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 2023

The board (the "**Board**") of directors (the "**Directors**" and each of them a "**Director**") of Phoenix Media Investment (Holdings) Limited (the "**Company**", together with its subsidiaries (collectively referred to as the "**Group**" or "**Phoenix**")) is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2023 (the "**Period**").

FINANCIAL SUMMARY

- The revenue of the Group for the Period was approximately HK$1,133,077,000, which represented a decrease of 24.0% in comparison with the same period last year.

- The operating loss of the Group for the Period decreased to approximately HK$273,959,000, which represented a decrease of 25.0% in comparison with the same period last year.

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

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

BUSINESS OVERVIEW AND PROSPECTS

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

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

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

Phoenix continues to enhance its international network broadcast efforts and influence. To be in line with the development trend of digitalisation, networking and intelligent audiovisual technology, the Group extended its coverage worldwide through various means such as satellites, cable TV networks, mobile internet, Internet Protocol Television (IPTV) and over-the-top (OTT) platforms, social media and intelligent distribution platforms, and expanded its international broadcasting capabilities with mobile-first and Internet-based mindset broadcasting philosophy. Social media accounts such as "Phoenix", "Phoenix TV News" and "Hong Kong V" have continued to enhance the influence brought by the delivery of omni-media content, while Fengshows has continued to launch international content products, of which the number of subscribers of its overseas social media accounts continued to grow. In the future, Phoenix will also explore the light production and collaborative content product model of streaming media platforms, expand the application of artificial intelligence tools, keep innovating the presentation of audiovisual contents, and establish a three-dimensional, diverse and integrated Chinese-language media broadcasting matrix, so as to improve its overall delivery and monetisation of the content.

During the Period, Phoenix continued to enhance its brand value, whereby it has been listed as China's 500 Most Valuable Brands published by World Brand Lab for 20 consecutive years and has been ranked among the top four in the media industry, which reflected its popularity and reputation in media and culture fields. Phoenix's programmes garnered numerous international awards. At the 2023 New York Festivals International TV & Film Awards, *25th Anniversary of the Hong Kong Special Administrative Region – Bicycle* won the silver award in Craft: Promotion/Open & ID, while *Zoom In: Life of Women in Afghanistan* and *Zoom In: The Last 'Comfort Women' Survivors* won the silver awards in Program and Documentary, respectively. Moreover, the programmes produced by Phoenix garnered numerous awards at the AIB International Media Excellence Awards, Asian Television Awards, and the Chinese Documentary Festival, which demonstrated its outstanding production skills and strengths at an international level.

Phoenix undertakes media responsibilities in the international communication practice by promoting Sino-foreign cultural exchange, and establishing extensive strategic cooperation relationships with various international organisations and institutions such as The United Nations Educational, Scientific and Cultural Organisation (UNESCO) and The World Wide Fund for Nature (WWF). During the Period, Phoenix co-organised major events with its partners such as the Earth Hour; Davos Forum – Zero Carbon Mission Series; and Dialogue with The Next 50: Global Celebration of the 50th Anniversary of The UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, which enhanced its affinity and influence in international communication via global, regional and demassified ways and injected new momentum into international broadcasts. At the same time, Phoenix also organised high-end brand events including You Bring Charm to the World Award and A Full Moon Rising Above the Greater Bay Area – The Greater Bay Area Film Concert in cooperation with its partners to enhance its influence as an international media.

In the first half of the year, the Group has further improved the monetisation of its media brands, contents, platforms, traffic and resources through various operational strategies such as content innovation, integrated marketing, business and resource integration and synergy development. Meanwhile, the Group continued to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media, magazines and App with a view to providing customers with a one-stop integrated and customised products and broadcasting services, facilitating the operational transformation and business development.

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

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

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

As an international media group based in Hong Kong and oriented globally, Phoenix always persists in the philosophy of openness and inclusiveness, adheres to and reinforces its core competitiveness in contents, and leverages on Phoenix's credibility, communication strength and influence, to promote multi-cultural exchanges from an international perspective, and to serve all Chinese around the world, so as to fulfill the expectations of our stakeholders.

RESULTS

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

COMMENTS ON SEGMENTAL INFORMATION

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

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

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

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel, integrated media operating platform and others decreased by 26.2% to approximately HK$155,382,000 (six months ended 30 June 2022: HK$210,548,000).

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

The revenue of the outdoor media business for the Period decreased by 30.3% to approximately HK$265,923,000 (six months ended 30 June 2022: HK$381,642,000). The segmental loss of the outdoor media business for the Period was approximately HK$24,797,000 (six months ended 30 June 2022: profit of HK$50,205,000).

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

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 businesses of the Group.

DIVIDENDS

The Board has considered the Group's financial performance, working capital requirements and the general economic conditions according to the Group's dividend policy, and does not recommend the payment of interim dividend to the shareholders of the Company (the "**Shareholders**") for the Period (interim dividend for 2022: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

As at 30 June 2023, the Group's equity interest in Phoenix New Media Limited remained as 54.49% (as at 31 December 2022: 54.49%).

