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鳳凰衛視

PHOENIX MEDIA INVESTMENT (HOLDINGS) LIMITED

鳳凰衛視投資(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02008)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Board**" or "**Directors**" and each of them a "**Director**") of Phoenix Media Investment (Holdings) Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**" or "**Phoenix**") are pleased to announce the consolidated results of the Group for the year ended 31 December 2020.

FINANCIAL SUMMARY

- Revenue for the year ended 31 December 2020 was approximately HK$3,029,046,000, which represented a decrease of 17.9% over the previous year as a result of the adverse impact of COVID-19 outbreak on the global economy and market condition.

- As a result of strict and effective cost control measures at all business units in response to the effect of the COVID-19 pandemic, the operating loss of the Group decreased to approximately HK$502,151,000 for the year ended 31 December 2020, representing a notable decrease of 31% over previous year. Benefited from the seasonal fluctuation and the relaxation of COVID-19 restrictions in the mainland China, the operating loss for the second half of 2020 was approximately HK$64,069,000, in comparison with HK$438,082,000 for the first half of 2020.

- Fair value loss on internet media investment for the year was approximately HK$1,074,851,000, in comparison with a gain on internet media investment of HK$1,567,715,000 for the previous year.

- The loss attributable to owners of the Company was approximately HK$1,037,043,000 which included share of fair value loss of the Group's internet media investment of approximately HK$585,686,000, in comparison with a profit of HK$122,665,000 for the previous year which included share of fair value gain of approximately HK$733,584,000. The aforementioned fair value loss or gain was a non-cash item and had no impact on the Group's cash flow, operations or liquidity position. Final disposal of the Group's internet media investment was completed in October 2020. Overall, with a total consideration of US$350,000,000 compared to an aggregate investment cost of approximately US$97,000,000, this successful internet media strategic investment had brought in a considerable investment return and the Group had benefited tremendously from the final disposal of this investment in terms of its cashflow situation.

BUSINESS OVERVIEW AND PROSPECTS

Despite the unprecedented challenges and turmoil in the global economy brought by the COVID-19 pandemic in 2020, Phoenix continued to leverage its brand influence and professionalism to actively build an internationally leading high-tech omni-media group focused on content production and driven by cross-sector integration. During the year, the Group continued to deepen its business transformation and industry trends innovation by taking multiple measures to cope with the impact of the pandemic, and achieved a substantial improvement in its operating performance against the trend. Mr. LIU Changle ("**Mr. LIU**"), the chairman of the Board (the "**Chairman**"), emphasises that the international influence and credibility of Phoenix must be maintained and strategic innovations should be continuously pushed forward.

Phoenix continues to uphold its international characteristics and influence. Based in Hong Kong and serving Chinese all over the world with nearly 60 correspondent stations worldwide, Phoenix delivers first-hand quality news to the Chinese audience globally with global vision, professionalism and passion, adhering to the reporting philosophy of "Chinese perspective", "patriotic sentiment", "live-broadcasting as a priority" and "exclusivity and uniqueness". In 2020, Phoenix tracked and reported the global COVID-19 pandemic. Our accredited reporters were dispatched to Wuhan to report on its battle against the pandemic. Our global production team has produced a number of special programmes focusing on combating the pandemic, which include *Combating COVID-19* (《抗擊新冠肺炎》), *Under the Same Roof* (《風月同天》), *We are in the Same Boat* (《寰宇同舟》), *Letters from Wuhan* (《武漢來信》) and *Letters from Compatriots* (《同胞來信》). Phoenix's reporters also focused on the U.S. presidential election, the anti-racism campaign in the U.S., the change of prime minister in Japan, the Taiwan presidential election, the flood situation in the Yangtze River basin, the China International Import Expo in Shanghai, etc. They conducted exclusive interviews with a number of important news figures and international dignitaries, including Zhong Nanshan (a Chinese anti-pandemic expert), Terry Branstad (the then U.S. Ambassador to China), Hideo Tarumi (the new Japanese Ambassador to China), Jacinda Ardern (the Prime Minister of New Zealand), Mahmoud Ahmadinejad (the former President of Iran) and Javad Zarif (the Minister of Foreign Affairs of Iran), which won praises from Chinese audiences all over the world.

Phoenix's brand value and leading position in the industry continued to grow. In 2020, Phoenix was once again rated as one of The World's Top 500 Largest Media Companies and The Most Valuable 500 Chinese Brands, and ranked among the top 4 most influential television media brands in Asia. Phoenix's programmes and promotional trailers have always been enjoying good reputation among Chinese media. With international and high quality programme production standard, Phoenix was crowned with numerous awards at the New York Festivals TV & Films Awards 2020, including the bronze prize in the Craft: Promotion/ Open & ID for *Hovering over Macau.* The documentary *C'est La Vie: COVID-19 Epidemic Special* was awarded the Asian Academy Creative Awards 2020, demonstrating Phoenix's outstanding brand influence and professionalism.

In terms of strategic transmission channel expansion, Phoenix's global transmission capability is continuously growing. It has expanded its global distribution channels to reach audiences worldwide through satellite, cable networks, mobile internet, over-the-top (OTT) platforms, IPTV and social media, satisfying the demands of different devices as well as different user groups. Fengshows, an integrated media operating platform established by Phoenix, has built a communications matrix with its own platform as its core, forming a new business model with authoritative publication, independent production, copyright operation and integrated marketing. *Phoenix Zone*, a video on-demand product, works with a number of foreign and domestic transmission platforms to expand the product configurations of its programme contents. Looking forward, Phoenix will continue to provide precise, customised content products and fully enhance its capability in content transmission and monetisation by making use of the extension of application scenarios and intelligent distribution algorithm technology.

The Group actively promotes the business transformation and its high-quality development through various development strategies, such as content operation, industry trends integration and operation synergy. *Road to Peak* (a platform for incubating innovative enterprises by adopting a two-pronged approach of media services and investment), *Phoenix Health* (an industrialised operating platform in the field of big health) and other platforms are constantly promoting innovation in programmes and content operation. The Company has been nurturing new industry trends of customised media services, content consumption and e-commerce as well as cultural travel and vertical industries to further expand the monetisation of brands, contents, platforms, traffic and resources of media. In addition, the Company will continue to enhance its synergistic operating capabilities of its omni-media platforms including television broadcasting, internet, large outdoor LED screens and weekly magazines to provide the customers with integrated media services that suit their diversified needs, thus facilitating the ongoing improvements in operation quality and scale.

The number of users and activeness on the flagship product ifeng News App under Phoenix New Media, an internet media platform of the Group, has maintained its leading position as one of the most popular mobile device information products among Chinese users. Phoenix New Media has effectively enhanced its brand reputation and influence through a variety of means such as in-depth coverage of major events, unique and quality original content, and offline events in vertical domains, by virtue of various strategies such as combining algorithms and editing to empower refined operations. Phoenix New Media continues to innovate in its business and actively develops its business layout in various areas, including quality e-commerce, supply chain as well as consumer guidance short videos, bringing new monetisation channels and strategic opportunities for the Company. Moreover, Phoenix New Media completed the disposal of Yidian Zixun during the year, which has contributed a considerable investment return to the Group and facilitated the Group's strategic upgrade in the future.

Phoenix Metropolis Media works with global media providers, in fully satisfying the needs of its customers by providing them with professional services that are characterised by wide coverage, high reputation, strong planning and creativity as well as sufficient technical support. Phoenix Metropolitan Media continues to innovate in terms of creativity and technology. Creative interactive technologies such as naked-eye 3D, transparent 3D and live street view navigation, provide customers with a refreshing experience. Phoenix's outdoor LED media resources currently cover over 300 cities in China with over 900 screens. Its global network encompasses 19 countries and regions including Asia, the Americas, Europe and Oceania, achieving genuine global procurement and distribution.

