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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board of directors (the "**Board**" or "**Directors**") of Phoenix Media Investment (Holdings) Limited (the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (the "**Group**" or "**Phoenix**") for the six months ended 30 June 2021 (the "**Period**").

FINANCIAL SUMMARY

- Revenue of the Group for the Period was approximately HK$1,386,962,000, which represented an increase of 8.9% in comparison with the same period last year.

- Benefited from the slowdown of the pandemic and strict cost control measures, the operating loss of the Group for the Period was decreased to approximately HK$299,651,000, which represented a decrease of 31.6% in comparison with the same period last year.

- Fair value loss on internet media investment for the Period was approximately HK$2,043,000, in comparison with a fair value loss of approximately HK$1,080,735,000 for the same period last year.

- The loss attributable to owners of the Company was approximately HK$245,175,000, in comparison with approximately HK$936,486,000 for the same period last year which included the share of fair value loss on internet media investment of approximately HK$530,000,000.

BUSINESS OVERVIEW AND PROSPECTS

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

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

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

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

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

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

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

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

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

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

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

RESULTS

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

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

Fair value loss on financial assets related to the subsequent measurement of internet media's investment in Particle Inc. (approximately 0.63% of the equitable interest in Particle Inc.) for the Period was approximately HK$2,043,000 (the fair value loss for the approximately 20.20% of the equitable interest in Particle Inc. for the six months ended 30 June 2020: loss of HK$1,080,735,000). For details of the disposal of equitable interest in Particle Inc., please refer to the announcement of the Company dated 10 August 2020 and Note 25 to the unaudited condensed consolidated interim financial information in this announcement.

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

The loss attributable to owners of the Company was approximately HK$245,175,000, in comparison with approximately HK$936,486,000 for the same period last year which included the share of fair value loss on internet media investment of approximately HK$530,000,000.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

COMMENTS ON SEGMENTAL INFORMATION

	Six months ended 30 June			
	2021		2020	
	Revenue	**Segment results**	Revenue	Segment results
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Television broadcasting	**321,985**	**(107,616)**	318,874	(128,157)
Internet media	**587,771**	**(42,663)**	693,642	(1,047,932)
Outdoor media	**378,490**	**73,059**	186,115	(73,297)
Real estate	**16,566**	**(1,379)**	3,961	(132,017)
Other businesses	**82,150**	**(73,557)**	71,093	(70,065)
Group's total revenue and segment results	**1,386,962**	**(152,156)**	1,273,685	(1,451,468)
Unallocated income		**42,214**		21,121
Unallocated expenses		**(121,992)**		(152,289)
Loss before share of results of joint ventures and associates, income tax and non-controlling interests		**(231,934)**		(1,582,636)

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

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

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

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

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

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

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 Board does not recommend payment of any interim dividend for the Period (six months ended 30 June 2020: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

As at 30 June 2021, the Group's equity interest in Phoenix New Media Limited remained as 54.49%.

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures for the six months ended 30 June 2021.

LIQUIDITY AND FINANCIAL RESOURCES

The liquidity and financial resources of the Group as at 30 June 2021 remained solid. As at 30 June 2021, the Group's total cash and current bank deposits were about HK$1,475,757,000 (as at 31 December 2020: HK$1,849,547,000), as well as structured deposits of approximately HK$1,630,950,000 (as at 31 December 2020: HK$1,451,040,000) which have been recorded as financial assets at fair value through profit or loss. The aggregate outstanding borrowings of the Group were approximately HK$528,734,000 (as at 31 December 2020: HK$726,179,000), representing non-interest bearing loans, non-interest bearing loans from non-controlling shareholders of subsidiaries, secured and unsecured interest bearing bank borrowings. For details, please refer to Note 18 of 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 72.1% as at 30 June 2021 (as at 31 December 2020: 78.9%).

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 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 30 June 2021, bank deposit of approximately HK$155,310,000 (as at 31 December 2020: HK$387,640,000) was pledged with a bank to secure 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$2,599,000 (as at 31 December 2020: HK$2,615,000) was pledged with a bank to secure a bank borrowing.

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 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.

Save as disclosed above, the Group did not have any other charges on its assets as at 30 June 2021 and 31 December 2020.

CAPITAL STRUCTURE AND SHARE OPTIONS

As at 30 June 2021, the authorised share capital of the Company was HK$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK$0.10 each, of which 4,993,659,500 shares (as at 31 December 2020: 4,993,469,500 shares) had been issued and fully paid.

There were 190,000 options exercised under the Company's share option schemes during the Period.

As at 30 June 2021, 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 2021, the Group employed 2,744 full-time staff (as at 31 December 2020: 2,840) at market remuneration supplemented with employee benefits such as comprehensive medical coverage, insurance plans, defined contribution pension schemes and employee share option schemes. Staff costs for the Period increased to approximately HK$656,860,000 (six months ended 30 June 2020: HK$630,797,000).

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2021, the Group invested in listed securities investments with estimated fair market value of approximately HK$13,691,000 (as at 31 December 2020: HK$12,440,000) 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 Period.

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 litigations 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 provisions have been made in the unaudited condensed consolidated interim financial information for the Period.

OTHER IMPORTANT EVENTS AND SUBSEQUENT EVENTS

Change of Chairman and Chief Executive Officer

On 26 February 2021, Mr. LIU Changle ("**Mr. LIU**") resigned from his role as Chief Executive Officer of the Company (the "**CEO**") and Mr. XU Wei ("**Mr. XU**") was appointed as CEO. Subsequently, Mr. LIU resigned as the chairman of the Board (the "**Chairman**") and an executive Director on 22 June 2021 and Mr. XU was appointed as an executive Director and was elected as Chairman on the same day.

For the biography of Mr. XU, please refer to the announcements of the Company dated 26 February 2021 and 22 June 2021.

Disposal of Shares by the Controlling Shareholder

On 17 April 2021, Today's Asia Limited ("**Today's Asia**"), a then controlling shareholder (as defined under the Listing Rules) of the Company, informed the Company that it had entered into two framework agreements: (i) on 16 April 2021 (after trading hours), a framework agreement (the "**Framework Agreement I**") with Bauhinia Culture (Hong Kong) Holdings Limited ("**Bauhinia HK**"), pursuant to which Today's Asia conditionally agreed in principle to sell, and Bauhinia HK conditionally agreed in principle to purchase 1,048,668,495 shares in the Company (representing approximately 21% of the issued share capital of the Company) being held by Today's Asia at HK$0.61 per share (which represented on aggregate consideration of approximately HK$640 million) (the "**Transfer I**") subject to the terms and conditions of the Framework Agreement I; and (ii) on 17 April 2021, a framework agreement (the "**Framework Agreement II**) with Common Sense Limited ("**Common Sense**"), a wholly-owned subsidiary of Shun Tak Holdings Limited, pursuant to which Today's Asia conditionally agreed in principle to sell, and Common Sense conditionally agreed in principle to purchase 845,441,505 shares in the Company (representing approximately 16.93% of the issued share capital of the Company) being held by Today's Asia at HK$0.61 per share (which represented on aggregate consideration of approximately HK$516 million) (the "**Transfer II**") subject to the terms and conditions of the Framework Agreement II.