During the Period, certain acquisitions by Beijing Phoenix Huibo Media Company Limited* (北京鳳凰滙播傳媒有限公司) (formerly known as Beijing Huibo Advertisement and Media Company Limited* (北京滙播廣告傳媒有限公司)), an indirect wholly-owned subsidiary of the Company, were completed on the following dates: (i) the acquisition of 100% equity interests in Phoenix Intelligent Media (Beijing) Technology Cultural Company Limited* (鳳凰智媒(北京)科技文化有限公司) (formerly known as Beijing Huizhi Bozhong Public Relations Consultancy Company Limited* (北京滙智博眾公關顧問有限公司)) on 3 January 2023; (ii) the acquisition of 100% equity interests in Shenzhen Phoenix Star Cultural Industrial Company Limited* (深圳市鳳凰星文化產業有限公司) on 1 February 2023; (iii) the acquisition of 100% equity interests in Shanghai Huibo Hengxin Film and Television Cultural Development Company Limited* (上海滙播恒鑫影視文化發展有限公司) (formerly known as Shanghai Phoenix Shenzhou Film and Television Cultural Development Company Limited* (上海鳳凰衛視神州影視文化發展有限公司)) on 8 February 2023; and (iv) the acquisition of 70% equity interests in Guangdong Yidai Media Advertising Company Limited* (廣東一代傳媒廣告有限公司) on 8 March 2023. For details of these acquisitions, please refer to the announcement of the Company dated 23 December 2022 and Note 23 to the unaudited condensed consolidated interim financial information.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures for the six months ended 30 June 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The liquidity and financial resources of the Group as at 30 June 2023 remained solid. As at 30 June 2023, the Group's total cash and current bank deposits were about HK$1,660,618,000 (as at 31 December 2022: HK$1,597,690,000), and structured deposits of approximately HK$793,519,000 (as at 31 December 2022: HK$927,603,000) have been recorded as financial assets at fair value through profit or loss. The aggregate outstanding borrowings of the Group were approximately HK$193,237,000 (as at 31 December 2022: HK$189,610,000), comprising non-interest bearing loans, non-interest bearing loans from non-controlling shareholders of subsidiaries and other interest bearing bank borrowings.

** For identification purpose*

The gearing ratio of the Group, based on total liabilities to equity attributable to owners of the Company, was 80.8% as at 30 June 2023 (as at 31 December 2022: 81.7%).

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 ("**USD**") and RMB, with minimal balances in Pound Sterling. 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 may 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 consider that the foreign currency exchange risk of the Group is limited.

CHARGE ON ASSETS

The property in the United States with carrying value of approximately HK$2,562,000 was pledged with a bank to secure a bank borrowing as at 31 December 2022. The bank borrowing was fully repaid during the period ended 30 June 2023.

Save as disclosed above, the Group did not have any other charges on its assets as at 30 June 2023 and 31 December 2022.

CAPITAL STRUCTURE AND SHARE OPTIONS

As at 30 June 2023, 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 4,993,659,500 Shares (as at 31 December 2022: 4,993,659,500 Shares) had been issued and fully paid.

There was no option granted or exercised under the Company's share option schemes during the Period.

As at 30 June 2023, 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 2023, the Group employed 2,943 staff (as at 31 December 2022: 2,975) and staff costs for the Period decreased to approximately HK$602,301,000 (six months ended 30 June 2022: HK$685,172,000).

The Company adopts an employee-oriented policy by offering reasonable employment conditions, including salaries that meet market standards, defined contribution pension schemes, holidays, comprehensive medical coverage and other types of employee insurance, employee stock option plan and other welfare to attract and retain talents. Staff remuneration of the Group is determined by reference to their job responsibilities, work performance, professional qualification and relevant working experience and an appraisal would be conducted annually to review the staff remuneration package.

The Group offers occupational training to its employees and has subsidy plans for staff training to enhance their knowledge and skills for performing job duties. The Group provides continuous professional development and training in the form of seminar or dispatch of reading materials for its employees annually.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2023, the Group invested in listed securities investments with estimated fair market value of approximately HK$18,622,000 (as at 31 December 2022: HK$14,821,000) 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. The Company will consider various means of financing as and when such opportunities arise.

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 SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS

Save as otherwise disclosed in this announcement, the Board is not aware of any other significant events which is required to be disclosed for the Period and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, 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 Period.

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 ("**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 Period. The following summarises the corporate governance practices of the Company and the explanations of deviations from the Code.

Save for the deviations below, the Company has, throughout the Period made up to 30 June 2023, complied with the Code.

(1) Chairman and Chief Executive

Code Provision

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

Deviation and its Reasons

During the Period, Mr. Xu Wei ("**Mr. Xu**") has been continually serving as both the chairman of the Board (the "**Chairman**") and the Chief Executive Officer of the Company (the "**CEO**"). The Board considers that Mr. Xu's extensive experience in media industry is a great benefit to the Group. Mr. Xu as the Chairman is responsible for leading and overseeing the effectiveness of the Board and ensuring good corporate governance practices and procedures are established. At the same time, Mr. Xu is also responsible for the role of CEO including managing business operations and devising and implementing strategic plans of the Group as approved by the Board from time to time. Through the supervision of the Board and the Board committees, balance of power and authority can be ensured. Therefore, the Board believes that 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 individuals.

(2) Appointments, re-election and removal

Code Provision

Under code provision B.2.2, 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

Mr. Xu, the Chairman, is not subject to retirement by rotation, which deviates from code provision B.2.2.

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 of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. 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 standard of dealings regarding Directors' securities transactions throughout the Period.

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 with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the code provisions as set out in the Code. The primary duties of the Audit Committee are to review and advise on the Company's interim and annual results, financial reports and 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 two independent non-executive Directors, namely Mr. Thaddeus Thomas Beczak (chairman of the Audit Committee) and Mr. Leung Hok Lim and one non-executive Director, namely Ms. Wang Haixia.

During the Period, 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, and discussed matters related to auditing, risk management and internal control systems as well as recommend to the Board to adopt the proposed amendments to the Terms of Reference of the Audit Committee.

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 Company's professional investor relation website 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 2023.

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 2023, together with the comparative figures for the corresponding period and relevant date in 2022.