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

In the area of digital technology, Phoenix Digital Technology, a subsidiary of Phoenix, is committed to establishing an operator for technological cultural services. It has held high-tech interactive digital art exhibitions, such as *Along the River during the Qingming Festival 3.0* and *A Panorama of Rivers and Mountains 3.0*, to enrich cultural scenes and application experiences with digital technology and actively cultivate the emerging digital culture industry trends. During the year, Phoenix has constantly promoted the integration of "5G + Media Industry". Phoenix will continue to enrich the experience of media communication and interaction in the areas of media content production, information and content transmission, ultra-high definition live broadcast, panoramic and immersive experience as well as the others. It will also expand the industry layout of 5G+4K/8K+VR, and promote the integration and development of IT-empowered content industry.

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

Despite being in the midst of unprecedented change in the world unseen in a century, Phoenix will always adhere to the concept of openness and inclusiveness, and strive to facilitate the cultural exchanges and dialogue between China and the world. Phoenix will, as always, leverage its core advantages in brand and contents while firmly adhering to professional journalism and constantly promoting operational awareness and innovation in business systems. By building an internationally recognised omni-media group with credibility, influence and communication strength, we look forward to meeting the expectations of everyone.

RESULTS

The revenue of the Group for the year ended 31 December 2020 was approximately HK$3,029,046,000 (year ended 31 December 2019: HK$3,688,231,000), which represented a decrease of 17.9% over the previous year as a result of the adverse impact of COVID-19 outbreak on the global economy and market condition. Due to strict cost control measures taken to enhance the operating efficiency, the operating costs for the year ended 31 December 2020 decreased by 20.0% to approximately HK$3,531,197,000 (year ended 31 December 2019: HK$4,416,143,000).

As a result of strict and effective cost control measures at all business units in response to the effect of the COVID-19 pandemic, the operating loss of the Group decreased to approximately HK$502,151,000 for the year ended 31 December 2020, representing a notable decrease of 31% over previous year. Benefited from the seasonal fluctuation and the relaxation of COVID-19 restrictions in the mainland China, the operating loss for the second half of 2020 was approximately HK$64,069,000, in comparison with HK$438,082,000 for the first half of 2020.

Fair value loss on financial assets related to internet media business's investment in Particle Inc. for the year ended 31 December 2020 was approximately HK$1,074,851,000 (year ended 31 December 2019: profit of HK$1,567,715,000). Particle Inc. is a strategic investment of Phoenix New Media Limited ("**PNM**"), a subsidiary of the Company, and it mainly operates the Yidian Zixun mobile App featuring personalised interest-based information and news feed functions targeting the mass market.

Fair value loss of approximately HK$140,493,000 (year ended 31 December 2019: HK$6,847,000) was recognised for the investment properties in Beijing and London.

The net exchange gain of the Group for the year ended 31 December 2020 was approximately HK$44,355,000 (year ended 31 December 2019: HK$1,159,000) mainly resulting from the appreciation of the Renminbi.

The loss attributable to owners of the Company was approximately HK$1,037,043,000 which included share of fair value loss of the Group's internet media investment of approximately HK$585,686,000, in comparison with a profit of HK$122,665,000 for the previous year which included share of fair value gain of approximately HK$733,584,000. The aforementioned fair value loss or gain was a non-cash item and had no impact on the Group's cash flow, operations or liquidity position. Final disposal of the Group's internet media investment was completed in October 2020. Overall, with a total consideration of US$350,000,000 compared to an aggregate investment cost of approximately US$97,000,000, this successful internet media strategic investment had brought in a considerable investment return and the Group had benefited tremendously from the final disposal of this investment in terms of its cashflow situation.

The chart below summarises the performance of the Group for the year ended 31 December 2020 and the year ended 31 December 2019 respectively.

	Year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Television broadcasting	**747,052**	921,541
Internet media	**1,473,327**	1,777,598
Outdoor media	**574,979**	691,336
Real estate	**45,121**	49,048
Other businesses	**188,567**	248,708
Group's total revenue	**3,029,046**	3,688,231
Operating costs	**(3,531,197)**	(4,416,143)
Operating loss	**(502,151)**	(727,912)
Fair value loss on investment properties	**(140,493)**	(6,847)
Net (loss)/gain on internet media investment	**(1,074,851)**	1,567,715
Exchange gain, net	**44,355**	1,159
Gain on disposal of a subsidiary	**70,133**	—
Other (expense)/income, net	**(12,803)**	9,367
(Loss)/profit before share of results of joint ventures and associates, income tax and non-controlling interests	**(1,615,810)**	843,482
Share of results of joint ventures and associates	**(5,041)**	(6,786)
Income tax credit/(expense)	**124,358**	(252,468)
(Loss)/profit for the year	**(1,496,493)**	584,228
Non-controlling interests	**459,450**	(461,563)
(Loss)/profit attributes to owners of the Company	**(1,037,043)**	122,665
Basic (loss)/earnings per share, Hong Kong cents	**(20.77)**	2.46

MANAGEMENT DISCUSSION AND ANALYSIS

Comments on Segmental Information

	Year ended 31 December			
	2020		2019	
	Revenue *HK$'000*	**Segment results** *HK$'000*	Revenue *HK$'000*	Segment results *HK$'000*
Television broadcasting	**747,052**	**(165,163)**	921,541	(63,679)
Internet media	**1,473,327**	**(1,048,389)**	1,777,598	1,265,042
Outdoor media	**574,979**	**16,402**	691,336	44,167
Real estate	**45,121**	**(124,285)**	49,048	(14,564)
Other businesses	**188,567**	**(104,817)**	248,708	(141,208)
Group's total revenue and segment results	**3,029,046**	**(1,426,252)**	3,688,231	1,089,758
Unallocated income		**98,120**		36,392
Unallocated expenses		**(287,678)**		(282,668)
(Loss)/profit before share of results of joint ventures and associates, income tax and non-controlling interests		**(1,615,810)**		843,482

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 24.7% of the total revenue of the Group for the year ended 31 December 2020, decreased 18.9% to approximately HK$747,052,000 (year ended 31 December 2019: HK$921,541,000) as a result of the adverse impact of COVID-19 outbreak on the global economy and market condition. As the cost structure is relatively fixed, the segmental loss for the television broadcasting business was approximately HK$165,163,000 for the year ended 31 December 2020 (year ended 31 December 2019: HK$63,679,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 22.1% of the total revenue of the Group for the year ended 31 December 2020, decreased 16.5% to approximately HK$669,266,000 (year ended 31 December 2019 : HK$801,447,000).

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 35.2% to approximately HK$77,786,000 (year ended 31 December 2019 : HK$120,094,000).

The revenue of the internet media business for the year ended 31 December 2020 decreased 17.1% to approximately HK$1,473,327,000 (year ended 31 December 2019: HK$1,777,598,000). The segmental loss of internet media business for the year ended 31 December 2020 was approximately HK$1,048,389,000 (year ended 31 December 2019: profit of HK$1,265,042,000) as a result of significant net loss related to the investment in Particle Inc.

The revenue of the outdoor media business for the year ended 31 December 2020 decreased 16.8% to approximately HK$574,979,000 (year ended 31 December 2019: HK$691,336,000). The segmental profit of the outdoor media business for the year ended 31 December 2020 decreased 62.9% to approximately HK$16,402,000 (year ended 31 December 2019: HK$44,167,000).

The segmental loss for real estate business for the year ended 31 December 2020 was approximately HK$124,285,000 (year ended 31 December 2019: HK$14,564,000), which included the net fair value loss of approximately HK$140,493,000 (year ended 31 December 2019: HK$6,847,000) recognised for the investment properties.