On 1 June 2021 (after trading hours), Today's Asia entered into two agreements with Bauhinia HK and Common Sense respectively to finalise the terms and conditions of Transfer I and Transfer II, which superseded the Framework Agreement I and Framework Agreement II.

On 22 June 2021, Today's Asia informed the Company that both Transfer I with Bauhinia HK and Transfer II with Common Sense were completed. Immediately after completion of Transfer I and Transfer II, Today's Asia ceased to be a shareholder of the Company and each of Bauhinia HK and Common Sense has become a substantial shareholder (as defined under the Listing Rules) of the Company respectively holding approximately 21% and 16.93% of the issued shares of the Company.

For details, please refer to the announcements of the Company dated 18 April 2021, 1 June 2021 and 22 June 2021.

Termination of Continuing Connected Transaction

As disclosed in the announcement of the Company dated 29 April 2020 ("**2020 Announcement**"), on that day, Beijing Huibo Advertisement and Media Company Limited* (the "**Licensor**") and Feng Xin Technology (Hai Kou) Group Limited* (the "**Licencee**") entered into a trademark licence agreement (the "**Trademark Licence Agreement**") whereby the Licencee was granted an exclusive licence to use Trademark Group 1 (as defined in the 2020 Announcement) and a non-exclusive licence to use Trademark Group 2 (as defined in the 2020 Announcement) (collectively the "**Trademarks**") in connection with the business operations of the Licencee's Group in the PRC and Hong Kong. The Trademark Licence Agreement is for a term of three years, commencing from 1 May 2020 to 30 April 2023. The Trademark Licence Agreement and the transactions constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Under the Trademark Licence Agreement, the Licensor shall have the right to terminate the Trademark Licence Agreement when the continuous use of the Trademarks by the Licencee's Group is detrimental to the goodwill of the Group.

The Group noticed certain negative reports in relation to the Licensee's Group in the media. The Group is of the view that the continued use of the Trademarks by the Licensee's Group may damage the goodwill of the Group.

On 14 May 2021, the Licensor served a termination notice to the Licencee to terminate the Trademark Licence Agreement with immediate effect. Upon the termination of the Trademark Licence Agreement, the parties will remain liable for all rights and obligations incurred prior to the termination of the Trademark Licence Agreement.

For details, please refer to the announcements of the Company dated 29 April 2020, 14 May 2021 and 25 May 2021.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, the Company had not redeemed any shares of the Company (the "**Share(s)**"). Neither the Company nor any of its subsidiaries had purchased or sold any of the Shares during the Period.

* *For identification purpose only*

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 on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") 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 also monitored the progress on corporate governance practices, risk management and internal control systems of the Company throughout the Period 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 Period made up to 30 June 2021, 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 had been continually serving as both the Chairman and CEO of the Company since its incorporation until 26 February 2021 when he resigned from the role as CEO and remained as the Chairman. Mr. XU was appointed as CEO on the same day. On 22 June 2021, Mr. LIU resigned from the role as Chairman. With the departure of Mr. LIU, the Company needs someone with extensive media industry experience to provide leadership to the Board, therefore Mr. XU, the CEO, also assumes the role as Chairman. The Board believes it is in the best interests of the Company for Mr. Xu to assume the roles of Chairman and CEO until such time as the Board considers that such roles should be assumed by different persons.

(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 current Chairman of the Company, Mr. XU, 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.

(3) Effective Communications

Code Provision

Under code provision E.1.2, the chairman of the Board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend.

Deviation and its Reason

The then Chairman, Mr. LIU was absent from the annual general meeting held on 4 June 2021 (the "**AGM**") due to a conflicting business schedule, and he had invited Mr. Thaddeus Thomas BECZAK, an independent non-executive director and the chairman of Audit and Nomination Committees, to chair the AGM on his behalf.

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 its 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 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 guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the provisions as 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.

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 advices 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 and the professional investor relation platform at 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 2021.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Board has the pleasure of presenting the unaudited condensed consolidated financial information of the Group as at and for the six months ended 30 June 2021, together with the comparative figures for the corresponding period and relevant date in 2020.

CONDENSED CONSOLIDATED INCOME STATEMENT — UNAUDITED

For the six months ended 30 June 2021

		For the six months ended 30 June	
		2021	2020
	Note	***HK$'000***	*HK$'000*
Revenue	*5*	**1,386,962**	1,273,685
Operating expenses	*6*	**(1,344,699)**	(1,302,262)
Selling, general and administrative expenses	*6*	**(341,914)**	(409,505)
Other gains/(losses), net			
Fair value gain/(loss) on investment properties	*12*	**7,349**	(112,705)
Other operating gain/(loss), net	*6*	**52,203**	(1,025,334)
Interest income		**30,448**	21,244
Interest expense		**(22,283)**	(27,759)
Share of profits less losses of associates		**(2,693)**	(6,141)
Share of profits less losses of joint ventures		**468**	(30)
Loss before income tax		**(234,159)**	(1,588,807)
Income tax (expense)/credit	*7*	**(22,637)**	154,160
Loss for the period		**(256,796)**	(1,434,647)
Loss attributable to:			
Owners of the Company		**(245,175)**	(936,486)
Non-controlling interests		**(11,621)**	(498,161)
		(256,796)	(1,434,647)
Loss per share for loss attributable to the owners of the Company for the period			
Basic loss per share, Hong Kong cents	*9*	**(4.91)**	(18.75)
Diluted loss per share, Hong Kong cents	*9*	**(4.91)**	(18.75)

The notes on pages 22 to 47 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 2021

	For the six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
Loss for the period	**(256,796)**	(1,434,647)
Other comprehensive income/(expense) for the period		
Items that have been/may be reclassified subsequently to profit or loss		
Currency translation differences on translation of foreign operations	**112,966**	(108,180)
Total comprehensive expense for the period	**(143,830)**	(1,542,827)
Total comprehensive expense for the period attributable to:		
Owners of the Company	**(175,174)**	(1,003,861)
Non-controlling interests	**31,344**	(538,966)
	(143,830)	(1,542,827)