CONDENSED CONSOLIDATED INCOME STATEMENT — UNAUDITED

For the six months ended 30 June 2023

		For the six months ended 30 June	
		2023	2022
	Note	***HK$'000***	*HK$'000*
Revenue	*5*	**1,133,077**	1,490,072
Operating expenses		**(1,162,558)**	(1,535,378)
Selling, general and administrative expenses		**(210,188)**	(288,073)
Net impairment losses on financial assets		**(34,290)**	(31,867)
Other gains/(losses), net	*6*	**51,746**	(89,323)
Interest income		**23,773**	30,042
Interest expense		**(19,616)**	(22,554)
Share of profits less losses of associates		**(471)**	910
Share of profits less losses of joint ventures		**531**	(764)
Loss before income tax	*6*	**(217,996)**	(446,935)
Income tax credit/(expense)	*7*	**8,787**	(815)
Loss for the period		**(209,209)**	(447,750)
Loss attributable to:			
Owners of the Company		**(129,158)**	(330,508)
Non-controlling interests		**(80,051)**	(117,242)
		(209,209)	(447,750)
Loss per share for loss attributable to the owners of the Company for the period			
Basic loss per share, Hong Kong cents	*9*	**(2.59)**	(6.62)
Diluted loss per share, Hong Kong cents	*9*	**(2.59)**	(6.62)

The notes on pages 19 to 43 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 2023

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
Loss for the period	**(209,209)**	(447,750)
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	**125,620**	(149,787)
Total comprehensive expense for the period	**(83,589)**	(597,537)
Total comprehensive expense for the period attributable to:		
Owners of the Company	**(47,211)**	(421,645)
Non-controlling interests	**(36,378)**	(175,892)
	(83,589)	(597,537)

The notes on pages 19 to 43 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

As at 30 June 2023

	Note	**As at 30 June 2023 HK$'000**	As at 31 December 2022 HK$'000 (Audited)
Assets			
Non-current assets			
Purchased programme and film rights, net	*10*	**15,582**	14,207
Right-of-use assets		**884,052**	961,363
Property, plant and equipment, net	*11*	**649,870**	638,823
Investment properties	*12*	**1,374,418**	1,307,283
Intangible assets	*13*	**39,547**	46,754
Investments in joint ventures		**36,654**	35,152
Investments in associates		**81,438**	68,844
Other long-term assets		**59,336**	45,536
Deferred income tax assets		**104,907**	104,719
		3,245,804	3,222,681
Current assets			
Accounts receivable, net	*14*	**720,780**	899,782
Prepayments, deposits and other receivables	*15*	**500,828**	445,525
Inventories		**4,281**	5,171
Amounts due from related companies	*22*	**6,346**	12,822
Self-produced programmes		**7,564**	9,136
Purchased programme and film rights, net	*10*	**112**	305
Financial assets at fair value through profit or loss	*16*	**909,623**	1,015,174
Bank deposits		**249,603**	222,878
Restricted cash		**8,727**	11,122
Cash and cash equivalents		**1,411,015**	1,374,812
		3,818,879	3,996,727
Total assets		**7,064,683**	7,219,408

The notes on pages 19 to 43 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED *(Continued)*
As at 30 June 2023

	Note	**As at 30 June 2023** **HK$'000**	As at 31 December 2022 HK$'000 (Audited)
Equity			
Equity attributable to owners of the Company			
Share capital	20	**499,366**	499,366
Reserves		**2,866,229**	2,913,986
		3,365,595	3,413,352
Non-controlling interests		**979,689**	1,016,542
Total equity		**4,345,284**	4,429,894
Liabilities			
Non-current liabilities			
Bank borrowings	18	**—**	1,692
Lease liabilities		**606,309**	671,197
Other long-term liabilities		**4,642**	4,507
Loans from non-controlling shareholders of subsidiaries	18	**33,523**	32,271
Deferred income tax liabilities		**149,235**	136,255
		793,709	845,922
Current liabilities			
Accounts payable, other payables and accruals	19	**1,245,595**	1,201,263
Bank borrowings	18	**8,300**	6,534
Lease liabilities		**148,932**	168,431
Deferred income		**232,110**	259,120
Loans from non-controlling shareholders of subsidiaries	18	**146,772**	144,606
Current income tax liabilities		**143,981**	163,638
		1,925,690	1,943,592
Total liabilities		**2,719,399**	2,789,514
Total equity and liabilities		**7,064,683**	7,219,408

The notes on pages 19 to 43 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 2023

	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 2023	499,366	163,821	197,396	1,396,370	(244,129)	49,324	1,351,204	1,016,542	4,429,894
Loss for the period	—	—	—	—	—	—	(129,158)	(80,051)	(209,209)
Other comprehensive income									
Currency translation differences	—	—	—	—	81,947	—	—	43,673	125,620
Total comprehensive expense for the period	—	—	—	—	81,947	—	(129,158)	(36,378)	(83,589)
Transactions with owners									
Share option scheme									
– value of employee services	—	—	—	—	—	—	—	3,101	3,101
– lapse of share options	—	8,105	—	—	—	(8,105)	—	—	—
Allocation to statutory reserve	—	—	(234)	—	—	—	234	—	—
Acquisition of additional equity interest in subsidiaries	—	—	—	(546)	—	—	—	(3,576)	(4,122)
Total transactions with owners	—	8,105	(234)	(546)	—	(8,105)	234	(475)	(1,021)
Balance at 30 June 2023	499,366	171,926	197,162	1,395,824	(162,182)	41,219	1,222,280	979,689	4,345,284

