	20,167

## 8 DIVIDENDS

A dividend of HK\$49,935,000 that relates to the period to 31 December 2016 was paid in June 2017 (six months ended 30 June 2016: HK\$50,010,000).

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

## 9 EARNINGS/(LOSS) PER SHARE

### Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Profit/(loss) attributable to owners of the Company (HK\$'000)	<u>74,220</u>	<u>(36,254)</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,996,948</u>	<u>5,000,996</u>
Basic earnings/(loss) per share (Hong Kong cents)	<u>1.49</u>	<u>(0.72)</u>

### Diluted

Diluted earnings/(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 (six months ended 30 June 2016: share options of the Company and a subsidiary).

A calculation is done to determine the number of the Company's shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options of the Company. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. Where the number of shares so calculated is smaller than the number of shares that would have been issued assuming the exercise of all the outstanding share options, the difference represents potential dilutive shares and is added to the weighted average number of ordinary shares in issue to arrive at the weighted average number of ordinary shares for diluted earnings/(loss) per share. The impact of the dilutive instruments of the subsidiary is not material to the Groups diluted earnings/(loss) per share.

	For the six months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Profit/(loss) attributable to owners of the Company used to determine diluted earnings/(loss) per share (HK\$'000)	<u>74,220</u>	<u>(36,254)</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,996,948</u>	<u>5,000,996</u>
Adjustment for share options of the Company ('000)	<u>25</u>	<u>663</u>
Weighted average number of ordinary shares for diluted earnings/(loss) per share ('000)	<u>4,996,973</u>	<u>5,001,659</u>
Diluted earnings/(loss) per share (Hong Kong cents)	<u>1.49</u>	<u>(0.72)</u>

## 10 PURCHASED PROGRAMME AND FILM RIGHTS, NET

	<b>For the six months ended 30 June 2017 HK\$'000</b>	For the year ended 31 December 2016 HK\$'000 (Audited)
Balance, beginning of period/year	15,117	15,845
Additions	5,676	16,915
Amortisation	(5,965)	(16,358)
Others	(730)	(1,285)
	<hr/>	<hr/>
Balance, end of period/year	14,098	15,117
Less: Purchased programme and film rights – current portion	(40)	(231)
	<hr/>	<hr/>
	<b>14,058</b>	<b>14,886</b>
	<hr/>	<hr/>

## 11 LEASE PREMIUM FOR LAND

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

	<b>For the six months ended 30 June 2017 HK\$'000</b>	For the year ended 31 December 2016 HK\$'000 (Audited)
Balance, beginning of period/year	210,179	223,338
Amortisation	(2,836)	(5,786)
Currency translation differences	157	(7,373)
	<hr/>	<hr/>
Balance, end of period/year	207,500	210,179
	<hr/>	<hr/>

- (a) Included in the net book value as of 30 June 2017 is an amount of HK\$100,744,000 (as at 31 December 2016: HK\$102,051,000) which represents land use rights held by the Group for a piece of land situated in Beijing for development of the Phoenix International Media Centre.
- (b) Included in the net book value as of 30 June 2017 is an amount of HK\$13,733,000 (as at 31 December 2016: HK\$13,935,000) which was paid by the Group pursuant to notification from the Shenzhen Municipal Bureau of Land Resources and Housing Management (“Shenzhen Land Bureau”) to the Shenzhen Land Bureau to obtain a title certificate in the name of Phoenix Satellite Television Company Limited (the “Phoenix Subsidiary”), a wholly-owned subsidiary of the Group, for the Group's upper ground space entitlement of approximately 8,500 square metres in China Phoenix Building in Shenzhen (“Shenzhen Building”). As of 30 June 2017, the Group was still awaiting the issuance of the title certificate to the Phoenix Subsidiary by the Shenzhen Municipal Government. The Directors are of the opinion that the title certificate of the Shenzhen Building will be issued in the near future.