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

The Impact of the Pandemic on the Group's Operation

Strict pandemic prevention measures resulted from the outbreak of the COVID-19 pandemic have affected all walks of life and caused the general advertising market trend to deteriorate. In the first quarter of 2020, customers adjusted their sales and marketing strategies to cope with the pandemic, tended to be more conservative with marketing expenditures and hence were less willing to place advertisements. Contract negotiations had been made more difficult with market opportunities shrunken overall. Phoenix's advertising which was of no exception was seriously impacted. Fortunately, crisis creates opportunities. The public demand for information has leveraged under the pandemic. Coupled with social distancing restrictions and work-from-home arrangements, more audiences stayed at home, resulting in an increase in the overall viewership leading to customer's confidence in advertising on television and new media. From the second quarter of 2020, advertising revenue retrieved with a steady trend. As the pandemic in China had been kept significantly under control in the second quarter and the adjustment in pandemic prevention measures, outdoor media business also rebounded significantly.

During this year, the Group adopted rigorous pandemic prevention measures and all employees held on to their posts. Not only were broadcasting safety and the normal business operation ensured, but also a zero infection rate for Phoenix's employees worldwide was achieved. The Group will closely monitor the development of the pandemic, stay vigilant and continue to implement various measures, carry on to monitor the impact of the pandemic on its financial positions, cash flows and operating results, and be prudent in coping with the future challenges.

DIVIDENDS

The Board did not recommend the payment of final dividend to the shareholders of the Company for the year (final dividend for 2019: Nil) due to the economic instability and challenges in the media industry ahead.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**AGM**") will be held at No. 2-6 Dai King Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on 4 June 2021, Friday at 3:00 p.m.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 1 June 2021, Tuesday to 4 June 2021, Friday (both dates inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the forthcoming AGM, all share transfers must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 31 May 2021, Monday.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

As at 31 December 2020, the Group's equity interest in PNM remained as 54.49% (as at 31 December 2019: 54.49%).

On 18 May 2020, Beijing Chenhuan Technology Co., Ltd.* (北京塵寰科技有限公司) ("**Chenhuan Technology**"), an indirect non-wholly owned subsidiary of the Company, transferred all of its 51% of the equity interest in Beijing Yitian Xindong Network Technology Co., Ltd.* (北京易天新動網絡科技有限公司) ("**Yitian Xindong**") to Shenzhen Shenghuayu Energy Conservation Service Co., Ltd.* (深圳市晟華宇節能服務有限公司) ("**Shenzhen Shenghuayu**"), particulars of which are set out in the section entitled "Other Important Events and Subsequent Events" in this announcement.

For the year ended 31 December 2020, PNM, an indirect non-wholly owned subsidiary of the Company, transferred 140,248,775 preferred shares in Particle Inc. to Run Liang Tai Management Limited ("**Run Liang Tai**"). In aggregation with the 94,802,752 preferred shares in Particle Inc. previously transferred to Run Liang Tai in November 2019, a total of 235,051,527 preferred shares in Particle Inc. were transferred to Run Liang Tai, particulars of the disposal of interest in Particle Inc. are set out in the section entitled "Other Important Events and Subsequent Events" in this announcement.

* *For identification only*

LIQUIDITY AND FINANCIAL RESOURCES

The liquidity and financial resources of the Group as at 31 December 2020 remained solid. As at 31 December 2020, the Group's total cash and current bank deposits were about HK$1,849,547,000 (as at 31 December 2019: HK$1,841,257,000), as well as structured deposits of approximately HK$1,451,040,000 (as at 31 December 2019: 1,420,370,000) which have been recorded as financial assets at fair value through profit or loss. The aggregate outstanding borrowings of the Group were approximately HK$726,179,000 (as at 31 December 2019: HK$820,929,000), representing non-interest bearing loans, non-interest bearing loans from non-controlling shareholders of subsidiaries, 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.

The gearing ratio of the Group, based on total liabilities to equity attributable to owners of the Company, was 78.9% as at 31 December 2020 (as at 31 December 2019: 80.7%).

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

CHARGE ON ASSETS

As at 31 December 2020, the land and property in Chaoyang Park, Beijing, with carrying value of approximately HK$94,000,000, HK$331,000,000 and HK$1,403,000,000 (as at 31 December 2019: HK$92,000,000, HK$335,000,000 and HK$1,472,000,000) recorded in right-of-use assets, property, plant and equipment and investment properties respectively were pledged with a bank to secure a bank borrowing to fund the investment in Phoenix International Media Centre in Beijing. Bank deposit of approximately HK$387,640,000 (as at 31 December 2019: HK$391,465,000) was pledged with a bank to secure a bank borrowing to optimise return through interest difference and arrangement of external security within the loan. The property in the United States with carrying value of approximately HK$2,615,000 (as at 31 December 2019: HK$2,680,000) was pledged with a bank to secure a bank borrowing.

Save as disclosed above, the Group did not have any other charges on its assets as at 31 December 2020 and 31 December 2019.

CAPITAL STRUCTURE AND SHARE OPTIONS

As at 31 December 2020, the authorised share capital of the Company was HK$1,000,000,000 divided into 10,000,000,000 ordinary shares (the "**Shares**") of HK$0.10 each, of which 4,993,469,500 Shares (as at 31 December 2019: 4,993,469,500 Shares) had been issued and fully paid.

There was no option exercised under the Company's share option schemes during the year.

As at 31 December 2020, the operations of the Group were mainly financed by owners' equity, bank borrowings, loans from non-controlling shareholders of subsidiaries and banking facilities.

STAFF

As at 31 December 2020, the Group employed 2,840 full-time staff (as at 31 December 2019: 3,288) at market remuneration supplemented with employee benefits such as comprehensive medical coverage, insurance plan, defined contribution pension schemes and employee share option schemes. Staff costs for the year ended 31 December 2020 decreased to approximately HK$1,301,022,000 (year ended 31 December 2019: HK$1,468,535,000).

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

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2020, the Group invested in listed securities investments with estimated fair market value of approximately HK$12,440,000 (as at 31 December 2019: HK$18,575,000) which was recognised as "financial assets at fair value through profit or loss", and such investments made up of less than 5% of the Group's total assets. Save as disclosed above, the Group had not held any other significant investment for the year ended 31 December 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCE OF FUNDING

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

CONTINGENT LIABILITIES

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

CORPORATE GOVERNANCE PRACTICES

The Company has adopted its own code on corporate governance which combined its existing principles and practices with most of the code provisions of the Corporate Governance Code (the "**Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") — with the objective of taking forward a corporate governance structure which builds on the Company's own standards and experience, while respecting the benchmarks set in the Code.

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

Save as disclosed below, the Company has, throughout the year ended 31 December 2020, complied with the Code.

(1) Distinctive Roles of Chairman and Chief Executive Officer

Code Provision

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

Deviation and its Reasons

Mr. LIU had been continually serving as both the Chairman and chief executive officer of the Company (the "**CEO**") since its incorporation until 26 February 2021 when he resigned from the role as CEO.

(2) Appointments, Re-election and Removal

Code Provision

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

Deviation and its Reason

The Chairman, namely Mr. LIU, is not subject to retirement by rotation, which deviates from code provision A.4.2.

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

DIRECTORS' SECURITIES TRANSACTIONS

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

Having made specific enquiries of all Directors, it was confirmed that the Directors have complied with the above-mentioned required standards of dealings regarding Directors' securities transactions throughout the year ended 31 December 2020.

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2020 and provided advice and comments thereon before such statements were presented to the Board for approval. The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

OTHER IMPORTANT EVENTS AND SUBSEQUENT EVENTS

Change of CEO

On 26 February 2021, Mr. LIU has resigned from his role as CEO and Mr. XU Wei ("**Mr. XU**") was appointed as the new CEO. Mr LIU remains as the Chairman and an executive Director. The change of CEO can enhance the corporate governance of the Group by splitting the roles of the Chairman and the CEO in compliance with the Code.

For the biography of Mr. XU, please see the announcement of the Company dated 26 February 2021.