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED *(Continued)*

For the six months ended 30 June 2023

	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 2022	499,366	158,026	181,414	1,397,951	1,083	55,119	1,749,686	1,371,782	5,414,427
Loss for the period	—	—	—	—	—	—	(330,508)	(117,242)	(447,750)
Other comprehensive expense									
Currency translation differences	—	—	—	—	(91,137)	—	—	(58,650)	(149,787)
Total comprehensive expense for the period	—	—	—	—	(91,137)	—	(330,508)	(175,892)	(597,537)
Transactions with owners									
Share option scheme									
— value of employee services	—	—	—	—	—	—	—	3,753	3,753
— lapse of share options	—	4,711	—	—	—	(4,711)	—	—	—
Allocation to statutory reserve	—	—	(241)	—	—	—	241	—	—
Injection from non-controlling interests	—	—	—	—	—	—	—	43	43
Total transactions with owners	—	4,711	(241)	—	—	(4,711)	241	3,796	3,796
Balance at 30 June 2022	499,366	162,737	181,173	1,397,951	(90,054)	50,408	1,419,419	1,199,686	4,820,686

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 19 to 43 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 2023

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
Cash flows from operating activities		
Cash used in operations	**(43,644)**	(92,030)
Interest received	**23,773**	30,042
Interest paid	**(19,327)**	(22,554)
PRC and overseas taxation paid	**(19,923)**	(23,594)
Net cash used in operating activities	**(59,121)**	(108,136)
Cash flows from investing activities		
Decrease in restricted cash	**2,395**	3,195
Increase in bank deposits with original maturities over 3 months	**(20,294)**	(84,582)
Increase in pledged bank deposits	**—**	(1,190)
Purchase of intangible assets	**(1,674)**	(10,446)
Purchase of property, plant and equipment	**(43,696)**	(30,473)
Purchase of programme and film rights	**(5,960)**	(6,786)
Proceeds from disposal of property, plant and equipment	**6,491**	26,806
Investment income from financial assets at fair value through profit or loss	**1,134**	431
Investment income from bank deposits and pledged bank deposits	**—**	1,902
Net cash inflows from acquisition of subsidiaries *(Note 23)*	**32,740**	—
Capital injection to various investments	**—**	(16,345)
Redemption of financial assets at fair value through profit or loss	**168,837**	255,514
Net cash generated from investing activities	**139,973**	138,026
Cash flows from financing activities		
Drawdown of bank borrowings	**4,935**	—
Repayment of bank borrowings	**(5,075)**	(1,911)
Principal elements of lease payments	**(87,769)**	(110,650)
Injection from non-controlling interests	**—**	43
Acquisition of additional equity interest in a subsidiary	**(4,122)**	—
Net cash used in financing activities	**(92,031)**	(112,518)
Net decrease in cash and cash equivalents	**(11,179)**	(82,628)
Cash and cash equivalents at beginning of period	**1,374,812**	1,265,106
Net exchange gains/(losses) on cash and cash equivalents	**47,382**	(75,408)
Cash and cash equivalents at end of period	**1,411,015**	1,107,070

The notes on pages 19 to 43 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 18 August 2023.

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 2023 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 2022, 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 2022 as described in those annual financial statements.

(a) Effect of adopting amendments to standards

The following new standard and amendments to standards are mandatory for accounting periods beginning on or after 1 January 2023.

HKFRS 17	Insurance Contracts
HKAS 1 and HKFRS Practice Statements 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform — Pillar Two Model Rules

The new standard and 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) Amendments to standards that have been issued but are not effective for the financial year ending 31 December 2023 and have not been early adopted by the Group except otherwise stated

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current *(1)*
HKAS 1 (Amendments)	Non-current Liabilities with Covenants *(1)*
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback *(1)*
HKAS 7 (Amendments) and HKFRS 7 (Amendments)	Supplier Finance Arrangements *(1)*
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(2)*

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of the impact of the amendments to standards 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 2022.

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 2022.

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 prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The Finance Department reviews the valuations of the financial instruments, including the convertible redeemable preferred shares ("**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 that are measured at fair value at 30 June 2023.

	Level 1	**Level 2**	**Level 3**	**Total**
	HK\$'000	***HK\$'000***	***HK\$'000***	***HK\$'000***
Financial assets				
Financial assets at fair value through profit or loss				
— Trading equity securities	**18,622**	**—**	**—**	**18,622**
— Convertible redeemable preferred shares	**—**	**—**	**353**	**353**
— Other investments	**—**	**—**	**97,129**	**97,129**
— Structured deposits	**—**	**793,519**	**—**	**793,519**
	18,622	**793,519**	**97,482**	**909,623**

The following table presents the Group's financial assets that are measured at fair value at 31 December 2022.

	Level 1	Level 2	Level 3	Total
	HK\$'000	*HK\$'000*	*HK\$'000*	*HK\$'000*
Financial assets				
Financial assets at fair value through profit or loss				
— Trading equity securities	14,821	—	—	14,821
— Convertible redeemable preferred shares	—	—	331	331
— Other investments	—	—	72,419	72,419
— Structured deposits	—	927,603	—	927,603
	14,821	927,603	72,750	1,015,174

During the six months ended 30 June 2023 and 2022, 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 2023, there were no changes in valuation techniques and reclassifications of financial assets and liabilities (six months ended 30 June 2022: 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 2023, instruments included in Level 1 comprise shares of HSBC Holdings PLC ("**HSBC**"), an entity listed on the Stock Exchange, of approximately HK$18,622,000 (as at 31 December 2022: HK$14,821,000) (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 2023** *HK$'000*	**Valuation technique(s)**	**Unobservable inputs**	**Value of unobservable inputs**	**Relationship of unobservable inputs to fair value**
Convertible redeemable preferred shares	**353**	Market approach	Lack of marketability discount ("**DLOM**")	20%	The lower the DLOM, the higher the fair value
			Volatility	50%	The lower volatility, the higher the fair value
Other investments	**97,129**	Price derived from observable market transactions	N/A	N/A	N/A

Description	**Fair value at 31 December 2022** *HK$'000*	**Valuation technique(s)**	**Unobservable inputs**	**Value of unobservable inputs**	**Relationship of unobservable inputs to fair value**
Convertible redeemable preferred shares	331	Market approach	DLOM	20%	The lower the DLOM, the higher the fair value
			Volatility	50%	The lower volatility, the higher the fair value
Other investments	72,419	Market approach and price derived from observable market transactions	N/A	N/A	N/A

The Preferred Shares represent investments in Series D1-2 Preferred Shares of Particle Inc. ("**Particle**") as at 30 June 2023 and 31 December 2022.