The notes on pages 22 to 47 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET — UNAUDITED
As at 30 June 2021

	Note	**As at 30 June 2021** *HK$'000*	As at 31 December 2020 *HK$'000* (Audited)
Assets			
Non-current assets			
Purchased programme and film rights, net	*10*	**13,698**	16,372
Right-of-use assets		**755,569**	829,407
Property, plant and equipment, net	*11*	**773,114**	813,018
Investment properties	*12*	**1,463,810**	1,417,526
Intangible assets	*13*	**45,385**	44,788
Investments in joint ventures		**36,704**	37,356
Investments in associates		**94,003**	82,409
Other long-term assets		**57,970**	54,206
Deferred income tax assets		**129,142**	116,327
		3,369,395	3,411,409
Current assets			
Accounts receivable, net	*14*	**1,023,855**	1,207,772
Prepayments, deposits and other receivables	*15*	**955,752**	888,535
Inventories		**4,937**	6,003
Amounts due from related companies	*24*	**26,968**	18,542
Self-produced programmes		**16,051**	8,951
Purchased programme and film rights, net	*10*	**598**	358
Financial assets at fair value through profit or loss	*16*	**1,741,995**	1,532,788
Prepaid tax		**—**	5,181
Pledged bank deposits	*21*	**155,310**	387,640
Bank deposits		**114,246**	53,155
Restricted cash		**24,157**	37,642
Cash and cash equivalents		**1,361,511**	1,796,392
		5,425,380	5,942,959
Total assets		**8,794,775**	9,354,368

The notes on pages 22 to 47 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET — UNAUDITED *(Continued)*
As at 30 June 2021

	Note	As at 30 June 2021 HK$'000	As at 31 December 2020 HK$'000 (Audited)
Equity			
Equity attributable to owners of the Company			
Share capital	*20*	**499,366**	499,347
Reserves		**3,732,693**	3,907,619
		4,232,059	4,406,966
Non-controlling interests		**1,509,519**	1,471,258
Total equity		**5,741,578**	5,878,224
Liabilities			
Non-current liabilities			
Bank borrowings	*18*	**3,709**	1,787
Lease liabilities		**409,558**	512,439
Financial liabilities at fair value through profit or loss	*16*	**—**	5,225
Other long-term liabilities		**4,994**	4,863
Loans from non-controlling shareholders of subsidiaries	*18*	**36,926**	45,787
Deferred income tax liabilities		**155,290**	149,700
		610,477	719,801
Current liabilities			
Accounts payable, other payables and accruals	*19*	**1,333,424**	1,534,418
Bank borrowings	*18*	**137,095**	367,575
Lease liabilities		**212,121**	202,495
Deferred income		**258,747**	209,899
Loans from non-controlling shareholders of subsidiaries	*18*	**346,010**	306,167
Current income tax liabilities		**149,651**	132,194
Financial liabilities at fair value through profit or loss	*16*	**5,672**	3,595
		2,442,720	2,756,343
Total liabilities		**3,053,197**	3,476,144
Total equity and liabilities		**8,794,775**	9,354,368

The notes on pages 22 to 47 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 2021

	Attributable to owners of the Company								
	Share capital *HK$'000*	Share premium *HK$'000*	Statutory reserve *HK$'000*	Capital reserve *HK$'000*	Exchange reserve *HK$'000*	Employee share-based payment reserve *HK$'000*	Retained earnings *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2021	499,347	153,503	172,832	1,397,951	(90,531)	59,395	2,214,469	1,471,258	5,878,224
Loss for the period	—	—	—	—	—	—	(245,175)	(11,621)	(256,796)
Other comprehensive income									
Currency translation differences	—	—	—	—	70,001	—	—	42,965	112,966
Total comprehensive expense for the period	—	—	—	—	70,001	—	(245,175)	31,344	(143,830)
Transactions with owners									
Share option scheme									
— value of employee services	—	—	—	—	—	—	—	7,208	7,208
— recognition of shares issued on exercise of options	19	335	—	—	—	(87)	—	—	267
— lapse of share options	—	1,970	—	—	—	(1,970)	—	—	—
Allocation to statutory reserve	—	—	1,498	—	—	—	(1,498)	—	—
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(291)	(291)
Total transactions with owners	19	2,305	1,498	—	—	(2,057)	(1,498)	6,917	7,184
Balance at 30 June 2021	499,366	155,808	174,330	1,397,951	(20,530)	57,338	1,967,796	1,509,519	5,741,578

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY — UNAUDITED *(Continued)*
For the six months ended 30 June 2021

	Attributable to owners of the Company								
	Share capital *HK$'000*	Share premium *HK$'000*	Statutory reserve *HK$'000*	Capital reserve *HK$'000*	Exchange reserve *HK$'000*	Employee share-based payment reserve *HK$'000*	Retained earnings *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2020	499,347	150,634	168,797	1,402,994	(177,881)	62,264	3,255,547	2,269,961	7,631,663
Loss for the period	—	—	—	—	—	—	(936,486)	(498,161)	(1,434,647)
Other comprehensive expense									
Currency translation differences	—	—	—	—	(67,375)	—	—	(40,805)	(108,180)
Total comprehensive expense for the period	—	—	—	—	(67,375)	—	(936,486)	(538,966)	(1,542,827)
Transactions with owners									
Share option scheme									
— value of employee services	—	—	—	—	—	—	—	8,824	8,824
— lapse of share options	—	2,754	—	—	—	(2,754)	—	—	—
Disposals of interests in a subsidiary	—	—	—	—	—	—	—	(55,646)	(55,646)
Acquisition of additional equity interests in subsidiaries	—	—	—	(519)	—	—	—	(4,213)	(4,732)
Total transactions with owners	—	2,754	—	(519)	—	(2,754)	—	(51,035)	(51,554)
Balance at 30 June 2020	499,347	153,388	168,797	1,402,475	(245,256)	59,510	2,319,061	1,679,960	6,037,282

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 22 to 47 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 2021