Discloseable Transaction regarding the Disposal of Interest in Yitian Xindong

On 18 May 2020, Chenhuan Technology, an indirect non-wholly owned subsidiary of the Company holding 51% of the equity interest in Yitian Xindong, entered into agreements with Shenzhen Shenghuayu, Tianyin Telecommunication Co. Ltd.* (天音通信有限公司) ("**Tianyin**"), Yitian Xindong and the management team of Yitian Xindong (collectively referred as the "**Yitian Xindong Agreements**").

Among other things, pursuant to the Yitian Xindong Agreements: (i) Chenhuan Technology agreed to sell its 51% of the equity interest in Yitian Xindong at a consideration of RMB313,600,000 for Shenzhen Shenghuayu to purchase and (ii) all parties to the novation agreements agreed that all rights and obligations of Chenhuan Technology under the original agreements be novated to Shenzhen Shenghuayu upon completion, which took place on 18 May 2020.

For details of the Yitian Xindong Agreements, please see the announcements of the Company dated 18 May 2020 and 25 May 2020.

* *For identification only*

Very Substantial Disposal regarding the Disposal of Interest in Particle Inc.

On 20 January 2020, PNM entered into a new agreement with Run Liang Tai, Long De Holdings (Hong Kong) Co. Limited ("**Long De HK**") and Longde Chengzhang (Tianjin) Investment Management Center (Limited Partnership) in respect of the disposal (the "**Disposal**") of the equitable interest in Particle Inc. (the "**January 2020 Agreement**"). The key terms of the January 2020 Agreement, amongst other things, are (i) the amount of shares in Particle Inc. to be transferred by PNM to Run Liang Tai be adjusted to 202,563,176 preferred shares at a consideration of US$427,336,067; (ii) the amount of the equity interest of Beijing Yidianwangju Technology Co., Ltd.* (北京一點網聚科技有限公司) ("**Beijing Yidianwangju**") held by a nominee of PNM (the "**Onshore Nominee**") on behalf of Beijing Particle Information Technology Co., Ltd.* (北京一點網聚信息技術有限公司) under a series of contractual arrangement, to be transferred by the Onshore Nominee to Run Liang Tai be adjusted to 39.53% at a consideration of RMB3,955,320; (iii) Long De HK shall co-sell a total of 9,794,989 preferred shares in Particle Inc. to Run Liang Tai at a consideration of US$20,663,933.72; (iv) to facilitate the first completion of the co-sale by Long De HK to Run Liang Tai, PNM granted Run Liang Tai an interest-free loan in a total amount of US$9,671,045.96 (the "**PNM Loan**"), and Run Liang Tai shall has pledged 4,584,209 preferred shares in Particle Inc. to PNM as security (the "**Pledged Shares**"). For the avoidance of doubt, the transaction under the January 2020 Agreement was modified under the August 2020 Agreement as defined below.

For details of the January 2020 Agreement, please see the announcement of the Company dated 20 January 2020 and the circular of the Company dated 20 April 2020.

Major Transaction regarding the Disposal of Interest in Particle Inc.

On 7 August 2020, PNM entered into an agreement with Run Liang Tai (the "**August 2020 Agreement**"), which has become legally binding on 10 August 2020.

The key terms of the August 2020 Agreement, amongst other things; are (i) the January 2020 Agreement and the transactions contemplated thereunder which had not been completed are terminated (For the avoidance of doubt, the first completion of the Disposal which took place when 94,802,752 preferred shares in Particle Inc. were transferred to Run Liang Tai in November 2019 for a consideration of US$200,000,000, was not affected); (ii) PNM shall transfer another 140,248,775 preferred shares in Particle Inc. to Run Liang Tai at a consideration of US$150,000,000; (iii) PNM shall designate the Onshore Nominee to transfer approximately 42.9% equity interest in Beijing Yidianwangju to Run Liang Tai at a consideration of RMB4,292,617; (iv) Run Liang Tai shall procure the transfer of the legal title of the Pledged Shares to PNM for release of its obligations to repay the PNM Loan; and (v) Run Liang Tai shall pay those co-sale entities exercising the co-sale right at the price of US$1.06952805826 per preferred share in Particle Inc. Completion of the transaction took place on 19 October 2020.

For details of the August 2020 Agreement, please see the announcement of the Company dated 10 August 2020 and the circular of the Company dated 25 September 2020.

* *For identification only*

Continuing Connected Transaction regarding Trademark Licence Agreement with Feng Xin Technology (Hai Kou) Group Limited* (鳳新科技(海口)集團有限公司) ("Feng Xin")

On 29 April 2020, Beijing Huibo Advertisement and Media Company Limited* (北京滙播廣告傳媒有限公司) ("**Huibo**") and Feng Xin (formerly known as Beijing Phoenix Li Li Ta Information Technology Company Limited* (北京鳳凰理理它信息技術有限公司)) entered into a trademark licence agreement (the "**Trademark Licence Agreement**"), whereby Feng Xin and its subsidiaries and Phoenix Financial Group Limited (鳳凰金融集團有限公司*, "**Phoenix Financial Group**") and its subsidiaries (the "**Licencee's Group**") were granted an exclusive licence to use certain trademarks and logos and a non-exclusive licence to use certain other trademarks and logos in connection with its business operations in the People's Republic of China ("**PRC**") and Hong Kong respectively. The licence fee to be paid by Feng Xin to Huibo for the licensing years ending 30 April 2021, 2022 and 2023 respectively are 1% of the revenue of Licencee's Group with annual caps at RMB5,000,000 for each licensing year.

As Mr. HE Xin, the controlling shareholder of Phoenix Financial Group (an ultimate beneficial owner with 70.82% equity interest), is the son-in-law of Mr. LIU, who is the Chairman and the then CEO, both Mr. HE Xin, Phoenix Financial Group and certain subsidiaries of Phoenix Financial Group (including Feng Xin) are therefore connected persons of the Company under the Listing Rules. Accordingly, the Trademark Licence Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company.

Since the applicable percentage ratios of the Listing Rules are more than 0.1% but less than 5%, the transactions contemplated are subject to the announcement, reporting and annual review requirements.

For details of the Trademark Licence Agreement, please refer to the Company's announcement dated 29 April 2020.

Continuing Connected Transaction between Shenzhou Television Company Ltd.* (神州電視有限公司) ("Shenzhou") and CNHK Media Limited ("CNHK Media")

On 17 November 2020, Shenzhou (as the PRC advertising agent of Phoenix Satellite Television Company Limited ("**PSTV Co.**")) and CNHK Media entered into an advertising contract for the purchase of advertising airtime by CNHK Media (the "**2021 Contract**") for the ultimate benefits of the Group and China Mobile Communications Group Co., Ltd.* (中國移動通信集團有限公司, "**CMCC**") and its associates (collectively "**CMCC Group**").

* *For identification purpose only*

Pursuant to the 2021 Contract, CNHK Media agreed to purchase advertising airtime at the Phoenix Chinese Channel and the Phoenix InfoNews Channel for the period from 1 January 2021 to 31 December 2021 for the sum not exceeding RMB25,000,000. As CNHK Media has entered into contract(s) with a subsidiary of CMCC in the PRC relating to the purchase of advertising airtime from PSTV Co. on behalf of CMCC Group for the benefits of the CMCC Group, the entering of the 2021 Contract by CNHK Media is for the ultimate benefits of the CMCC Group, and therefore the Company considered CNHK Media a deemed connected person of the Company.

Since the applicable percentage ratios of the Listing Rules are more than 0.1% but less than 5%, the transactions contemplated are subject to the announcement, reporting and annual review requirements.

For details of the 2021 Contract, please refer to the Company's announcements dated 17 November 2020.

Continuing Connected Transactions between Phoenix Metropolis Media Technology Company Limited (鳳凰都市傳媒科技股份有限公司)("PMM") and its subsidiaries and CMCC Group

On 27 November 2020, the Stock Exchange granted to the Company a waiver from strict compliance with the requirements under Rule 14A.34 and Rule 14A.51 of the Listing Rules to enter into a written framework agreement with the CMCC Group at the outset covering all PMM continuing connected transactions (the "**PMM CCT**") in relation to the sale of advertising airtime on its outdoor LED panels in the PRC to the CMCC Group for three years from 1 January 2021 to 31 December 2023 with annual caps of RMB25,000,000, RMB27,000,000 and RMB30,000,000 respectively.