## 12 PROPERTY, PLANT AND EQUIPMENT, NET

	<b>For the six months ended 30 June 2017 HK\$'000</b>	For the year ended 31 December 2016 HK\$'000 (Audited)
Balance, beginning of period/year	<b>1,160,842</b>	1,340,438
Additions	<b>50,793</b>	117,219
Currency translation differences	<b>7,928</b>	(53,912)
Disposals	<b>(3,916)</b>	(2,978)
Depreciation	<b>(99,025)</b>	(220,114)
Impairment	<b>(2,979)</b>	(19,811)
	<hr/>	<hr/>
Balance, end of period/year ( <i>Note a</i> )	<b><u>1,113,643</u></b>	<b><u>1,160,842</u></b>

- (a) Included in the net book value as of 30 June 2017 is an amount of HK\$23,734,000 (as at 31 December 2016: HK\$24,084,000) which relates to the Group's entitlement to use 10,000 square metres in the Shenzhen Building. As at 30 June 2017, the cost was HK\$30,848,000 (as at 31 December 2016: HK\$30,848,000) with a net book value of HK\$23,734,000 (as at 31 December 2016: HK\$24,084,000). As at 30 June 2017, the Group was still in the process of obtaining the title certificate to the 8,500 square metres of the entitled areas through the payment of land premium and taxes (see Note 11(b)).
- (b) As of 30 June 2017, the Group was still in the process of renewing and obtaining certain licences of LED panels. The Directors are of the opinion that the licences will be obtained in the near future and the risk of non-compliance with laws and regulations is remote.

## 13 INVESTMENT PROPERTIES

	<b>For the six months ended 30 June 2017 HK\$'000</b>	For the year ended 31 December 2016 HK\$'000 (Audited)
Balance, beginning of period/year	<b>1,464,088</b>	1,547,854
Fair value gain	<b>7,049</b>	21,127
Currency translation differences	<b>2,832</b>	(104,893)
	<hr/>	<hr/>
Balance, end of period/year	<b><u>1,473,969</u></b>	<b><u>1,464,088</u></b>

### (a) Fair value measurement of investment properties

The Group applied the fair value model for the accounting of its investment properties and has fair valued the portion of the investment property of the Phoenix International Media Centre and the investment property in London. The portion of the investment property of the Phoenix International Media Centre and the investment property in United Kingdom ("UK") were valued by Vigers Appraisal and Consulting Limited and Lambert Smith Hampton respectively, which are independent appraisers. Fair value gain of approximately HK\$7,049,000 (six months ended 30 June 2016: HK\$7,072,000) was recognised in the condensed consolidated income statement for the six months ended 30 June 2017.



(i) *Fair value hierarchy*

<b>Description</b>	<b>Fair value measurements at 30 June 2017 using significant unobservable inputs (Level 3) HK\$'000</b>	<b>Fair value measurements at 31 December 2016 using significant unobservable inputs (Level 3) HK\$'000</b>
Recurring fair value measurements		
Investment properties		
– Phoenix International Media Centre		
– The PRC	<b>1,461,441</b>	1,452,332
– Commercial – UK	<b>12,528</b>	11,756

(ii) *Valuation techniques*

For the investment property in UK with a carrying amount of HK\$12,528,000 (as at 31 December 2016: HK\$11,756,000), the valuation of the investment property held directly by the Group is made on the basis of the “Market Value” adopted by The Royal Institution of Chartered Surveyors (“RICS”). It is performed in accordance with the RICS Valuation Standards on Properties published by RICS. The valuation is reviewed at least once every six months using income capitalisation approach by a qualified valuer. Income capitalisation approach is based upon estimates of future results and a set of assumptions specific to the property to reflect its tenancy and cash flow profile. The fair value of the investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions including open market rents, appropriate capitalisation rate and reversionary income potential.

In addition, for the investment property in the PRC, which represents gross floor area of Phoenix International Media Centre held for rental income, has a carrying value of HK\$1,461,441,000 (as at 31 December 2016: HK\$1,452,332,000). The fair value of this investment property is determined using the information from the valuation performed by external professional valuer using the direct comparison method. However, given the heterogeneous nature of this property, appropriate adjustments are made to allow for any qualitative differences that may affect the price likely to be achieved.

There were no changes in valuation techniques during the six months ended 30 June 2017 (six months ended 30 June 2016: None).