	For the six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
Cash flows from operating activities		
Cash used in operations	**(127,864)**	(431,995)
Interest received	**25,327**	11,337
Interest paid	**(21,977)**	(8,270)
Hong Kong taxation refund	**5,181**	41
Overseas taxation paid	**(16,874)**	(3,272)
Net cash used in operating activities	**(136,207)**	(432,159)
Cash flows from investing activities		
Decrease in restricted cash	**13,485**	35,600
Increase in bank deposits	**(61,091)**	(562,487)
Decrease in pledged bank deposits	**232,330**	3,860
Purchase of intangible assets	**(7,186)**	(15,208)
Purchase of property, plant and equipment	**(22,896)**	(13,000)
Purchase of programme and film rights	**(3,406)**	(7,363)
Proceeds from disposal of property, plant and equipment	**8,948**	2,726
Investment income from financial assets at fair value through profit or loss	**356**	—
Investment income from bank deposits and pledged bank deposits	**6,241**	6,214
Acquisition of an associate	**(12,067)**	—
Disposal of financial assets at fair value through profit or loss	**—**	346,566
Dividend from investment in joint ventures	**2,038**	—
Purchase of financial assets at fair value through profit or loss	**(203,749)**	—
Net cash outflows from acquisition of subsidiaries	**—**	(4,757)
Net cash inflows from disposal of a subsidiary	**—**	308,948
Liquidation of associates	**—**	1,035
Net cash (used in)/generated from investing activities	**(46,997)**	102,134

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS — UNAUDITED
(Continued)
For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
Cash flows from financing activities		
Proceeds from exercise of share options of the Company	**267**	—
Drawdown of unsecured bank borrowings	**1,946**	—
Repayment of secured bank borrowings	**(229,712)**	(27,224)
Principal elements of lease payments	**(112,815)**	(82,412)
Loans from non-controlling shareholders of subsidiaries	**20,852**	—
Dividends paid to non-controlling interests	**(291)**	—
Net cash used in financing activities	**(319,753)**	(109,636)
Net decrease in cash and cash equivalents	**(502,957)**	(439,661)
Cash and cash equivalents at beginning of period	**1,796,392**	1,530,564
Net exchange gains/(losses) on cash and cash equivalents	**68,076**	(44,070)
Cash and cash equivalents at end of period	**1,361,511**	1,046,833

The notes on pages 22 to 47 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION — UNAUDITED

1 GENERAL INFORMATION

Phoenix Media Investment (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group") engage principally in satellite television broadcasting activities and provision of internet 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 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"). 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 20 August 2021.

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 2021 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 2020, 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 2020 as described in those annual financial statements.

(a) Effect of adopting amendments to standards

The following amendments to standards are mandatory for accounting periods beginning on or after 1 January 2021.

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform Phase 2

The amendments to standards stated above did not have any significant impact to the Group's condensed consolidated interim financial information in the current and prior periods.

(b) New standards, amendments to standards, accounting guideline and interpretation that have been issued but are not effective for the financial year ending 31 December 2021 and have not been early adopted by the Group except otherwise stated

HKAS 16 (Amendments)	Property, Plant and Equipment — Proceeds before Intended Use (1)
HKAS 37 (Amendments)	Onerous Contracts-Cost of fulfilling a Contract (1)
Annual Improvements	Annual Improvements to HKFRSs 2018-2020 (1)
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations (1)
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current (2)
HKAS 8 (Amendments)	Definition of Accounting Estimates (2)
HKAS 12 (Amendments)	Deferred Tax related to Assets to Liabilities arising from a Single Transaction (2)
HKFRS 17	Insurance Contracts (2)
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand (2)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (3)
HKFRS 3 (Amendments)	Reference to the Conceptual Framework (4)

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for annual periods beginning on or after 1 January 2023

3 Effective for annual periods beginning on or after a date to be determined

4 Effective for business combinations for which the acquisition date is on or after the Beginning of the first accounting periods beginning on or after 1 January 2022

The Group is in the process of making an assessment of the impact of these new standards, amendments and improvements to standards, accounting guideline and interpretation and is not yet in a position to state whether they would have a significant impact on the Group's results 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 2020.

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 foreign exchange risk, PRC regulatory risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim 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 2020.

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 outflow 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 pries 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 ("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 2021.

	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Financial assets				
Financial assets at fair value through profit or loss				
— Trading equity securities	**13,691**	**—**	**—**	**13,691**
— Convertible redeemable preferred shares	**—**	**—**	**34,471**	**34,471**
— Other investments	**—**	**—**	**62,883**	**62,883**
— Structured deposits	**—**	**1,630,950**	**—**	**1,630,950**
	13,691	**1,630,950**	**97,354**	**1,741,995**
Financial liabilities				
Financial liabilities at fair value through profit or loss				
— Interest rate swap contract	**—**	**5,672**	**—**	**5,672**
	—	**5,672**	**—**	**5,672**

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2020.

	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Financial assets				
Financial assets at fair value through profit or loss				
— Trading equity securities	12,440	—	—	12,440
— Convertible redeemable preferred shares	—	—	36,431	36,431
— Other investments	—	—	32,877	32,877
— Structured deposits	—	1,451,040	—	1,451,040
	12,440	1,451,040	69,308	1,532,788
Financial liabilities				
Financial liabilities at fair value through profit or loss				
— Interest rate swap contract	—	5,225	—	5,225
— Cross-currency interest rate swap contract	—	3,595	—	3,595
	—	8,820	—	8,820

During the six months ended 30 June 2021 and 2020, 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 2021, there were no changes in valuation techniques and reclassifications of financial assets and liabilities (six months ended 30 June 2020: 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 2021, instruments included in Level 1 comprise shares of HSBC Holdings PLC ("HSBC"), an entity listed on the Stock Exchange, of approximately HK$13,691,000 (as at 31 December 2020: HK$12,440,000) (Note 16).

(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 2021** *HK$'000*	**Valuation technique(s)**	**Unobservable inputs**	**Value of unobservable inputs**	**Relationship of unobservable inputs to fair value**
Convertible redeemable preferred shares	**34,471**	Market approach	Lack of marketability discount ("DLOM")	25%	The lower the DLOM, the higher the fair value
			Volatility	51%	The lower volatility, the higher the fair value
Other investments	**62,883**	Price derived from observable market transactions	N/A	N/A	N/A

Description	**Fair value at 30 December 2020** *HK$'000*	**Valuation technique(s)**	**Unobservable inputs**	**Value of unobservable inputs**	**Relationship of unobservable inputs to fair value**
Convertible redeemable preferred shares	36,431	Market approach	Lack of marketability discount ("DLOM")	25%	The lower the DLOM, the higher the fair value
			Volatility	55.3%	The lower the volatility, the higher the fair value
Other investments	32,877	Price derived from observable market transactions	N/A	N/A	N/A

The convertible redeemable preferred shares ("Preferred Shares") represent investments in Series D1-2 Preferred Shares of Particle Inc. ("Particle") as at 30 June 2021 and 31 December 2020 (see Note 25 for details).

An independent professional valuer adopted the market approach to first estimate the equity value of Particle, which was then allocated to Particle's common shares and Preferred Shares using the option-pricing and binomial models.