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 2023 and year ended 31 December 2022.

	Convertible redeemable preferred shares *HK$'000*	**Other investments** *HK$'000*	**Total** *HK$'000*
Opening balance on 1 January 2023	**331**	**72,419**	**72,750**
Additions	**—**	**23,018**	**23,018**
Fair value gain recognized in profit or loss	**—**	**111**	**111**
Currency translation differences	**22**	**1,581**	**1,603**
Closing balance on 30 June 2023	**353**	**97,129**	**97,482**

	Convertible redeemable preferred shares *HK$'000*	Other investments *HK$'000*	Total *HK$'000*
Opening balance on 1 January 2022	28,537	67,754	96,291
Additions	—	15,246	15,246
Fair value loss recognized in profit or loss	(28,376)	(3,899)	(32,275)
Currency translation differences	170	(6,682)	(6,512)
Closing balance on 31 December 2022	331	72,419	72,750

(2) *Quantitative sensitivity analysis*

No sensitivity analysis for convertible redeemable preferred shares amounting to HK$353,000 (as at 31 December 2022: HK$331,000) and other investments amounting to HK$97,129,000 (as at 31 December 2022: HK$72,419,000) 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, 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, integrated media operating platform 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 2023								
	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	**253,868**	**155,382**	**409,250**	**373,400**	**265,923**	**8,795**	**75,709**	**—**	**1,133,077**
Inter-segment sales *(Note c)*	**—**	**27,836**	**27,836**	**3,949**	**1,720**	**24,096**	**1,777**	**(59,378)**	**—**
Total revenue	**253,868**	**183,218**	**437,086**	**377,349**	**267,643**	**32,891**	**77,486**	**(59,378)**	**1,133,077**
Timing of revenue recognition									
At a point in time	**—**	**29,118**	**29,118**	**37,743**	**—**	**—**	**432**	**—**	**67,293**
Over time	**253,868**	**126,264**	**380,132**	**335,657**	**265,923**	**1,602**	**75,277**	**—**	**1,058,591**
Revenue from other source	**—**	**—**	**—**	**—**	**—**	**7,193**	**—**	**—**	**7,193**
	253,868	**155,382**	**409,250**	**373,400**	**265,923**	**8,795**	**75,709**	**—**	**1,133,077**
Segment results	**(48,600)**	**42,752**	**(5,848)**	**(108,095)**	**(24,797)**	**(9,488)**	**(26,405)**	**—**	**(174,633)**
Unallocated income *(Note a)*									**47,146**
Unallocated expenses *(Note b)*									**(90,569)**
Loss before share of results of joint ventures, associates, income tax and non-controlling interests									**(218,056)**
Share of profits less losses of joint ventures									**531**
Share of profits less losses of associates									**(471)**
Income tax credit									**8,787**
Loss for the period									**(209,209)**
Non-controlling interests									**80,051**
Loss attributable to owners of the Company									**(129,158)**
Depreciation	**(5,173)**	**(8,427)**	**(13,600)**	**(4,977)**	**(10,428)**	**(12,105)**	**(5,223)**	**—**	**(46,333)**
Unallocated depreciation									**(9,065)**
									(55,398)
Interest income	**3**	**2,669**	**2,672**	**19,891**	**465**	**108**	**172**	**—**	**23,308**
Unallocated interest income									**465**
									23,773
Interest expenses	**—**	**(58)**	**(58)**	**(2,649)**	**(16,021)**	**—**	**(863)**	**—**	**(19,591)**
Unallocated interest expenses									**(25)**
									(19,616)
Provision for impairment of accounts receivable	**—**	**—**	**—**	**(33,811)**	**—**	**—**	**(479)**	**—**	**(34,290)**

	Period ended 30 June 2022								
	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	347,447	210,548	557,995	453,830	381,642	25,014	71,591	—	1,490,072
Inter-segment sales *(Note c)*	—	46,642	46,642	6,998	853	15,134	2,298	(71,925)	—
Total revenue	347,447	257,190	604,637	460,828	382,495	40,148	73,889	(71,925)	1,490,072
Timing of revenue recognition									
At a point in time	—	—	—	53,527	—	—	—	—	53,527
Over time	347,447	210,548	557,995	400,303	381,642	2,590	71,591	—	1,414,121
Revenue from other source	—	—	—	—	—	22,424	—	—	22,424
	347,447	210,548	557,995	453,830	381,642	25,014	71,591	—	1,490,072
Segment results	(157,684)	93,520	(64,164)	(275,402)	50,205	14,013	(48,477)	—	(323,825)
Unallocated income *(Note a)*									25,999
Unallocated expenses *(Note b)*									(149,255)
Loss before share of results of joint ventures, associates, income tax and non-controlling interests									(447,081)
Share of profits less losses of joint ventures									910
Share of profits less losses of associates									(764)
Income tax expense									(815)
Loss for the period									(447,750)
Non-controlling interests									117,242
Loss attributable to owners of the Company									(330,508)
Depreciation	(4,410)	(7,390)	(11,800)	(23,372)	(99,562)	(14,902)	(17,954)	—	(167,590)
Unallocated depreciation									(14,087)
									(181,677)
Interest income	—	930	930	22,982	4,486	235	282	—	28,915
Unallocated interest income									1,127
									30,042
Interest expenses	—	(47)	(47)	(1,107)	(18,130)	—	(1,600)	—	(20,884)
Unallocated interest expenses									(1,670)
									(22,554)
Provision for impairment of accounts receivable	—	—	—	(31,867)	—	—	—	—	(31,867)