Members of the CMCC Group are regarded as connected persons of the Company under the Listing Rules.

Since the applicable percentage ratios of the Listing Rules are more than 0.1% but less than 5%, the transactions contemplated are subject to the announcement, reporting and annual review requirements.

For details of the PMM CCT, please refer to the Company's announcement dated 27 November 2020.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk, and the Company's investor relations website at www.irasia.com/listco/hk/phoenixtv. The 2020 annual report of the Company will be despatched to the shareholders and published on the above-mentioned websites on or before 26 April 2021.

CONSOLIDATED FINANCIAL INFORMATION

The Board has the pleasure of presenting the consolidated financial information of the Group as at and for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

	Note	**2020** ***HK$'000***	2019 *HK$'000*
Revenue	*3*	**3,029,046**	3,688,231
Operating expenses	*6*	**(2,740,646)**	(3,262,829)
Selling, general and administrative expenses	*6*	**(790,551)**	(1,153,314)
Other (losses)/gains, net			
Fair value loss on investment properties		**(140,493)**	(6,847)
Other operating (losses)/gains, net	*4*	**(964,478)**	1,606,013
Interest income		**43,193**	37,002
Interest expense		**(51,881)**	(64,774)
Share of profits less losses of joint ventures		**1,297**	(2,662)
Share of profits less losses of associates		**(6,338)**	(4,124)
(Loss)/profit before income tax	*6*	**(1,620,851)**	836,696
Income tax credit/(expense)	*7*	**124,358**	(252,468)
(Loss)/profit for the year		**(1,496,493)**	584,228
(Loss)/profit attributable to:			
Owners of the Company		**(1,037,043)**	122,665
Non-controlling interests		**(459,450)**	461,563
		(1,496,493)	584,228
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company for the year			
Basic (loss)/earnings per share, Hong Kong cents	*8*	**(20.77)**	2.46
Diluted (loss)/earnings per share, Hong Kong cents	*8*	**(20.77)**	2.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	2020	2019
	HK$'000	*HK$'000*
(Loss)/profit for the year	**(1,496,493)**	584,228
Other comprehensive (expense)/income:		
Items that have been reclassified/may be reclassified to profit or loss		
Currency translation differences	**136,077**	(37,519)
Total comprehensive (expense)/income for the year	**(1,360,416)**	546,709
Attributable to:		
Owners of the Company	**(949,693)**	97,675
Non-controlling interests	**(410,723)**	449,034
	(1,360,416)	546,709

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

	Note	**2020** *HK$'000*	2019 *HK$'000*
Assets			
Non-current assets			
Purchased programme and film rights, net		**16,372**	19,895
Right-of-use assets		**829,407**	978,220
Property, plant and equipment, net		**813,018**	957,736
Investment properties		**1,417,526**	1,490,452
Intangible assets		**44,788**	239,637
Investments in joint ventures		**37,356**	38,407
Investments in associates		**82,409**	45,827
Other long-term assets		**54,206**	61,210
Deferred income tax assets		**116,327**	84,422
		3,411,409	3,915,806
Current assets			
Accounts receivable, net	*10*	**1,207,772**	1,083,537
Prepayments, deposits and other receivables		**888,535**	735,953
Inventories		**6,003**	9,353
Amounts due from related companies		**18,542**	46,998
Self-produced programmes		**8,951**	8,456
Purchased programme and film rights, net		**358**	281
Financial assets at fair value through profit or loss	*13*	**1,532,788**	3,827,197
Prepaid tax		**5,181**	5,255
Pledged bank deposits		**387,640**	391,465
Bank deposits		**53,155**	310,693
Restricted cash		**37,642**	92,703
Cash and cash equivalents		**1,796,392**	1,530,564
		5,942,959	8,042,455
Total assets		**9,354,368**	11,958,261

	Note	**2020**	2019
		HK$'000	*HK$'000*
Equity			
Equity attributable to owners of the Company			
Share capital		**499,347**	499,347
Reserves		**3,907,619**	4,862,355
		4,406,966	5,361,702
Non-controlling interests		**1,471,258**	2,269,961
Total equity		**5,878,224**	7,631,663
Liabilities			
Non-current liabilities			
Secured bank borrowings	*12(a)*	**1,787**	29,735
Lease liabilities		**512,439**	608,821
Financial liabilities at fair value through profit or loss	*13*	**5,225**	2,501
Other long-term liabilities		**4,863**	4,615
Loans from non-controlling shareholders of subsidiaries	*12(b)*	**45,787**	154,625
Deferred income tax liabilities		**149,700**	399,376
		719,801	1,199,673
Current liabilities			
Accounts payable, other payables and accruals	*11*	**1,534,418**	1,898,802
Secured bank borrowings	*12(a)*	**367,575**	402,217
Lease liabilities		**202,495**	214,791
Deferred income		**209,899**	265,613
Loans from non-controlling shareholders of subsidiaries	*12(b)*	**306,167**	229,737
Current income tax liabilities		**132,194**	92,257
Financial liabilities at fair value through profit or loss	*13*	**3,595**	23,508
		2,756,343	3,126,925
Total liabilities		**3,476,144**	4,326,598
Total equity and liabilities		**9,354,368**	11,958,261

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT

1 GENERAL INFORMATION

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

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

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

2 BASIS OF PREPARATION

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

(a) Effect of adopting new standards and amendments to standards effective in 2020

HKAS 1 and HKAS 8 (Amendments)	Definition of material
HKAS 39, HKFRS 7 and HKFRS 9 (Amendment)	Interest rate benchmark reform
HKFRS 3 (Amendments)	Definition of a business
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

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

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

The following new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year ended 31 December 2020 and have not been early adopted by the Group except otherwise stated:

HKFRS 16 (Amendments)	COVID-19-related rent concessions (1)
HKAS 16 (Amendments)	Proceeds Before Intended Use (2)
HKAS 37 (Amendments)	Onerous Contracts-Cost of fulfilling a Contract (2)
HKFRS 3 (Amendments)	Reference to the Conceptual Framework
Annual Improvements	Annual Improvements 2018-2020 Cycle (2)
HKAS 1 (Amendments)	Classification of liabilities as current or non-current (3)
HKFRS 17	Insurance Contracts (3)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)

(1) Effective for annual period beginning on 1 June 2020 *(Note)*
(2) Effective for annual period beginning on 1 January 2022
(3) Effective for annual period beginning on 1 January 2023
(4) Effective date to be determined

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

(Note) The Group has early adopted HKFRS 16 (Amendments) Covid-19-Related Rent Concessions retrospectively from 1 January 2020. The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; b) any reduction in lease payments affects only payments due on or before 30 June 2021; and c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all qualifying COVID-19-related rent concessions. Rent concessions totalling HK$1.9 million have been accounted for as negative variable lease payments and recognised in the condensed consolidated income statement for the year ended 31 December 2020, with a corresponding adjustment to the lease liability. There is no impact on the opening balance of equity at 1 January 2020.