The following table presents the changes in level 3 instruments during the six months ended 30 June 2021 and year ended 31 December 2020.

	Option for refund of consideration in an acquisition	**Forward option for disposal of investment**	**Options for long-term investment**	**Convertible redeemable preferred shares**	**Loan receivable**	**Other investments**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Opening balance on 1 January 2021	—	—	—	**36,431**	—	**32,877**	**69,308**
Additions	—	—	—	—	—	**28,961**	**28,961**
Fair value (loss)/gain recognised in profit or loss	—	—	—	**(2,043)**	—	**159**	**(1,884)**
Currency translation differences	—	—	—	**83**	—	**886**	**969**
Closing balance on 30 June 2021	—	—	—	**34,471**	—	**62,883**	**97,354**

	Option for refund of consideration in an acquisition	Forward option for disposal of investment	Options for long-term investment	Convertible redeemable preferred shares	Loan receivable	Other investments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Opening balance on 1 January 2020	109,807	(17,828)	19,800	2,258,645	—	—	2,370,424
Additions	—	—	—	37,999	74,481	32,501	144,981
Fair value gain/(loss) recognised in profit or loss	—	17,753	(20,791)	(1,074,851)	(36,437)	—	(1,114,326)
Disposal	(107,710)	—	—	(1,162,530)	(37,999)	—	(1,308,239)
Currency translation differences	(2,097)	75	991	(22,832)	(45)	376	(23,532)
Closing balance on 31 December 2020	—	—	—	36,431	—	32,877	69,308

(2) Quantitative sensitivity analysis

No sensitivity analysis for convertible redeemable preferred shares amounting to HK$34,471,000 (as at 31 December 2020: HK$36,431,000) and other investments amounting to HK$62,883,000 (as at 31 December 2020: HK$32,877,000) 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 18.

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) Internet 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 2021								
	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	283,527	38,458	321,985	587,771	378,490	16,566	82,150	—	1,386,962
Inter-segment sales *(Note c)*	—	15,664	15,664	6,151	798	4,503	3,276	(30,392)	—
Total revenue	283,527	54,122	337,649	593,922	379,288	21,069	85,426	(30,392)	1,386,962
Timing of revenue recognition									
At a point in time	—	—	—	60,077	—	—	1,068	—	61,145
Over time	283,527	38,458	321,985	527,694	378,490	392	81,082	—	1,309,643
Revenue from other source	—	—	—	—	—	16,174	—	—	16,174
	283,527	38,458	321,985	587,771	378,490	16,566	82,150	—	1,386,962
Segment results	(75,361)	(32,255)	(107,616)	(42,663)	73,059	(1,379)	(73,557)	—	(152,156)
Unallocated income *(Note a)*									42,214
Unallocated expenses *(Note b)*									(121,992)
Loss before share of results of joint ventures, associates, income tax and non-controlling interests									(231,934)
Share of profits less losses of joint ventures									468
Share of profits less losses of associates									(2,693)
Income tax expense									(22,637)
Loss for the period									(256,796)
Non-controlling interests									11,621
Loss attributable to owners of the Company									(245,175)
Depreciation	(3,337)	(6,875)	(10,212)	(36,485)	(79,550)	(13,655)	(13,635)	—	(153,537)
Unallocated depreciation									(15,102)
									(168,639)
Interest income	—	62	62	27,859	544	151	386	—	29,002
Unallocated interest income									1,446
									30,448
Interest expenses	—	(53)	(53)	(1,468)	(13,374)	(919)	(1,453)	—	(17,267)
Unallocated interest expenses									(5,016)
									(22,283)
Provision for impairment of accounts receivable	—	(841)	(841)	(33,697)	(2,255)	—	—	—	(36,793)

	Period ended 30 June 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	281,229	37,645	318,874	693,642	186,115	3,961	71,093	—	1,273,685
Inter-segment sales *(Note c)*	—	9,616	9,616	5,697	3,214	4,726	3,324	(26,577)	—
Total revenue	281,229	47,261	328,490	699,339	189,329	8,687	74,417	(26,577)	1,273,685
Timing of revenue recognition									
At a point in time	—	—	—	91,473	—	—	2,947	—	94,420
Over time	281,229	37,645	318,874	602,169	186,115	766	68,146	—	1,176,070
Revenue from other source	—	—	—	—	—	3,195	—	—	3,195
	281,229	37,645	318,874	693,642	186,115	3,961	71,093	—	1,273,685
Segment results	(77,268)	(50,889)	(128,157)	(1,047,932)	(73,297)	(132,017)	(70,065)	—	(1,451,468)
Unallocated income *(Note a)*									21,121
Unallocated expenses *(Note b)*									(152,289)
Loss before share of results of joint ventures, associates, income tax and non-controlling interests									(1,582,636)
Share of profits less losses of joint ventures									(30)
Share of profits less losses of associates									(6,141)
Income tax credit									154,160
Loss for the period									(1,434,647)
Non-controlling interests									498,161
Loss attributable to owners of the Company									(936,486)
Depreciation	(3,592)	(6,402)	(9,994)	(42,626)	(89,054)	(12,870)	(16,325)	—	(170,869)
Unallocated depreciation									(16,246)
									(187,115)
Interest income	—	878	878	13,204	1,179	131	524	—	15,916
Unallocated interest income									5,328
									21,244
Interest expenses	—	(49)	(49)	(2,844)	(14,567)	(2,873)	(1,878)	—	(22,211)
Unallocated interest expenses									(5,548)
									(27,759)
Provision for impairment of accounts receivable	—	—	—	(56,082)	—	—	(232)	—	(56,314)

Notes:

(a) Unallocated income represents exchange gain, interest income, fair value gain on financial assets (realised and unrealised) 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 LOSS BEFORE INCOME TAX

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

	For the six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
Crediting		
Gain on disposal of property, plant and equipment	**(1,169)**	(1,549)
Charging		
Production costs of self-produced programmes	**87,033**	86,259
Commission expenses	**152,564**	137,435
Bandwidth costs	**33,945**	34,472
Provision for impairment of accounts receivable	**36,793**	56,314
Employee benefit expenses (including Directors' emoluments)	**656,860**	630,797
Operating lease rental in respect of		
— Directors' quarters	**1,034**	1,059
— LED panels	**9,255**	5,226
Loss on disposal of property, plant and equipment	**587**	879
Depreciation of property, plant and equipment	**68,929**	75,981
Depreciation of right-of-use assets	**99,710**	111,134
Amortisation of purchased programme and film rights	**5,416**	7,980
Amortisation of intangible assets	**7,546**	18,849

Other operating gain/(loss), net comprise the following items:

	For the six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
Exchange gain/(loss), net	**29,659**	(23,219)
Investment income	**6,597**	6,214
Fair value gain/(loss) on financial assets/liabilities at fair value through profit or loss, net	**2,515**	(1,095,967)
Gain on disposal of a subsidiary	**—**	70,133
Others, net	**13,432**	17,505
	52,203	(1,025,334)

7 INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2020: 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/areas in which the Group operates.