(iii) Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value 30 June 2017 (HK\$'000)	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Phoenix International Media Centre – The PRC	1,461,441	Direct comparison	Adjusted average price of HK\$33,458 per square metre	The higher the adjusted average price per square metre, the higher the fair value
Commercial – UK	12,528	Income capitalisation approach	Estimated rental value of HK\$3,662 per annum per square metre	The higher the rental value, the higher the fair value
			Reversionary yield of 7%	The higher the reversionary yield, the lower the fair value
Description	Fair value 31 December 2016 (HK\$'000)	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Phoenix International Media Centre – The PRC	1,452,332	Direct comparison	Adjusted average price of HK\$33,250 per square metre	The higher the adjusted average price per square metre, the higher the fair value
Commercial – UK	11,756	Income capitalisation approach	Estimated rental value of HK\$3,505 per annum per square metre	The higher the rental value, the higher the fair value
			Reversionary yield of 7.25%	The higher the reversionary yield, the lower the fair value

(b) Deferred tax

The Group's investment properties in the PRC are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties through use. The Group has measured the deferred tax relating to the temporary differences of these investment properties using the tax rate and the tax bases that are consistent with the expected manner of recovery of these investment properties.

## 14 INTANGIBLE ASSETS

	<b>For the six months ended 30 June 2017 HK\$'000</b>	For the year ended 31 December 2016 HK\$'000 (Audited)
Balance, beginning of period/year	25,872	16,507
Additions	1,256	11,691
Disposal	–	(640)
Amortisation	(952)	(1,663)
Currency translation differences	(292)	(23)
	<u>25,884</u>	<u>25,872</u>

- (a) As at 30 June 2017, goodwill arising from the acquisition of a subsidiary amounted to HK\$8,733,000 (as at 31 December 2016: HK\$8,733,000). There was no impairment charge recognised during the six months ended 30 June 2017 (2016: Nil).
- (b) Certain of the Group's new media subsidiaries are in the process of applying for certain licenses for the operation of their businesses, including internet audio-visual program transmission license and internet news license.

## 15 ACCOUNTS RECEIVABLE, NET

	<b>As at 30 June 2017 HK\$'000</b>	As at 31 December 2016 HK\$'000 (Audited)
Accounts receivable	832,560	857,487
Less: Provision for impairment	(134,859)	(135,921)
	<u>697,701</u>	<u>721,566</u>

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 (Note 16). The Group generally requires customers to pay in advance. Customers of other business segments are given credit terms of 30 to 180 days.

As at 30 June 2017, the ageing analysis of accounts receivable is as follows:

	<b>As at 30 June 2017 HK\$'000</b>	As at 31 December 2016 HK\$'000 (Audited)
0-30 days	<b>240,546</b>	263,339
31-60 days	<b>129,062</b>	162,671
61-90 days	<b>95,129</b>	108,982
91-120 days	<b>70,578</b>	67,873
Over 120 days	<b>297,245</b>	254,622
	<b>832,560</b>	857,487
Less: Provision for impairment of receivables	<b>(134,859)</b>	(135,921)
	<b>697,701</b>	721,566

There is no concentration of credit risk with respect to accounts receivable because the Group has a large number of customers.

The Group has recognised a loss of HK\$1,974,000 (six months ended 30 June 2016: HK\$61,630,000) for the impairment of its accounts receivable during the six months ended 30 June 2017. The loss has been included in selling, general and administrative expenses in the condensed consolidated income statement. The Group has no written off (six months ended 30 June 2016: HK\$2,816,000) of accounts receivable against the provision for impairment of receivables and the Group has made reversal of provision of HK\$3,214,000 (six months ended 30 June 2016: HK\$8,103,000) for impairment of receivables made in prior years during the six months ended 30 June 2017 respectively.

## 16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in other receivables is an amount of approximately HK\$388,526,000 (as at 31 December 2016: HK\$248,356,000) owing from an advertising agent, Shenzhou Television Company Limited (“Shenzhou”), in the PRC. The amount represents advertising revenue collected, net of expenses incurred by Shenzhou on behalf of the Group. The balance is unsecured and bears interest at prevailing bank interest rates.