Notes:

(a) Unallocated income represents exchange gain, interest income, fair value gain on financial assets (realised and unrealised), gain on acquisition of subsidiaries 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	
	2023	2022
	HK$'000	*HK$'000*
Crediting		
Gain on disposal of property, plant and equipment	**(3,594)**	(18,284)
Charging		
Production costs of self-produced programmes	**80,273**	100,729
Commission expenses	**51,989**	124,345
Bandwidth costs	**18,908**	32,824
Employee benefit expenses (including Directors' emoluments)	**602,301**	685,172
Operating lease rental in respect of LED panels	**1,533**	11,291
Loss on disposal of property, plant and equipment	**640**	4,519
Depreciation of property, plant and equipment	**55,398**	63,636
Depreciation of right-of-use assets	**94,406**	118,041
Amortisation of purchased programme and film rights	**5,070**	4,774
Amortisation of intangible assets	**7,104**	11,194

Other gains/(losses), net comprise the following items:

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
Fair value (loss)/gain on investment properties *(Note 12)*	**(14,419)**	98
Exchange gain/(loss), net	**1,574**	(68,796)
Investment income	**790**	2,333
Fair value gain/(loss) on financial assets at fair value through profit or loss, net	**3,911**	(36,444)
Gain on disposal of property, plant and equipment	**3,594**	18,284
Gain on acquisition of subsidiaries *(Note 23)*	**38,150**	—
Employee retention subsidies	**12,872**	—
Others, net	**5,274**	(4,798)
	51,746	(89,323)

7 INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2022: 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 (credited)/charged to the condensed consolidated income statement represents:

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**—**	—
— PRC and overseas taxation	**(3,662)**	15,042
Deferred income tax	**(5,125)**	(14,227)
	(8,787)	815

8 DIVIDENDS

No dividend had been paid or declared during the six months ended 30 June 2023.

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: 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	
	2023	2022
Loss attributable to owners of the Company *(HK$'000)*	**(129,158)**	(330,508)
Weighted average number of ordinary shares in issue *('000)*	**4,993,660**	4,993,660
Basic loss per share (Hong Kong cents)	**(2.59)**	(6.62)

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 in both periods.

There was no impact of the dilutive instruments during the six months ended 30 June 2023 as the share options of the Company and a subsidiary were anti-dilutive (six months ended 30 June 2022: Nil).

	For the six months ended 30 June	
	2023	2022
Loss attributable to owners of the Company used to determine diluted loss per share *(HK$'000)*	**(129,158)**	(330,508)
Weighted average number of ordinary shares in issue *('000)*	**4,993,660**	4,993,660
Weighted average number of ordinary shares for diluted loss per share *('000)*	**4,993,660**	4,993,660
Diluted loss per share (Hong Kong cents)	**(2.59)**	(6.62)

10 PURCHASED PROGRAMME AND FILM RIGHTS, NET

	For the six months ended 30 June 2023	For the year ended 31 December 2022
	HK$'000	*HK$'000* (Audited)
Balance, beginning of period/year	**14,512**	13,641
Additions	**5,960**	12,372
Amortisation	**(5,070)**	(10,457)
Others	**292**	(1,044)
Balance, end of period/year	**15,694**	14,512
Less: Purchased programme and film rights — current portion	**(112)**	(305)
	15,582	14,207

11 PROPERTY, PLANT AND EQUIPMENT, NET

	For the six months ended 30 June 2023	For the year ended 31 December 2022
	HK$'000	*HK$'000* (Audited)
Balance, beginning of period/year	**638,823**	737,587
Additions	**43,696**	90,363
Disposals	**(3,346)**	(23,349)
Depreciation	**(55,398)**	(118,470)
Acquisition of subsidiaries *(Note 23)*	**13,811**	—
Currency translation differences	**12,284**	(47,308)
Balance, end of period/year *(Note a)*	**649,870**	638,823

(a) Included in the net book value as of 30 June 2023 is an amount of HK$19,535,000 (as at 31 December 2022: HK$19,885,000) which relates to the Group's entitlement to use 10,000 square metres in the Shenzhen Building. As at 30 June 2023, the cost was HK$30,848,000 (as at 31 December 2022: HK$30,848,000) with a net book value of HK$19,535,000 (as at 31 December 2022: HK$19,885,000). As at 30 June 2023, 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 2023, 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 2023	For the year ended 31 December 2022
	HK$'000	*HK$'000*
		(Audited)
Balance, beginning of period/year	**1,307,283**	1,470,424
Acquisition of subsidiaries *(Note 23)*	**43,038**	—
Fair value loss	**(14,419)**	(6,276)
Currency translation differences	**38,516**	(156,865)
Balance, end of period/year	**1,374,418**	1,307,283

(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 loss of approximately HK$14,419,000 (six months ended 30 June 2022: gain of HK$98,000) was recognized in the condensed consolidated income statement for the six months ended 30 June 2023.

(i) Fair value hierarchy

Description	**Fair value measurements at 30 June 2023 using significant unobservable inputs (Level 3)**	Fair value measurements at 31 December 2022 using significant unobservable inputs (Level 3)
	HK$'000	*HK$'000*
Recurring fair value measurements		
Investment properties		
— Phoenix International Media Centre (The PRC)	**1,319,002**	1,293,732
— Commercial (UK)	**12,926**	13,018
— Others (The PRC)	**548**	533
— Commercial (The PRC)	**41,942**	—

(ii) ***Valuation techniques***

For the investment property in UK with a carrying amount of HK$12,926,000 (as at 31 December 2022: HK$13,018,000), 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$1,319,002,000 (as at 31 December 2022: HK$1,293,732,000). 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 2023 (six months ended 30 June 2022: None).