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

	For the six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**243**	588
— PRC and overseas taxation	**29,659**	(17,317)
Deferred income tax	**(7,265)**	(137,431)
	22,637	(154,160)

8 DIVIDENDS

No final dividend that relates to the period to 31 December 2020 was paid in June 2021 (six months ended 30 June 2020: Nil).

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

9 LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the 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	
	2021	2020
Loss attributable to owners of the Company (HK$'000)	**(245,175)**	(936,486)
Weighted average number of ordinary shares in issue ('000)	**4,993,660**	4,993,470
Basic loss per share (Hong Kong cents)	**(4.91)**	(18.75)

Diluted

Diluted 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 2020: The Group has dilutive potential ordinary shares which comprise 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 per share. During the six months ended 30 June 2021, there is no impact of the dilutive instruments of the subsidiary to the Group's diluted loss per share (six months ended 30 June 2020: None).

	For the six months ended 30 June	
	2021	2020
Loss attributable to owners of the Company used to determine diluted loss per share (HK$'000)	**(245,175)**	(936,486)
Weighted average number of ordinary shares in issue ('000)	**4,993,660**	4,993,470
Weighted average number of ordinary shares for diluted loss per share ('000)	**4,993,660**	4,993,470
Diluted loss per share (Hong Kong cents)	**(4.91)**	(18.75)

10 PURCHASED PROGRAMME AND FILM RIGHTS, NET

	For the six months ended 30 June 2021 *HK$'000*	For the year ended 31 December 2020 *HK$'000* (Audited)
Balance, beginning of period/year	**16,730**	20,176
Additions	**3,406**	12,712
Amortisation	**(5,416)**	(14,756)
Others	**(424)**	(1,402)
Balance, end of period/year	**14,296**	16,730
Less: Purchased programme and film rights — current portion	**(598)**	(358)
	13,698	16,372

11 PROPERTY, PLANT AND EQUIPMENT, NET

	For the six months ended 30 June 2021 *HK$'000*	For the year ended 31 December 2020 *HK$'000* (Audited)
Balance, beginning of period/year	**813,018**	957,736
Acquisition of subsidiaries	—	170
Disposals of a subsidiary	—	(40,219)
Additions	**22,896**	31,509
Disposals	**(8,365)**	(8,195)
Depreciation	**(68,929)**	(146,334)
Currency translation differences	**14,494**	18,351
Balance, end of period/year *(Note a)*	**773,114**	813,018

(a) Included in the net book value as of 30 June 2021 is an amount of HK$20,935,000 (as at 31 December 2020: HK$21,285,000) which relates to the Group's entitlement to use 10,000 square metres in the Shenzhen Building. As at 30 June 2021, the cost was HK$30,848,000 (as at 31 December 2020: HK$30,848,000) with a net book value of HK$20,935,000 (as at 31 December 2020: HK$21,285,000). As at 30 June 2021, 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.

(b) As of 30 June 2021, 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.

12 INVESTMENT PROPERTIES

	For the six months ended 30 June 2021 *HK$'000*	For the year ended 31 December 2020 *HK$'000* (Audited)
Balance, beginning of period/year	**1,417,526**	1,490,452
Disposals	**—**	(2,711)
Fair value gain/(loss)	**7,349**	(140,493)
Currency translation differences	**38,935**	70,278
Balance, end of period/year	**1,463,810**	1,417,526

(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$7,349,000 (six months ended 30 June 2020: loss of HK$112,705,000) was recognized in the condensed consolidated income statement for the six months ended 30 June 2021.

(i) Fair value hierarchy

Description	**Fair value measurements at 30 June 2021 using significant unobservable inputs (Level 3)** *HK$'000*	Fair value measurements at 31 December 2020 using significant unobservable inputs (Level 3) *HK$'000*
Recurring fair value measurements		
Investment properties		
— Phoenix International Media Centre (The PRC)	**1,448,040**	1,402,831
— Commercial (UK)	**15,180**	14,121
— Others (The PRC)	**590**	574

(ii) Valuation techniques

For the investment property in UK with a carrying amount of HK$15,180,000 (as at 31 December 2020: HK$14,121,000), 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 by a qualified valuer using income capitalisation approach.

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, 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$1,448,040,000 (as at 31 December 2020: HK$1,402,831,000). The fair value of this investment property is determined using the information from the valuation performed by an 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 2021 (six months ended 30 June 2020: None).

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

Description	Fair value 30 June 2021 *(HK$'000)*	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Phoenix International Media Centre — The PRC	**1,448,040**	Direct comparison	Adjusted average price of HK$33,152 per square metre	The higher the adjusted average price per square metre, the higher the fair value
Commercial — UK	**15,180**	Income capitalization approach	Estimated rental value of HK$4,448 per annum per square metre	The higher the rental value, the higher the fair value
			Reversionary yield of 8%	The higher the reversionary yield, the lower the fair value

Description	Fair value 31 December 2020 *(HK$'000)*	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Phoenix International Media Centre — The PRC	1,402,831	Direct comparison	Adjusted average price of HK$32,117 per square metre	The higher the adjusted average price per square metre, the higher the fair value
Commercial — UK	14,121	Income capitalization approach	Estimated rental value of HK$4,057 per annum per square metre	The higher the rental value, the higher the fair value
			Reversionary yield of 8%	The higher the reversionary yield, the lower the fair value

(b) Deferred tax

The 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 property 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.

13 INTANGIBLE ASSETS

	For the six months ended 30 June 2021	For the year ended 31 December 2020
	HK$'000	*HK$'000* (Audited)
Balance, beginning of period/year	**44,788**	239,637
Additions	**7,186**	23,439
Acquisition of subsidiaries	**—**	2,100
Disposal of a subsidiary	**—**	(160,814)
Amortisation	**(7,546)**	(28,084)
Impairment	**123**	(29,034)
Currency translation differences	**834**	(2,456)
Balance, end of period/year *(Note a)*	**45,385**	44,788

(a) As at 30 June 2021, goodwill arising from the acquisition of subsidiaries amounted approximately to HK$12,107,000 (as at 31 December 2020: HK$12,074,000). There was no impairment charge recognised during the six months ended 30 June 2021 (six months ended 30 June 2020: 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.