Pursuant to a service agreement signed between Shenzhou and the Group dated 5 June 2015, Shenzhou agreed to deposit the advertising revenue it had collected prior to the execution of that agreement and to be collected in the future in one or more than one specific trust bank accounts in the PRC, which together with any interest generated from such bank account(s) (based on prevailing commercial interest rates) would be held in trust on behalf of the Group and handled according to the Group’s instructions. No additional interest will be charged by the Group on the balance.

The Trust Law in the PRC enacted in recent years has not laid out specific detailed implementation rules applicable to trust arrangements such as that of the Group with Shenzhou, therefore the extent of the enforceability of the arrangement is still unclear. Although the management recognises that the present arrangement is the only legally viable arrangement, the management will continue to monitor and explore alternatives to improve the situation.

The management of the Group is of the opinion that the amount owing from Shenzhou of approximately HK\$388,526,000 as at 30 June 2017 (as at 31 December 2016: HK\$248,356,000) is fully recoverable and no provision is required. The balance is repayable on demand and not pledged.

## 17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2017 <i>HK\$'000</i>	As at 31 December 2016 <i>HK\$'000</i> (Audited)
Trading equity securities	<u>22,178</u>	<u>19,003</u>

As at 30 June 2017, the financial assets at fair value through profit and loss represent the shares of HSBC of HK\$22,178,000 (as at 31 December 2016: HK\$19,003,000) that are held for trading.

Changes in fair values of financial assets at fair value through profit or loss are recognised in “Other operating gains, net” in the condensed consolidated income statement (Note 6).

## 18 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 June 2017 <i>HK\$'000</i>	As at 31 December 2016 <i>HK\$'000</i> (Audited)
Balance, beginning of period/year	617,835	391,412
Additions	–	134,730
Transfer	–	(1,212)
Fair value (loss)/gain	(31,758)	11,650
Interest income	59,593	81,024
Currency translation differences	<u>2,478</u>	<u>231</u>
Balance, end of period/year	<u>648,148</u>	<u>617,835</u>

Available-for-sale financial assets include the following:

	As at 30 June 2017 <i>HK\$'000</i>	As at 31 December 2016 <i>HK\$'000</i> (Audited)
Unlisted securities:		
– Preferred Shares – debt component	636,090	605,849
– Equity securities	<u>12,058</u>	<u>11,986</u>
	<u>648,148</u>	<u>617,835</u>

## 19 BANKING FACILITIES

As at 30 June 2017, the Group has undrawn banking facilities of HK\$441,279,000 (as at 31 December 2016: HK\$325,610,000).

## 20 BORROWINGS

	As at 30 June 2017 HK\$'000	As at 31 December 2016 HK\$'000 (Audited)
Secured bank borrowings ( <i>Note a</i> )	952,255	981,759
Loans from non-controlling shareholders of subsidiaries ( <i>Note b</i> )	291,995	285,704
	<u>1,244,250</u>	<u>1,267,463</u>

### (a) Secured bank borrowings

	As at 30 June 2017 HK\$'000	As at 31 December 2016 HK\$'000 (Audited)
<b>Non-current</b>		
Long-term secured bank borrowings	346,242	349,464
<b>Current</b>		
Current portion of long-term secured bank borrowings	<u>606,013</u>	<u>632,295</u>
Total secured bank borrowings	<u>952,255</u>	<u>981,759</u>

	As at 30 June 2017 HK\$'000	As at 31 December 2016 HK\$'000 (Audited)
The secured bank borrowings are repayable as follows:		
– Within one year	606,013	632,295
– More than one year but not exceeding two years	225,316	206,089
– More than two years but not exceeding five years	118,955	141,388
– More than five years	<u>1,971</u>	<u>1,987</u>
	<u>952,255</u>	<u>981,759</u>

Bank borrowings of HK\$198,257,000 (as at 31 December 2016: HK\$209,254,000) are secured by the land in Chaoyang Park with carrying values of approximately HK\$101,000,000 (as at 31 December 2016: HK\$102,000,000), HK\$411,000,000 (as at 31 December 2016: HK\$425,000,000) and HK\$1,461,000,000 (as at 31 December 2016: HK\$1,452,000,000) recorded in lease premium for land, property, plant and equipment and investment properties respectively as at 30 June 2017. These bank borrowings are denominated in RMB and bear interest at an average interest rate of 6.48% (as at 31 December 2016: 6.48%) annually.