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

Description	Fair value 30 June 2023 *(HK$'000)*	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Phoenix International Media Centre — The PRC	**1,319,002**	Direct comparison	Adjusted average price of RMB26,924 per square metre	The higher the adjusted average price per square metre, the higher the fair value
Commercial — UK	**12,926**	Income capitalization approach	Estimated rental value of £407 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
Commercial — The PRC	**41,942**	Direct comparison	Adjusted average price of RMB29,491 per square metre	The higher the adjusted average price per square metre, the higher the fair value

Description	Fair value 31 December 2022 (HK$'000)	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Phoenix International Media Centre — The PRC	1,293,732	Direct comparison	Adjusted average price of RMB27,198 per square metre	The higher the adjusted average price per square metre, the higher the fair value
Commercial — UK	13,018	Income capitalization approach	Estimated rental value of £407 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 2023 ***HK$'000***	For the year ended 31 December 2022 *HK$'000* (Audited)
Balance, beginning of period/year	**46,754**	51,451
Additions	**1,674**	20,612
Disposal	**(2,931)**	—
Amortisation	**(7,104)**	(20,241)
Impairment	**—**	(1,204)
Currency translation differences	**1,154**	(3,864)
Balance, end of period/year *(Note a)*	**39,547**	46,754

(a) 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 programme transmission license and internet news license.

14 ACCOUNTS RECEIVABLE, NET

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
Accounts receivable	**1,133,940**	1,292,038
Less: Provision for impairment	**(413,160)**	(392,256)
	720,780	899,782

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 2023, the ageing analysis of accounts receivable from customers based on invoice date was as follows:

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
0-30 days	**183,664**	210,067
31-60 days	**123,956**	176,754
61-90 days	**89,955**	104,055
91-120 days	**74,287**	89,477
Over 120 days	**662,078**	711,685
	1,133,940	1,292,038
Less: Provision for impairment	**(413,160)**	(392,256)
	720,780	899,782

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$34,290,000 (six months ended 30 June 2022: HK$31,867,000) for the impairment of its accounts receivable during the six months ended 30 June 2023. The Group has not made reversal of provision for impairment of receivables made in prior years during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in other receivables is an amount of approximately RMB252,747,000 (HK$283,481,000) (as at 31 December 2022: RMB200,073,000 (HK$217,864,000)) 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 the latest addendum dated 1 July 2022, 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 RMB252,747,000 (HK$283,481,000) as at 30 June 2023 (as at 31 December 2022: approximately RMB200,073,000(HK$217,864,000)) is fully recoverable and no provision is required. The balance is unsecured, interest-free and repayable on demand.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
Current assets		
Trading equity securities	**18,622**	14,821
Convertible redeemable preferred shares	**353**	331
Other investments	**97,129**	72,419
Structured deposits	**793,519**	927,603
	909,623	1,015,174

As at 30 June 2023, the trading equity securities represent the shares of HSBC of HK$18,622,000 (as at 31 December 2022: HK$14,821,000) that are held for trading.

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

17 BANKING FACILITIES

As at 30 June 2023, the Group has undrawn banking facilities of HK$14,090,000 (as at 31 December 2022: HK$18,446,000).

18 BORROWINGS

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
Bank borrowings *(Note a)*	**8,300**	8,226
Loans from non-controlling shareholders of subsidiaries *(Note b)*	**180,295**	176,877
	188,595	185,103

(a) Bank borrowings

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
Non-current		
Long-term secured bank borrowings	**—**	1,692
Current		
Short-term unsecured bank borrowings	**8,300**	6,534
Total bank borrowings	**8,300**	8,226

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
The bank borrowings are repayable as follows:		
— Within one year	**8,300**	6,534
— More than five years	**—**	1,692
Total bank borrowings	**8,300**	8,226

As at 31 December 2022, bank borrowing of HK$1,692,000 was secured by a property in the United States with carrying value of approximately HK$2,562,000 recorded in right-of-use assets and property, plant and equipment. The bank borrowing was denominated in US dollar and bears interest at an interest rate of 3.59% annually. The bank borrowing was fully repaid during the period ended 30 June 2023.

(b) Loans from non-controlling shareholders of subsidiaries

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
Non-current		
Long-term loans from non-controlling shareholders of subsidiaries	**33,523**	32,271
Current		
Short-term loans from non-controlling shareholders of subsidiaries	**146,772**	144,606
Total loans from non-controlling shareholders of subsidiaries	**180,295**	176,877

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
The loans from non-controlling shareholders of subsidiaries are repayable as follows:		
— Within one year	**146,772**	144,606
— More than one year but not exceeding two years	**11,091**	10,491
— More than five years	**22,432**	21,780
Total loans from non-controlling shareholders of subsidiaries	**180,295**	176,877

The loans from non-controlling shareholders of subsidiaries are denominated in RMB, unsecured and interest-free (as at 31 December 2022: loans from non-controlling shareholders of subsidiaries are denominated in RMB, unsecured and interest-free).

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

	Group			
	Carrying amount		Fair value	
	As at 30 June 2023	As at 31 December 2022	**As at 30 June 2023**	As at 31 December 2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Audited)		(Audited)
Bank borrowings	**8,300**	8,226	**8,300**	8,226
Loans from non-controlling shareholders of subsidiaries	**180,295**	176,877	**180,295**	176,877
	188,595	185,103	**188,595**	185,103

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 2022: 6.48%) and are within level 2 of the fair value hierarchy.