3 REVENUE

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

	2020	2019
	HK$'000	*HK$'000*
Advertising sales		
Television broadcasting	**669,370**	814,943
Internet media	**1,294,059**	1,447,980
Outdoor media	**574,979**	691,336
Mobile, video and wireless value added services income	**179,268**	329,618
Subscription sales	**63,030**	73,259
Magazine advertising and subscription or circulation	**31,590**	32,657
Rental income	**45,121**	49,048
Others	**171,629**	249,390
	3,029,046	3,688,231

4 OTHER OPERATING (LOSSES)/GAINS, NET

	2020	2019
	HK$'000	*HK$'000*
Exchange gain, net	**44,355**	1,159
Investment income	**12,438**	14,052
Fair value (loss)/gain on financial assets at fair value through profit or loss		
Investment in Particle Inc.	**(1,074,851)**	1,567,715
Other financial assets	**(37,398)**	83,358
Provision for impairment of other investments	**(3,293)**	(43,279)
Impairment of investment in an associate	**(24,912)**	(29,884)
Impairment of goodwill	**(13,394)**	—
Gain on disposal of an associate	**6,650**	—
Gain on disposal of a subsidiary	**70,133**	—
Government subsidy	**37,664**	—
Others, net	**18,130**	12,892
	(964,478)	1,606,013

5 SEGMENT INFORMATION

	Year ended 31 December 2020								
	Television broadcasting								
	Primary channels *HK$'000*	Others *HK$'000*	Sub-total *HK$'000*	Internet media *HK$'000*	Outdoor media *HK$'000*	Real estate *HK$'000*	Other activities *HK$'000*	Inter segment elimination *HK$'000*	Group *HK$'000*
Revenue									
External sales	669,266	77,786	747,052	1,473,327	574,979	45,121	188,567	—	3,029,046
Inter-segment sales *(Note c)*	—	19,417	19,417	11,225	4,514	32,408	8,710	(76,274)	—
Total revenue	669,266	97,203	766,469	1,484,552	579,493	77,529	197,277	(76,274)	3,029,046
Timing of revenue recognition									
At point in time	—	—	—	170,522	—	—	15,665	—	186,187
Over time	669,266	77,786	747,052	1,302,805	574,979	1,756	172,902	—	2,799,494
Revenue from other source	—	—	—	—	—	43,365	—	—	43,365
	669,266	77,786	747,052	1,473,327	574,979	45,121	188,567	—	3,029,046
Segment results	(14,989)	(150,174)	(165,163)	(1,048,389)	16,402	(124,285)	(104,817)	—	(1,426,252)
Unallocated income *(Note a)*									98,120
Unallocated expenses *(Note b)*									(287,678)
Loss before share of result of joint ventures/associates, income tax and non-controlling interests									(1,615,810)
Share of profit less losses of joint ventures									1,297
Share of profits less losses of associates									(6,338)
Income tax credit									124,358
Loss for the year									(1,496,493)
Non-controlling interests									459,450
Loss attributable to owners of the Company									(1,037,043)
Depreciation	(6,885)	(12,960)	(19,845)	(83,854)	(170,649)	(25,953)	(32,445)	—	(332,746)
Unallocated depreciation									(32,166)
									(364,912)
Interest income	—	1,262	1,262	31,248	1,685	240	987	—	35,422
Unallocated interest income									7,771
									43,193
Interest expenses	—	(97)	(97)	(6,069)	(26,650)	(4,895)	(3,505)	—	(41,216)
Unallocated interest expenses									(10,665)
									(51,881)
Reversal of provision for impairment of accounts receivable	—	—	—	—	933	—	—	—	933
Provision for impairment of accounts receivable	—	(1,898)	(1,898)	(84,191)	—	—	(291)	—	(86,380)

	Year ended 31 December 2019								
	Television broadcasting								
	Primary channels *HK$'000*	Others *HK$'000*	Sub-total *HK$'000*	Internet media *HK$'000*	Outdoor media *HK$'000*	Real estate *HK$'000*	Other activities *HK$'000*	Inter-segment elimination *HK$'000*	Group *HK$'000*
Revenue									
External sales	801,447	120,094	921,541	1,777,598	691,336	49,048	248,708	—	3,688,231
Inter-segment sales *(Note c)*	—	32,538	32,538	16,635	4,532	23,959	10,645	(88,309)	—
Total revenue	801,447	152,632	954,079	1,794,233	695,868	73,007	259,353	(88,309)	3,688,231
Timing of revenue recognition									
At point in time	—	713	713	293,980	—	—	21,599	—	316,292
Over time	801,447	119,381	920,828	1,483,618	691,336	4,576	227,109	—	3,327,467
Revenue from other source	—	—	—	—	—	44,472	—	—	44,472
	801,447	120,094	921,541	1,777,598	691,336	49,048	248,708	—	3,688,231
Segment results	17,230	(80,909)	(63,679)	1,265,042	44,167	(14,564)	(141,208)	—	1,089,758
Unallocated income *(Note a)*									36,392
Unallocated expenses *(Note b)*									(282,668)
Profit before share of result of joint ventures/associates, income tax and non-controlling interests									843,482
Share of profits less losses of joint ventures									(2,662)
Share of profits less losses of associates									(4,124)
Income tax expense									(252,468)
Profit for the year									584,228
Non-controlling interests									(461,563)
Profit attributable to owners of the Company									122,665
Depreciation	(11,770)	(14,154)	(25,924)	(92,425)	(169,050)	(33,649)	(31,094)	—	(352,142)
Unallocated depreciation									(35,211)
									(387,353)
Interest income	—	1,074	1,074	20,131	3,866	267	643	—	25,981
Unallocated interest income									11,021
									37,002
Interest expenses	—	(103)	(103)	(12,035)	(26,761)	(8,535)	(4,707)	—	(52,141)
Unallocated interest expenses									(12,633)
									(64,774)
Reversal of provision for impairment of accounts receivable	—	—	—	36,532	—	—	—	—	36,532
Provision for impairment of accounts receivable	(3,470)	(470)	(3,940)	(69,440)	(6,167)	—	(36)	—	(79,583)

Notes:

(a) Unallocated income represents exchange gain, interest income, investment income and other income.

(b) Unallocated expenses represent primarily:

— corporate staff costs;
— office rental;
— general administrative expenses;
— marketing and advertising expenses related to the Group as whole; and
— exchange loss

(c) Sales between segments are carried out based on terms determined by management with reference to market prices.

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

	2020	2019
	HK$'000	*HK$'000*
The PRC	**2,926,022**	3,460,200
Hong Kong	**40,336**	150,274
Others	**62,688**	77,757
	3,029,046	3,688,231

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

	2020	2019
	HK$'000	*HK$'000*
The PRC	**2,921,214**	3,391,014
Hong Kong	**337,360**	330,370
Others	**36,508**	110,000
	3,295,082	3,831,384

6 (LOSS)/PROFIT BEFORE INCOME TAX

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

	2020	2019
	HK$'000	*HK$'000*
Crediting		
Reversal of provision for impairment of accounts receivable	**(993)**	(36,532)
Gain on disposal of property, plant and equipment	**(2,457)**	(1,316)
Charging		
Production costs of self-produced programmes	**177,529**	204,597
Commission expenses	**244,050**	325,747
Bandwidth costs	**66,743**	68,630
Provision for impairment of accounts receivable	**86,380**	79,583
Employee benefit expenses (including Directors' emoluments)	**1,301,022**	1,468,535
Operating lease rental in respect of		
— Directors' quarters	**2,118**	2,160
— Land and buildings of third parties	**23,996**	29,835
— LED panels	**11,701**	5,625
Loss on disposal of property, plant and equipment	**1,433**	5,098
Depreciation of property, plant and equipment	**146,334**	178,195
Depreciation of right-of-use assets	**218,578**	209,158
Amortisation of purchased programme and film rights	**14,756**	12,188
Amortisation of intangible assets	**28,084**	45,430
Impairment of intangible assets	**15,640**	6,245
Auditor's remuneration		
— Audit services	**14,134**	15,085
— Non-audit services	**1,109**	1,127
Outgoings for investment properties	**227**	3,346

7 INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit for the year. Taxation on PRC and overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2020	2019
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**610**	—
— PRC and overseas taxation	**35,447**	34,656
— Under provision of tax in the prior year	**—**	1,687
Deferred income tax	**(160,415)**	216,125
	(124,358)	252,468

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

A deferred tax provision of approximately HK$221,442,000 has been recorded in the Group's consolidated income statement during the year ended 31 December 2019 for potential sale of the Group's investment in convertible redeemable preferred shares in 2020. Due to the decrease in fair value of investment in convertible redeemable preferred shares, the deferred tax provision has decreased to approximately HK$121,139,000 as at 31 December 2020. Following the completion of sale of the investment, the deferred tax liability was reclassified to current tax payable.