A bank borrowing of HK\$1,972,000 (as at 31 December 2016: HK\$1,988,000) is secured by a property in the United States with carrying value of approximately HK\$2,765,000 (as at 31 December 2016: HK\$2,774,000) recorded in property, plant and equipment as at 30 June 2017. The bank borrowing is denominated in US dollar (“US\$”) and bears interest at an average interest rate of 3.59% annually (as at 31 December 2016: 3.59%) annually.

Bank borrowings of HK\$752,026,000 (as at 31 December 2016: HK\$770,517,000) are secured by bank deposits of HK\$912,599,000 (as at 31 December 2016: HK\$807,162,000) as at 30 June 2017 (Note 23).

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

	<b>As at 30 June 2017 HK\$'000</b>	As at 31 December 2016 HK\$'000 (Audited)
<b>Non-current</b>		
Long-term loans from non-controlling shareholders of subsidiaries	<b>272,690</b>	266,430
<b>Current</b>		
Short-term loans from non-controlling shareholders of a subsidiary	<b>19,305</b>	19,274
Total loans from non-controlling shareholders of subsidiaries	<b>291,995</b>	285,704
	<b>As at 30 June 2017 HK\$'000</b>	As at 31 December 2016 HK\$'000 (Audited)
The loans from non-controlling shareholders of subsidiaries are repayable as follows:		
– Within one year	<b>19,305</b>	19,274
– More than two year but not exceeding two years	<b>90,066</b>	89,922
– More than two years but not exceeding five years	<b>164,498</b>	158,410
– More than five years	<b>18,126</b>	18,098
	<b>291,995</b>	285,704

The loans from non-controlling shareholders of subsidiaries are denominated in RMB, unsecured and interest-free (as at 31 December 2016: same).

(c) The carrying amounts and fair values of the borrowings are as follows:

	Group		Fair value	
	As at 30 June 2017 <i>HK\$'000</i>	As at 31 December 2016 <i>HK\$'000</i> (Audited)	As at 30 June 2017 <i>HK\$'000</i>	As at 31 December 2016 <i>HK\$'000</i> (Audited)
Secured bank borrowings	952,255	981,759	952,255	981,759
Loans from non-controlling shareholders of subsidiaries	291,995	285,704	251,225	239,481
	<b>1,244,250</b>	<b>1,267,463</b>	<b>1,203,480</b>	<b>1,221,240</b>

The fair values of floating rate borrowings approximate their carrying amounts. The fair values of fixed rate borrowings are based on cash flows discounted using a rate based on the borrowing rate of 6.48% (as at 31 December 2016: 6.48%) and are within level 2 of the fair value hierarchy.

## 21 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2017 <i>HK\$'000</i>	As at 31 December 2016 <i>HK\$'000</i> (Audited)
Accounts payable	309,253	354,187
Other payables and accruals	654,816	702,912
	<b>964,069</b>	<b>1,057,099</b>
Less: Non-financial liabilities	(10,634)	(14,355)
	<b>953,435</b>	<b>1,042,744</b>

As at 30 June 2017, the ageing analysis of accounts payable is set out below:

	As at 30 June 2017 <i>HK\$'000</i>	As at 31 December 2016 <i>HK\$'000</i> (Audited)
0-30 days	78,462	216,751
31-60 days	26,304	12,838
61-90 days	26,049	7,072
91-120 days	27,214	15,333
Over 120 days	151,224	102,193
	<b>309,253</b>	<b>354,187</b>