14 ACCOUNTS RECEIVABLE, NET

	As at 30 June 2021	As at 31 December 2020
	HK$'000	*HK$'000* (Audited)
Accounts receivable	**1,350,444**	1,489,294
Less: Provision for impairment	**(326,589)**	(281,522)
	1,023,855	1,207,772

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 15). 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 2021, the ageing analysis of accounts receivable from customers based on invoice date was as follows:

	As at 30 June 2021 *HK$'000*	As at 31 December 2020 *HK$'000* (Audited)
0-30 days	**238,249**	351,216
31-60 days	**151,997**	212,164
61-90 days	**119,333**	182,464
91-120 days	**97,839**	141,274
Over 120 days	**743,026**	602,176
	1,350,444	1,489,294
Less: Provision for impairment	**(326,589)**	(281,522)
	1,023,855	1,207,772

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$36,793,000 (six months ended 30 June 2020: HK$56,314,000) for the impairment of its accounts receivable during the six months ended 30 June 2021. The loss has been included in selling, general and administrative expenses in the condensed consolidated income statement. The Group has not made reversal of provision for impairment of receivables made in prior years during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in other receivables is an amount of approximately RMB531,625,000 (HK$641,511,000) (as at 31 December 2020: RMB429,219,000 (HK$511,654,000)) 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.

Pursuant to a service agreement signed between Shenzhou and the Group dated 31 December 2019 and addendums dated 31 December 2020 and 6 July 2021, 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 RMB531,625,000 (HK$641,511,000) as at 30 June 2021 (as at 31 December 2020: approximately RMB429,219,000 (HK$511,654,000)) is fully recoverable and no provision is required. The increase in the balance is due to additional time required for the administrative procedure for fund remittance due to the outbreak of COVID-19. The balance is unsecured, interest-free and repayable on demand.

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

	As at 30 June 2021 *HK$'000*	As at 31 December 2020 *HK$'000* (Audited)
Current assets		
Trading equity securities	**13,691**	12,440
Convertible redeemable preferred shares	**34,471**	36,431
Other investments	**62,883**	32,877
Structured deposits	**1,630,950**	1,451,040
	1,741,995	1,532,788
Current liabilities		
Cross-currency interest rate swap contracts	**—**	(3,595)
Interest rate swap contract	**(5,672)**	—
	(5,672)	(3,595)
Non-current liabilities		
Interest rate swap contract	**—**	(5,225)
	—	(5,225)

As at 30 June 2021, the trading equity securities represent the shares of HSBC of HK$13,691,000 (as at 31 December 2020: HK$12,440,000) that are held for trading.

Changes in fair value of financial assets/liabilities at fair value through profit or loss are recognised in "Other operating gain/(loss), net" in the condensed consolidated income statement (Note 6).

Details of convertible redeemable preferred shares are disclosed in Note 25.

17 BANKING FACILITIES

As at 30 June 2021, the Group has undrawn banking facilities of HK$18,177,000 (as at 31 December 2020: HK$14,090,000).

18 BORROWINGS

	As at 30 June 2021 HK$'000	As at 31 December 2020 HK$'000 (Audited)
Bank borrowings *(Note a)*	**140,804**	369,362
Loans from non-controlling shareholders of subsidiaries *(Note b)*	**382,936**	351,954
	523,740	721,316

(a) Bank borrowings

	As at 30 June 2021 HK$'000	As at 31 December 2020 HK$'000 (Audited)
Non-current		
Long-term secured bank borrowings	**1,763**	1,787
Long-term unsecured bank borrowing	**1,946**	—
	3,709	1,787
Current		
Current portion of long-term secured bank borrowings	**137,095**	367,575
Total bank borrowings	**140,804**	369,362

	As at 30 June 2021 HK$'000	As at 31 December 2020 HK$'000 (Audited)
The bank borrowings are repayable as follows:		
— Within one year	**137,095**	367,575
— More than one year but not exceeding two years	**1,946**	—
— More than five years	**1,763**	1,787
Total bank borrowings	**140,804**	369,362

Bank borrowing of HK$29,373,000 secured by the land and property in Chaoyang Park was all settled in February 2021.

Bank borrowing of HK$1,763,000 (as at 31 December 2020: HK$1,787,000) is secured by a property in the United States with carrying value of approximately HK$2,599,000 (as at 31 December 2020: HK$2,615,000) recorded in right-of-use assets and property, plant and equipment as at 30 June 2021. The bank borrowing is denominated in US dollar ("US$") and bears interest at an interest rate of 3.59% (as at 31 December 2020: 3.59%) annually.

Bank borrowing of HK$137,095,000 (as at 31 December 2020: HK$338,202,000) is secured by bank deposit of HK$155,310,000 (as at 31 December 2020: HK$387,640,000) as at 30 June 2021 (Note 21).

Bank borrowing of HK$1,946,000 (as at 31 December 2020: Nil) is unsecured, denominated in RMB and bears interest at an interest rate of 4.35% annually.

(b) Loans from non-controlling shareholders of subsidiaries

	As at 30 June 2021 *HK$'000*	As at 31 December 2020 *HK$'000* (Audited)
Non-current		
Long-term loans from non-controlling shareholders of subsidiaries	**36,926**	45,787
Current		
Short-term loans from non-controlling shareholders of subsidiaries	**346,010**	306,167
Total loans from non-controlling shareholders of subsidiaries	**382,936**	351,954

	As at 30 June 2021 *HK$'000*	As at 31 December 2020 *HK$'000* (Audited)
The loans from non-controlling shareholders of subsidiaries are repayable as follows:		
— Within one year	**346,010**	306,167
— More than one year but not exceeding two years	**—**	11,339
— More than five years	**36,926**	34,448
Total loans from non-controlling shareholders of subsidiaries	**382,936**	351,954

The loans from non-controlling shareholders of subsidiaries are denominated in RMB, unsecured and interest-free (as at 31 December 2020: same).

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

	Group			
	Carrying amount		**Fair value**	
	As at 30 June 2021	As at 31 December 2020	**As at 30 June 2021**	As at 31 December 2020
	HK$'000	*HK$'000* (Audited)	***HK$'000***	*HK$'000* (Audited)
Bank borrowings	**140,804**	369,362	**146,476**	369,362
Loans from non-controlling shareholders of subsidiaries	**382,936**	351,954	**372,682**	345,393
	523,740	721,316	**519,158**	714,755

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 2020: 6.48%) and are within level 2 of the fair value hierarchy.