8 (LOSS)/EARNINGS PER SHARE

(a) Basic

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

	2020	2019
(Loss)/profit attributable to owners of the Company *(HK$'000)*	**(1,037,043)**	122,665
Weighted average number of ordinary shares in issue *('000)*	**4,993,470**	4,993,470
Basic (loss)/earnings per share *(Hong Kong cents)*	**(20.77)**	2.46

(b) Diluted

Diluted (loss)/earnings 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 (2019: 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 (loss)/earnings per share. There was no dilutive potential ordinary shares in existence during 2020 as the share options of the Company and a subsidiary were anti-dilutive.

	2020	2019
(Loss)/profit attributable to owners of the Company *(HK$'000)*	**(1,037,043)**	122,665
Weighted average number of ordinary shares in issue *('000)*	**4,993,470**	4,993,470
Weighted average number of ordinary shares for diluted (loss)/earnings per share *('000)*	**4,993,470**	4,993,470
Diluted (loss)/earnings per share (Hong Kong cents)	**(20.77)**	2.46

9 DIVIDENDS

No final dividend that relates to the period to 31 December 2019 was paid in December 2020 (year ended 31 December 2019: HK$49,935,000). The Board of Directors of the Company ("Board") did not recommend the payment of final dividend to shareholders for the year.

10 ACCOUNTS RECEIVABLE, NET

	2020	2019
	HK$'000	*HK$'000*
Accounts receivable	**1,489,294**	1,272,576
Less: Provision for impairment	**(281,522)**	(189,039)
	1,207,772	1,083,537

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

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

At 31 December 2020, the ageing analysis of the accounts receivable from customers was as follows:

	2020	2019
	HK$'000	*HK$'000*
0-30 days	**351,216**	353,734
31-60 days	**212,164**	183,529
61-90 days	**182,464**	129,314
91-120 days	**141,274**	116,104
Over 120 days	**602,176**	489,895
	1,489,294	1,272,576
Less: Provision for impairment	**(281,522)**	(189,039)
	1,207,772	1,083,537

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

	2020	2019
	HK$'000	*HK$'000*
RMB	**1,477,515**	1,252,773
US$	**9,823**	13,191
UK pound	**718**	5,371
Other currencies	**1,238**	1,241
	1,489,294	1,272,576

11 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUALS

	2020	2019
	HK$'000	*HK$'000*
Accounts payable	**382,377**	396,579
Other payables and accruals	**1,152,041**	1,502,223
	1,534,418	1,898,802
Less: Non-financial liabilities	**(8,314)**	(4,229)
	1,526,104	1,894,573

At 31 December 2020, the ageing analysis of the accounts payable was as follows:

	2020	2019
	HK$'000	*HK$'000*
0-30 days	**201,980**	231,019
31-60 days	**26,983**	18,883
61-90 days	**7,913**	25,379
91-120 days	**20,062**	16,124
Over 120 days	**125,439**	105,174
	382,377	396,579

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

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

	2020	2019
	HK$'000	*HK$'000*
HK$	**403,292**	223,721
RMB	**1,107,789**	1,660,682
US$	**11,361**	5,910
UK pound	**3,086**	3,553
Other currencies	**576**	707
	1,526,104	1,894,573

12 BORROWINGS

	2020	2019
	HK$'000	*HK$'000*
Secured bank borrowings *(Note a)*	**369,362**	431,952
Loans from non-controlling shareholders of subsidiaries *(Note b)*	**351,954**	384,362
	721,316	816,314

(a) Secured bank borrowings

	2020 *HK$'000*	2019 *HK$'000*
Non-current		
Long-term secured bank borrowings	**1,787**	29,735
Current		
Current portion of long-term secured bank borrowings	**367,575**	402,217
Total secured bank borrowings	**369,362**	431,952
The secured bank borrowings are repayable as follows:		
— Within one year	**367,575**	402,217
— More than one year but not exceeding two years	**—**	27,878
— More than two years but not exceeding five years	**—**	—
— More than five years	**1,787**	1,857
Total secured bank borrowings	**369,362**	431,952

(b) Loans from non-controlling shareholders of subsidiaries

	2020 *HK$'000*	2019 *HK$'000*
Non-current		
Long-term loans from non-controlling shareholders of subsidiaries	**45,787**	154,625
Current		
Short-term loans from non-controlling shareholders of subsidiaries	**306,167**	229,737
Total loans from non-controlling shareholders of subsidiaries	**351,954**	384,362
The loans from non-controlling shareholders of subsidiaries are repayable as follows:		
— Within one year	**306,167**	229,737
— More than one year but not exceeding two years	**11,339**	121,561
— More than two years but not exceeding five years	**—**	10,762
— More than five years	**34,448**	22,302
Total loan from non-controlling shareholders of subsidiaries	**351,954**	384,362

The loans from non-controlling shareholders of subsidiaries are denominated in RMB, unsecured and interest-free (2019: loans are denominated in RMB, unsecured and interest free).

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

	2020	2019
	HK$'000	*HK$'000*
Current assets		
Option for long term investment	—	19,800
Trading equity securities	**12,440**	18,575
Convertible redeemable preferred shares (Note 14)	**36,431**	2,258,645
Option for refund of consideration in an acquisition	—	109,807
Other investments	**32,877**	—
Structured deposits	**1,451,040**	1,420,370
	1,532,788	3,827,197
Current liability		
Forward option for disposal of investment	—	(17,828)
Cross-currency interest rate swap contract	**(3,595)**	(5,680)
	(3,595)	(23,508)
Non-current liability		
Interest rate swap contract	**(5,225)**	(2,501)
	(5,225)	(2,501)

14 INVESTMENTS IN AND LOANS TO PARTICLE INC. ("PARTICLE")

In 2014, Phoenix New Media Limited ("PNM") invested in a number of Series B Preferred Shares of Particle. In 2017, PNM further invested approximately HK$496,989,000 in Series C Preferred Shares of Particle.

On 28 January 2016, the board of directors of PNM have authorised to provide short-term unsecured loans to Particle in an aggregate principal amount of up to US$20,000,000 (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") at any time prior to 31 December 2018, subject to the completion of issuance of Series D Preferred Shares by Particle. Particle has drawn down all of the US$20,000,000 loans in April 2016.

On 30 December 2016, PNM exercised the Conversion Options to convert the Loans totalling US$20,000,000 into 23,600,000 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 has provided a short-term unsecured loan to Particle of US$14,800,000 (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 loan. The 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 August 2017, the term of the Convertible Loan was extended to eighteen months to February 2018. On 22 January 2018, the term of the Convertible Loan was further extended to August 2018.

On 2 November 2016, PNM provided another short-term unsecured loan to Particle of RMB46,000,000 (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. In November 2017, the unsecured loan was repaid by Particle.

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

Following the adoption of HKFRS 9 — Financial Instruments on 1 January 2018, the investments in Series B, C and D1 Preferred Shares of Particle (classified as AFS and derivative financial instruments in 2017) and Convertible Loan (classified as loans and receivables and derivative financial instruments in 2017) have been reclassified as financial assets at fair value through profit or loss ("FVPL").

On 22 January 2018, the term of the loan was extended for six months and the loan was fully repaid in July 2018.

On 2 April 2018, PNM signed an agreement with an investor of Particle to grant a right to assign the US$14,800,000 convertible loan issued by Particle for US$17,000,000 to that investor of Particle (the "Loan Assignment"). The Loan Assignment was completed on 7 August 2018.

On 23 February 2019, PNM entered into a letter of intent ("LOI") with an independent third party (the "Purchaser") pursuant to which the Purchaser will purchase 32% equity interest of Particle held by PNM on an as-if converted basis. The total consideration is US$448,000,000 (approximately HK$3,494,400,000), based on an estimated transaction valuation.