## 22 SHARE CAPITAL

	Six months ended 30 June 2017		Year ended 31 December 2016	
	Number of Shares	Amount HK\$'000	Number of Shares	Amount HK\$'000
<b>Authorised:</b>				
Ordinary share of HK\$0.1 each	<u>10,000,000,000</u>	<u>1,000,000</u>	<u>10,000,000,000</u>	<u>1,000,000</u>
<b>Issued and fully paid:</b>				
At 1 January	5,000,999,500	500,100	5,000,993,500	500,099
Exercise of share options	–	–	6,000	1
Cancellation of repurchased shares	<u>(7,530,000)</u>	<u>(753)</u>	<u>–</u>	<u>–</u>
End of period/year	<u>4,993,469,500</u>	<u>499,347</u>	<u>5,000,999,500</u>	<u>500,100</u>

## 23 PLEDGED BANK DEPOSITS

As at 30 June 2017, two bank deposits of approximately HK\$385,000,000 (as at 31 December 2016: HK\$406,072,000) bearing fixed interest rates ranging from 1.52% to 1.80% (as at 31 December 2016: 1.45% to 1.52%) per annum, are pledged to a bank to secure two bank borrowings of approximately HK\$346,500,000 (as at 31 December 2016: HK\$364,902,000) (Note 20(a)). The bank borrowings bear interests at HIBOR plus 0.45% per annum respectively (as at 31 December 2016: ranging from LIBOR plus 0.40% per annum and HIBOR plus 0.45% per annum). The Group has entered into two interest rate swap contracts with the same bank, with notional principals of the same amount of the borrowings, to swap its floating rate obligations under the borrowings for fixed rate obligation ranging from 1.39% to 1.40% per annum (as at 31 December 2016: 1.39% to 1.40% per annum). The maturity dates of the borrowings are the same as the interest rate swap contracts. The Group did not elect to apply hedge accounting for the interest rate swap contracts. As at 30 June 2017, the fair values of the outstanding interest rate swap contracts of HK\$233,000 and HK\$322,000 (as at December 2016: HK\$1,582,000 and HK\$220,000) have been recorded as derivative financial instruments under non-current liabilities and current liabilities respectively in the consolidated balances sheet (Note 24).

As at 30 June 2017, RMB denominated short-term bank deposits of approximately HK\$527,599,000 (as at 31 December 2016: HK\$401,090,000) bearing fixed interest rates ranging from 1.76% to 2.10% per annum (as at 31 December 2016: 1.76% to 2.18% per annum), is pledged to bank to secure a RMB denominated long term bank borrowing of approximately HK\$405,526,000 (as at 31 December 2016: HK\$405,615,000) (Note 20(a)). The bank borrowing bears interest at LIBOR plus 1%.

The fair values of pledged bank deposits approximate their carrying amounts.

## 24 DERIVATIVE FINANCIAL INSTRUMENTS

	Assets		Liabilities	
	As at 30 June 2017 HK\$'000	As at 31 December 2016 HK\$'000 (Audited)	As at 30 June 2017 HK\$'000	As at 31 December 2016 HK\$'000 (Audited)
Preferred Shares – derivative component	720,052	440,261	–	–
Convertible loan – derivative component	8,565	10,860	–	–
Options	17,970	17,812	–	–
Interest rate swap contracts ( <i>Note 23</i> )	–	–	(555)	(1,802)
<b>Total</b>	<b>746,587</b>	<b>468,933</b>	<b>(555)</b>	<b>(1,802)</b>
Less: non-current portion				
– Preferred shares – derivative component	(720,052)	(440,261)	–	–
– Interest rate swap contract	–	–	322	220
– Options	(17,970)	(17,812)	–	–
Current portion				
– Interest rate swap contract	–	–	(233)	(1,582)
Convertible loan – derivative component	8,565	10,860	–	–
	<b>8,565</b>	<b>10,860</b>	<b>(233)</b>	<b>(1,582)</b>
Balance, beginning of period/year	468,933	216,742	(1,802)	(3,228)
Additions	–	70,538	–	–
Fair value gain	275,231	181,579	1,247	1,426
Currency translation differences	2,423	74	–	–
Balance, end of year	<b>746,587</b>	<b>468,933</b>	<b>(555)</b>	<b>(1,802)</b>

## 25 TRANSACTION WITH NON-CONTROLLING INTERESTS

During the six months ended 30 June 2017, as a result of the exercise of share options by the option holders, the Group's equity interest in PNM was decreased by 0.003%. The Group recognised a deemed net loss of approximately HK\$75,000 in the equity attributable to owners of the Company and an increase in non-controlling interests of HK\$86,000.