19 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2021	As at 31 December 2020
	HK$'000	*HK$'000* (Audited)
Accounts payable	**318,749**	382,377
Other payables and accruals	**1,014,675**	1,152,041
	1,333,424	1,534,418
Less: Non-financial liabilities	**(7,535)**	(8,314)
	1,325,889	1,526,104

As at 30 June 2021, the ageing analysis of accounts payable based on invoice date was as follows:

	As at 30 June 2021	As at 31 December 2020
	HK$'000	*HK$'000* (Audited)
0-30 days	**58,639**	201,980
31-60 days	**16,933**	26,983
61-90 days	**14,216**	7,913
91-120 days	**24,552**	20,062
Over 120 days	**204,409**	125,439
	318,749	382,377

20 SHARE CAPITAL

	Six months ended 30 June 2021		Year ended 31 December 2020	
	Number of Shares	**Amount**	Number of Shares	Amount
		HK$'000		*HK$'000*
Authorised:				
Ordinary share of HK$0.1 each	**10,000,000,000**	**1,000,000**	10,000,000,000	1,000,000
Issued and fully paid:				
At 1 January	**4,993,469,500**	**499,347**	4,993,469,500	499,347
Exercise of share options	**190,000**	**19**	—	—
At 30 June/31 December	**4,993,659,500**	**499,366**	4,993,469,500	499,347

21 PLEDGED BANK DEPOSITS

As at 30 June 2021, a bank deposit of approximately HK$155,310,000 (as at 31 December 2020: two bank deposits of approximately HK$387,640,000) bearing fixed interest rates at 2.44% (as at 31 December 2020: 2.44% to 3.59%) per annum, is pledged to a bank to secure one bank borrowing of approximately HK$137,095,000 (as at 31 December 2020: two bank borrowings of approximately HK$338,202,000) (Note 18(a)). The bank borrowing bears interest at LIBOR plus 0.45% per annum (as at 31 December 2020: HIBOR plus 0.45% per annum and LIBOR plus 0.45% per annum respectively). The Group has entered into interest rate swap contract with the same bank, with notional principal of the same amount of the borrowings, to swap its floating rate obligation under the borrowing for fixed rate obligation at 2.32% per annum (as at 31 December 2020: 2.32% to 3.38% per annum). The maturity date of the borrowing is the same as the interest rate swap contract. The Group did not elect to apply hedge accounting for the interest rate swap contracts. As at 30 June 2021, the fair value of the outstanding interest swap contract of HK$5,672,000 has been recorded as financial liabilities at fair value through profit or loss under current liabilities (as at 31 December 2020: HK$5,225,000 and HK$3,595,000 recorded as financial liabilities at fair value through profit or loss under non-current and current liabilities respectively) in the condensed consolidated balance sheet (Note 16).

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

22 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

During the six months ended 30 June 2021 and 30 June 2020, the Group's equity interest in Phoenix New Media Limited ("PNM") remained unchanged as 54.49%.

23 COMMITMENTS

As at 30 June 2021, the Group had capital commitments as follows:

	As at 30 June 2021	As at 31 December 2020
	HK$'000	*HK$'000*
		(Audited)
Contracted but not provided for	**15,966**	15,545

24 RELATED PARTY TRANSACTIONS

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

		For the six months ended 30 June	
		2021	2020
	Note	***HK$'000***	*HK$'000*
Service charges received/receivable from China Mobile Communications Group Co., Ltd. and its Subsidiaries (the "CMCC Group")	*a, b*	**21,720**	35,447
Service charges paid/payable to the CMCC Group	*a, c*	**3,223**	4,174
License fee received/receivable from Feng Xin Technology Hai Kou Group Company Limited* ("Feng Xin Technology")	*e, f*	**—**	1,279
Advertising sales to the CMCC Group	*a, d*	**16,272**	13,403
Key management compensation	*iii*	**16,949**	15,641

Notes:

(a) The CMCC Group, through a wholly-owned subsidiary of China Mobile (Hong Kong) Group Limited, owns approximately 19.68% 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 Feng Xin Technology is a close family member of the ex-Chairman of the Board of the Company, Mr. Liu Changle.

(f) The license fee received/receivable from Feng Xin Technology relating to grant of license of domain name to Feng Xin Technology is charged based on terms specified in the agreement.

(ii) Period/year end balances arising from related parties transactions as disclosed in Note 24(i) above were as follows:

	As at 30 June 2021	As at 31 December 2020
	HK$'000	*HK$'000* (Audited)
Amounts due from related companies	**26,968**	18,542

** For identification purpose only*

The amounts due from related companies are unsecured, non-interest bearing and repayable on demand. Other receivables from related parties are repayable in accordance with credit terms. As at 30 June 2021, the ageing analysis of the amounts due from related companies were as follows:

	As at 30 June 2021 *HK$'000*	As at 31 December 2020 *HK$'000* (Audited)
Amounts due from related companies		
0-90 days	**16,034**	4,165
91-120 days	**2,260**	694
over 120 days	**8,674**	13,683
	26,968	18,542

(iii) Key management compensation

	For the six months ended 30 June **2021** *HK$'000*	2020 *HK$'000*
Salaries	**12,454**	11,111
Discretionary bonuses	**242**	—
Housing allowance	**3,337**	3,696
Pension costs	**916**	834
	16,949	15,641

25 INVESTMENT IN PARTICLE INC.

PNM has completed the disposal of its Preferred Shares of Particle to Run Liang Tai Management Limited and its designated entities (the "Purchaser") on 19 October 2020. Upon Particle's completion of part of the Series F financing in February 2021, PNM's shareholding in Particle decreased from 0.67% to 0.63% as at 31 March 2021. As at 30 June 2021, PNM held 4,584,209 Series D1-2 Preferred Shares which PNM was entitled to approximately 0.63% equity interest on an as-if and fully converted basis in Particle, which is classified as financial asset at fair value through profit or loss as at 30 June 2021.

The independent professional valuer adopted the market approach to calculate the enterprise value of Particle at 30 June 2021. Accordingly, the fair value of the investment in Series D1-2 Preferred Shares have decreased from approximately HK$36,431,000 at 31 December 2020 to approximately HK$34,471,000 at 30 June 2021 and a fair value loss of approximately HK$2,043,000 was recognised in the condensed consolidated income statement.

By order of the Board
Phoenix Media Investment (Holdings) Limited
XU Wei
Chairman and Chief Executive Officer

Hong Kong, 20 August 2021

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

Executive Directors
Mr. XU Wei (Chairman and Chief Executive Officer) and Mr. SUN Yusheng (Deputy Chief Executive Officer and Editor-in-Chief)

Non-executive Directors
Ms. HO Chiu King, Pansy Catilina (Vice-chairman), Mr. SUN Guangqi, Mr. JIAN Qin, 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. ZHOU Longshan