On 22 March 2019, PNM entered into the Share Purchase Agreement ("SPA") with Run Liang Tai Management Limited ("Run Liang Tai"), pursuant to which PNM conditionally agreed to sell the 32% equity interest in Particle on an as-if converted basis and Run Liang Tai conditionally agreed to purchase the Sale Shares for cash consideration of US$448,000,000 (approximately HK$3,494,400,000).

On 31 May 2019, PNM sent a completion confirmation letter to the Run Liang Tai to confirm the satisfaction of all of the conditions as specified in the Share Purchase Agreement. Run Liang Tai, however, disputed on the satisfaction of certain conditions.

On 23 July 2019, PNM and Run Liang Tai entered into a supplemental agreement (the "Supplemental Agreement"). The key terms of the Supplemental Agreement, amongst other things, are: (i) to adjust the amount of Offshore Sale Shares to an aggregate of 212,358,165 shares of Particle; and (ii) to complete the transaction in two stages on or before 10 August 2020. For details of the Supplemental Agreement, please refer the announcement of the Company dated 25 July 2019.

On 5 August 2019, both Long De Chengzhang Culture Communication (Tianjin) Co., Ltd, and Long De Holdings (Hong Kong) Co., Limited (collectively, "Long De") as existing equity holders of Particle sent a notice to PNM purporting to exercise their Co-sale right. Since then PNM has been in discussion with Long De to settle the Co-sale right of Long De.

The Supplemental Agreement was approved in the extraordinary general meeting ("EGM") on 22 October 2019. PNM transferred the First Batch Shares to Run Liang Tai on 30 October 2019 (the "First Completion Date"), upon receipt of the First Consideration and Second Deposit. Thereafter, the title and legal ownership of the First Batch Shares in the register of members of Particle has been changed to Run Liang Tai. As Run Liang Tai was entitled to the entire rights of shareholders in respect of the First Batch Shares, including the economic rights and voting rights, PNM has derecognised the First Batch Shares on First Completion Date.

On 20 January 2020, PNM entered into the co-sale agreement (the "Co-sale Agreement") with Run Liang Tai and Long De, pursuant to which Long De would sell approximately 9,794,989 Preferred Shares of Particle (the "Long De Sale Shares") to Run Liang Tai for a total consideration of approximately US$21,000,000 in two batches. Consequently, PNM reduced the number of Second Batch Shares to be disposed to Run Liang Tai from 117,555,413 Preferred Shares as stipulated in the Supplemental Agreement to 107,760,424 Preferred Shares.

As a result, the total consideration received/receivable by PNM from Run Liang Tai was reduced from US$448,000,000 to approximately US$427,000,000. There is no change to the consideration per share (equivalent to US$2.11 per Preferred Share) under the Co-sale Agreement or the Supplemental Agreement.

In May 2020, PNM provided an interest-free loan of approximately US$9,700,000 to Run Liang Tai to enable them to pay for the first batch of Long De Sale Shares (i.e. 4,584,209 Preferred Shares) in accordance with the terms of the Co-sale Agreement. When Long De transferred the 4,584,209 Preferred Shares to Run Liang Tai, Run Liang Tai pledged the 4,584,209 shares ("Pledged Share") to PNM to secure the repayment of the approximately US$9,700,000 loan.

An EGM was held in May 2020 to approve the Co-sale Agreement.

The second batch of Long De Sale Shares was expected to complete within 10 business days after the completion of the 107,760,424 Second Batch Shares of Particle to be sold by PNM (the "Second Completion"), which was expected to occur no later than 10 August 2020 according to the Co-Sale Agreement.

On 7 August 2020, PNM entered into an agreement (the "2020 Agreement") with Run Liang Tai and terminated the SPA, Supplemental Agreement, and the sale of the second batch of Long De Sales Shares.

Based on the 2020 Agreement, PNM agreed to increase the number of shares of Particle to be transferred to the Purchaser from 107.7 million shares to 140.2 million shares, representing all the Preferred Shares held by PNM as at 30 June 2020 (the "2020 Disposal Shares") and the consideration was further revised from US$227 million to US$150 million. The Second Deposit remains valid and the residual consideration amounted to US$99.3 million (US$150 million less the Second Deposit less US$0.7 million of interests arising from deposits paid by Run Liang Tai) (the "Revised Residual Consideration"), which was received by the Group on 10 August 2020.

On 19 October 2020 ("Completion Date"), the transaction under the 2020 Agreement was completed and the 2020 Disposal Shares have been transferred to Run Liang Tai.

Run Liang Tai transferred the Pledged Shares to PNM instead of repaying the PNM Loan. PNM was entitled to approximately 0.67% equity interest on an as-if and fully converted basis in Particle, which is classified as financial asset at FVPL.

The independent professional valuer (the "Valuer") adopted the market approach to calculate the enterprise value of Particle at 31 December 2020. Accordingly, the fair value of the investments in Series D1-2 Preferred Share has decreased to approximately HK$36,431,000 at 31 December 2020 and a fair value loss of approximately HK$1,555,000 was recognised in the consolidated income statement.

* *For identification purpose only*

15 ACQUISITION OF A SUBSIDIARY

On 1 April 2019, PNM announced that it regained control over Tianbo, a previously held joint venture, and consolidated the financial statements of 北京鳳凰天博網絡技術有限公司(Beijing Fenghuang Tianbo Network Technology Co., Ltd.*) ("Tianbo") as a subsidiary through certain revisions to the articles of association of Tianbo. Accordingly, the investment in Tianbo has been accounted for as "step acquisition" under HKFRS 3 "Business Combination" since 1 April 2019 (the "acquisition date"). Consequently, all the identifiable net assets of Tianbo were measured at fair value and consolidated in the Group's financial statements and a goodwill of approximately HK$12,704,000 was recognised as an intangible asset in the Group's financial statements. Tianbo is principally engaged in exclusive operation of the real estate channel and exclusive sales of real estate advertisements on PNM's website ifeng.com.

16 DISPOSAL OF A SUBSIDIARY

(a) Description

On 18 May 2020, the Group entered into the share purchase agreement to disposal interest (i.e. 51%) in Beijing Yitian Xindong Network Technology Co., Ltd ("Yitian Xindong"). The disposal transaction was completed on 18 May 2020 after the consideration was received.

(b) Details of the disposal of the subsidiary

	2020 ***HK$'000***
Consideration received or receivable:	
Cash	343,016
Total disposal consideration	343,016
Carrying amount of net assets sold	(112,970)
Options for refund of consideration in an acquisition	(107,710)
Goodwill	(107,849)
Non-controlling interest	55,646
Gain on disposal of Yitian Xindong	70,133

	HK$'000
Net cash inflow arising on disposal of Yitian Xindong	
Consideration	343,016
Less: Cash and cash equivalents disposed	(34,068)
Net cash inflow arising on disposal of Yitian Xindong	308,948

17 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Deemed disposal of partial interest in PNM

During the year ended 31 December 2020, the Group's equity interest in PNM remain unchanged as 54.49%.

During the year ended 31 December 2019, as a result of the exercise of share options by the option holders, the Group's equity interest in PNM was decreased from 54.51% to 54.49%. The Group recognised a deemed net loss of approximately HK$355,000 in the equity attributable to owners of the Company and an increase in non-controlling interests of HK$5,552,000 for the year ended 31 December 2019.

18 SUBSEQUENT EVENT

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

By Order of the Board
LIU Changle
Chairman

Hong Kong, 19 March 2021

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

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

Non-executive Directors
Mr. JIAN Qin, Mr. ZHANG Dong, Ms. WANG Haixia and Mr. SUN Qiang Chang

Independent Non-executive Directors
Mr. LEUNG Hok Lim, Mr. Thaddeus Thomas BECZAK, Mr. FANG Fenglei and Mr. HE Di