During the six months ended 30 June 2016, as a result of the exercise of share options by the option holders, the Group's equity interest in PNM was decreased from 55.61% to 55.51%. The Group recognised a deemed net loss of approximately HK\$756,000 in the equity attributable to owners of the Company and an increase in non-controlling interests of HK\$5,132,000.

## 26 COMMITMENTS

As at 30 June 2017, the Group had capital commitments as follows:

	<b>As at 30 June 2017 HK\$'000</b>	As at 31 December 2016 HK\$'000 (Audited)
Contracted but not provided for	<b>6,685</b>	5,626

## 27 RELATED PARTY TRANSACTIONS

- (i) The Group had the following significant transactions with the related parties as defined in HKAS 24 – Related Party Disclosures:

		<b>For the six months ended 30 June</b>	
	<i>Note</i>	<b>2017 HK\$'000</b>	2016 HK\$'000
Service charges received/receivable from China Mobile Communications Corporation and its subsidiaries (“the CMCC Group”)	a, b	<b>57,255</b>	51,563
Service charges paid/payable to the CMCC Group	a, c	<b>23,718</b>	12,942
Advertising sales to the CMCC Group	a, d	<b>15,262</b>	15,584
License fee received/receivable from 北京鳳凰理理它信息技術有限公司 (Beijing Phoenix Li Li Ta Information Technology Co. Ltd.) (“LLT”)	e, f	<b>90</b>	103
Advertising sales to LLT	e, g	<b>6,736</b>	33,764
Key management compensation	iii	<b>15,151</b>	15,245

*Notes:*

- (a) The CMCC Group, through a wholly-owned subsidiary of China Mobile (Hong Kong) Group Limited, owns approximately 19.69% of the issued share capital of the Company.
- (b) Service charges received/receivable from CMCC Group related to wireless income which are charged based on terms specified in the agreements.
- (c) Service charges paid/payable to CMCC Group related to video cost which are charged based on terms specified in the agreements.
- (d) Advertising sales to the CMCC Group are related to airtime advertising and programme sponsoring on channels and airtime advertising on giant sized light-emitting diode panels operated by the Group based on terms specified in the agreements.
- (e) The controlling shareholder of LLT is a close family member of the Chairman of the Board and the Chief Executive Officer of the Company.

- (f) The license fee received/receivable from LLT related to grant of license of domain name to LLT is charged based on terms specified in the agreement.
- (g) Advertising sales to LLT are related to airtime advertising and programme sponsoring on channels and internet advertising sales based on terms specified in the agreements.
- (ii) Period/year end balances arising from related parties transactions as disclosed in Note 27(i) above were as follows:

	<b>As at 30 June 2017 HK\$'000</b>	As at 31 December 2016 HK\$'000 (Audited)
Amounts due from related companies	<b>383,791</b>	261,774

The outstanding balances with related companies are aged less than one year and are unsecured, non-interest bearing and repayable on demand, except for an amount of HK\$251,193,000 (as at 31 December 2016: HK\$168,427,000) due from Particle Inc. (see Note 28) which is unsecured, interest bearing at rates ranging from 4.35% to 9.00% per annum and repayable within one year and trade receivables from related parties which are repayable in accordance with credit terms. As at 30 June 2017, the ageing analysis of the amounts due from related companies is as follows:

	<b>As at 30 June 2017 HK\$'000</b>	As at 31 December 2016 HK\$'000 (Audited)
Amounts due from related companies		
0–90 days	<b>55,513</b>	102,250
91–120 days	<b>29,216</b>	12,818
over 120 days	<b>299,062</b>	146,706
	<b>383,791</b>	261,774

- (iii) Key management compensation

	<b>For the six months ended 30 June</b>	
	<b>2017 HK\$'000</b>	2016 HK\$'000
Salaries	<b>10,478</b>	10,572
Quarters and housing allowance	<b>3,808</b>	3,808
Pension fund	<b>865</b>	865
	<b>15,151</b>	15,245

## 28 INVESTMENTS IN AND LOAN TO PARTICLE INC.

In 2014, Phoenix New Media Limited (“PNM”) invested in a number of Series B Preferred Shares of Particle Inc.. In 2015, PNM further invested approximately HK\$496,989,000 in Series C Preferred Shares of Particle Inc..