19 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2023	As at 31 December 2022
	HK$'000	*HK$'000*
		(Audited)
Accounts payable	**323,254**	482,834
Other payables and accruals	**922,341**	718,429
	1,245,595	1,201,263
Less: Non-financial liabilities	**(1,027)**	(5,527)
	1,244,568	1,195,736

As at 30 June 2023, the ageing analysis of accounts payable based on invoice date was as follows:

	As at 30 June 2023	As at 31 December 2022
	HK$'000	*HK$'000*
		(Audited)
0-30 days	**83,571**	210,244
31-60 days	**14,009**	30,173
61-90 days	**13,784**	10,428
91-120 days	**18,944**	27,994
Over 120 days	**192,946**	203,995
	323,254	482,834

20 SHARE CAPITAL

	As at 30 June 2023		As at 31 December 2022	
	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:				
Ordinary shares	**4,993,659,500**	**499,366**	4,993,659,500	499,366

21 COMMITMENTS

As at 30 June 2023 and 31 December 2022, the Group had no material capital commitments.

22 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	
		2023	2022
	Note	***HK$'000***	*HK$'000*
Service charges received/receivable from China Mobile Communications Group Co., Ltd. and its Subsidiaries (the "**CMCC Group**")	*a, b*	**4,623**	2,771
Service charges paid/payable to the CMCC Group	*a, c*	**1,891**	2,382
Advertising sales to the CMCC Group	*a, d*	**2,870**	7,979
Key management compensation	*iii*	**9,192**	9,964

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.

(ii) Period/year end balances arising from related parties transactions as disclosed in Note 22(i) above were as follows:

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
Amounts due from related companies	**6,346**	12,822

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 2023, the ageing analysis of the amounts due from related companies were as follows:

	As at 30 June 2023 *HK$'000*	As at 31 December 2022 *HK$'000* (Audited)
Amounts due from related companies		
0-90 days	**452**	10,180
91-120 days	**524**	94
over 120 days	**5,370**	2,548
	6,346	12,822

(iii) Key management compensation

	For the six months ended 30 June	
	2023 *HK$'000*	2022 *HK$'000*
Salaries	**7,111**	8,070
Discretionary bonuses	**—**	2
Housing allowance	**1,447**	1,397
Pension costs	**634**	495
	9,192	9,964

23 BUSINESS COMBINATION

Beijing Phoenix Huibo Media Company Limited* (formerly known as Beijing Huibo Advertisement and Media Company Limited*), an indirect wholly owned subsidiary of the Company entered into equity transfer agreements and a supplemental agreement with Shenzhou and Beijing Erya Far East Advertising Co., Ltd. to acquire 100% equity interests of Phoenix Intelligent Media (Beijing) Technology Cultural Company Limited* (formerly known as Beijing Huizhi Bozhong Public Relations Consultancy Company Limited*), Shenzhen Phoenix Star Cultural Industrial Company Limited* and Shanghai Huibo Hengxin Film and Television Cultural Development Company Limited* (formerly known as Shanghai Phoenix Shenzhou Film and Television Cultural Development Company Limited*),and 70% equity interests of Guangdong Yidai Media Advertising Company Limited* at a total consideration of RMB15,500,000 (the "**Acquisition**"). The Acquisition has been completed on 3 January 2023, 1 February 2023, 8 February 2023 and 8 March 2023 respectively.

Aggregate consideration of the acquisition transactions is as follows:

	HK$'000
Cash consideration	**17,733**
Contingent consideration *(Note)*	**21,802**
Total	**39,535**

Note:

Pursuant to the supplemental agreement dated 23 December 2022, the Group is required to bear taxation and fee arising from the Acquisition which may be imposed by the tax authorities on Shenzhou. The amount of contingent consideration is subject to assessment of the tax authorities.

The recognised amounts of identifiable assets acquired and liabilities assumed as at the respective dates of such acquisitions are as follow:**

	Fair value *HK$'000*
Investment Property	**43,038**
Property, plant and equipment	**13,811**
Interests in associates	**11,279**
Accounts receivable, other receivables, prepayments and deposits	**11,872**
Accounts payable, other payables and accruals	**(58,333)**
Cash and cash equivalents	**50,473**
Deferred income tax liabilities	**(15,816)**
Other assets and liabilities	**21,361**
Net identifiable assets acquired	**77,685**
Less: gain on bargain purchase recognised in the condensed consolidated income statement	**(38,150)**
Total	**39,535**

* *For identification purpose only*

Net cash inflow on acquisition of subsidiaries

	HK$'000
Cash consideration	**17,733**
Less: cash and cash equivalent balances acquired	**(50,473)**
Net cash inflow on acquisition of subsidiaries	**(32,740)**

** *As at 30 June 2023, verification of individual assets/liabilities of the acquired subsidiaries is in progress and the Group has not finalised the fair value assessments. The relevant fair value of individual assets/liabilities stated as above are provisional.*

Gain on bargain purchase on acquisition of subsidiaries amounting to HK$38,150,000 is recognised in the condensed consolidated income statement. Shenzhou has been appointed by the Group as its non-exclusive agent in the PRC to provide services to the Group as well as to conduct certain other non-core businesses for and on behalf of the Group (such services and businesses include, but are not limited to, advertising sale, TV programmes and content production and those services and/or businesses as provided or conducted by the 4 Companies). When the businesses become mature and stable, it will be more economical for the Group to conduct the same on its own and therefore, the Group has decided to terminate the appointment of Shenzhou in those fields. As such, the 4 Companies (together with the equipment, assets and labor force thereunder) become redundant for Shenzhou.

Shenzhou does not need to close down the 4 Companies and dispose of their equipment, assets and labor force in a piecemeal fashion which may otherwise incur considerable time and costs, which resulted in a bargain purchase gain under the Acquisition.

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

Hong Kong, 18 August 2023

As at the date of this announcement, the Board 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 and Ms. Wang Haixia

Independent Non-executive Directors
Mr. Leung Hok Lim, Mr. Thaddeus Thomas Beczak, Mr. Fang Fenglei and Mr. Zhou Longshan