On 28 January 2016, the board of directors of PNM have authorised to provide short-term unsecured loans to Particle Inc. in an aggregate principal amount of up to US\$20 million (approximately HK\$155,138,000) (the “Loans”) at an interest rate of 4.35% per annum with a term of twelve months and convertible options of which PNM may, at its option, convert all or a portion of the Loans together with any unpaid interest into Series D1 Preferred Shares (“Conversion Options”, such derivative components were accounted for as “derivative financial instruments”) at any time prior to 31 December 2016, subject to the completion of issuance of Series D Preferred Shares by Particle Inc.. Particle Inc. has drawn down all of the US\$20 million loans in April 2016.

On 30 December 2016, PNM exercised the Conversion Options to convert the Loans totalling US\$20 million into 23.6 million of Series D1 Preferred Shares. Similar to Series B and C, the investment in D1 Preferred Shares have similar features and were separated into the debt component of HK\$122,744,000 which were classified as “available-for-sale financial assets” (“AFS”) and “derivative financial instruments” (“DFI”) of HK\$38,171,000 (for the Conversion Option). The investments in AFS and DFI were subsequently measured at fair value at each reporting period based on an external valuation report. Under HKAS 39, changes in fair value of the DFI are recognised in the consolidated income statement whereas all changes in fair value of AFS are recognised directly in other comprehensive income except for the interest portion of the AFS calculated using the effective interest method which is recognised in the consolidated income statement.

On 11 August 2016, PNM provided a short-term unsecured loan to Particle Inc. of US\$14.8 million (approximately HK\$114,802,000) (the “Convertible Loan”) at an interest rate of 4.35% per annum with a term of six months and Conversion Options exercisable at any time on or before the maturity date of the Convertible Loan. The Convertible Loan represents compound financial instruments, which comprise (i) “loans and receivable” of HK\$109,372,000 classified as “amounts due from related companies” and (ii) DFI of HK\$5,430,000. The “loans and receivable” were carried at amortised cost and the DFI was subsequently measured at fair value at each reporting period. In January 2017, the term of the Convertible Loan was extended to twelve months to August 2017.

On 2 November 2016, PNM provided another short-term unsecured loan to Particle Inc. of RMB46.0 million (approximately HK\$52,031,000) at an interest rate of 9.00% per annum with a term of six months. In January 2017, the term of the loan was extended to twelve months to November 2017.

On 20 January 2017, PNM also provided a short-term unsecured loan to Particle Inc. of RMB74.0 million (approximately HK\$83,835,000) at an interest rate of 9.00% per annum with a term of twelve months.

During the period ended 30 June 2017, the Group recognised interest income of HK\$8,002,000 from the loans to Particle Inc..

## 29 SUBSEQUENT EVENTS

On 28 July 2017, the term of the Convertible Loan was extended to eighteen months to February 2018.

By Order of the Board  
**Phoenix Satellite Television Holdings Limited**  
**LIU Changle**  
*Chairman*

Hong Kong, 18 August 2017

*As at the date of this announcement, the board of directors of the Company comprises:*

***Executive Directors***

*Mr. LIU Changle (Chairman) (also an alternate director of Mr. CHUI Keung), Mr. CHUI Keung (also an alternate director to Mr. LIU Changle) and Mr. WANG Ji Yan (also an alternate director of Mr. LIU Changle and Mr. CHUI Keung)*

***Non-executive Directors***

*Mr. SHA Yuejia, Mr. XIA Bing, Mr. GONG Jianzhong and Mr. SUN Yanjun*

***Independent Non-executive Directors***

*Mr. LEUNG Hok Lim, Mr. Thaddeus Thomas BECZAK, Mr. FANG Fenglei and Mr. HE Di*

***Alternate Director***

*Mr. LAU Wai Kei, Ricky (alternate director to Mr. SUN Yanjun)*