

PRESS RELEASE

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

Results announcement for the year ended 31 December 2022

The Chairman and Chief Executive Officer of Phoenix Media Investment (Holdings) Limited (the “**Company**” and its subsidiaries collectively the “**Group**” or “**Phoenix**”), Mr. Xu Wei, emphasises the need to “focus on core business, internationalisation, innovation and talents” for promoting integrated marketing, cross-border cooperation and capacity building, as well as the commitment to achieve a comprehensive innovation in content, channels and activities in full force. The Group shall firmly establish a strong base in Hong Kong, facing the development orientation of Hong Kong, Macau, Taiwan and the globe Chinese community, with an aim to building an international first-class Chinese media group. The Group’s revenue for the year ended 31 December 2022 was approximately HK\$3,003,733,000. The operating loss decreased to approximately HK\$378,620,000 and the loss attributable to owners of the Company decreased to approximately HK\$382,500,000.

RESULTS

The revenue of the Group for the year ended 31 December 2022 was approximately HK\$3,003,733,000 (year ended 31 December 2021: HK\$3,159,240,000), which represented a decrease of 4.9% over the previous year. The operating costs for the year ended 31 December 2022 have decreased by 11.1% to approximately HK\$3,382,353,000 (year ended 31 December 2021: HK\$3,806,530,000).

The operating loss of the Group decreased to approximately HK\$378,620,000 for the year ended 31 December 2022 (year ended 31 December 2021: HK\$647,290,000), which represented a decrease of 41.5% over previous year, benefiting from the cost control of our internet media business and the decrease in the impairment of accounts receivable.

The net exchange loss of the Group for the year ended 31 December 2022 was approximately HK\$113,011,000 (year ended 31 December 2021: net gain of HK\$45,045,000), mainly resulting from the depreciation of RMB against Hong Kong dollars.

The loss attributable to owners of the Company decreased to approximately HK\$382,500,000 (year ended 31 December 2021: HK\$456,201,000), which represented a decrease of 16.2%.

The chart below summarises the performance of the Group for the years ended 31 December 2022 and 31 December 2021 respectively.

	Year ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Television broadcasting	1,077,964	703,705
Internet media	933,245	1,247,785
Outdoor media	785,341	942,977
Real estate	38,879	41,359
Other businesses	168,304	223,414
Group's total revenue	3,003,733	3,159,240
Operating costs	(3,382,353)	(3,806,530)
Operating loss	(378,620)	(647,290)
Fair value (loss)/gain on investment properties	(6,276)	37
Net gain/(loss) on internet media investment	41,910	(5,074)
Exchange (loss)/gain, net	(113,011)	45,045
Other income, net	45,810	63,131
Loss before share of results of joint ventures and associates, income tax and non-controlling interests	(410,187)	(544,151)
Share of results of joint ventures and associates	(7,626)	3,185
Income tax expense	(29,820)	(84,272)
Loss for the year	(447,633)	(625,238)
Non-controlling interests	65,133	169,037
Loss attributable to owners of the Company	(382,500)	(456,201)
Basic loss per share, Hong Kong cents	(7.66)	(9.14)

MANAGEMENT DISCUSSION AND ANALYSIS

Comments on Segmental Information

	Year ended 31 December			
	2022		2021	
	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Segment results <i>HK\$'000</i>
Television broadcasting	1,077,964	(49,241)	703,705	(135,715)
Internet media	933,245	(183,407)	1,247,785	(300,346)
Outdoor media	785,341	115,955	942,977	207,038
Real estate	38,879	8,228	41,359	(7,716)
Other businesses	168,304	(83,841)	223,414	(130,195)
Group's total revenue and segment results	<u>3,003,733</u>	<u>(192,306)</u>	<u>3,159,240</u>	<u>(366,934)</u>
Unallocated income		45,205		55,342
Unallocated expenses		<u>(263,086)</u>		<u>(232,559)</u>
Loss before share of results of joint ventures and associates, income tax and non-controlling interests		<u>(410,187)</u>		<u>(544,151)</u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 35.9% of the total revenue of the Group for the year ended 31 December 2022, increased by 53.2% to approximately HK \$1,077,964,000 (year ended 31 December 2021: HK\$703,705,000), the segmental loss for the television broadcasting business was approximately HK\$49,241,000 for the year ended 31 December 2022 (year ended 31 December 2021: HK\$135,715,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 23.3% of the total revenue of the Group for the year ended 31 December 2022, increased by 10.8% to approximately HK\$698,853,000 (year ended 31 December 2021: HK\$630,863,000).

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 increased by 420.5% to approximately HK\$379,111,000 (year ended 31 December 2021: HK\$72,842,000).

The revenue of the internet media business for the year ended 31 December 2022 decreased by 25.2% to approximately HK\$933,245,000 (year ended 31 December 2021: HK\$1,247,785,000). The segmental loss of internet media business for the year ended 31 December 2022 was approximately HK\$183,407,000 (year ended 31 December 2021: HK\$300,346,000). The main reasons for the reduction in advertising revenue include the intensified industry-wide competition and the negative impact of the COVID-19 outbreak in certain regions in China for the year.

The revenue of the outdoor media business for the year ended 31 December 2022 decreased by 16.7% to approximately HK\$785,341,000 (year ended 31 December 2021: HK\$942,977,000). The segmental profit of the outdoor media business for the year ended 31 December 2022 decreased by 44.0% to approximately HK\$115,955,000 (year ended 31 December 2021: HK\$207,038,000).

The segmental profit for real estate business for the year ended 31 December 2022 was approximately HK\$8,228,000 (year ended 31 December 2021: loss of HK\$7,716,000).

BUSINESS OVERVIEW AND PROSPECTS

In 2022, Phoenix took multiple measures to deepen the pace of its business transformation and innovation, and has shown a stable and positive trend in its operating performance. Mr. Xu Wei, the Chairman of the Board and Chief Executive Officer, emphasises the need to “focus on core business, internationalisation, innovation and talents” for promoting integrated marketing, cross-border cooperation and capacity building, as well as the commitment to achieve a comprehensive innovation in content, channels and activities in full force. The Group shall firmly establish a strong base in Hong Kong, facing the development orientation of Hong Kong, Macau, Taiwan and the global Chinese community, with an aim of building an international first-class Chinese media group.

Phoenix adheres to media credibility and professionalism, bringing first-hand news to Chinese audiences all over the world. The global team of Phoenix has focused and broadcasted live reports on various major domestic and foreign news events such as the 20th National Congress of the CPC, Presidents’ Talks between China and Russia, the U.S. and Japan, the passing of Jiang Zemin, China’s manned space mission, Pelosi’s visit to Taiwan, and Russia’s military parade. During the year, Phoenix comprehensively and multi-dimensionally reported on the head-of-state diplomacy of Xi Jinping, President of the PRC, in which he attended SCO Summit, G20 and a series of APEC summits. Bilateral meetings were also carried out with leaders from various countries such as the U.S. and Japan. Meanwhile, upholding the philosophy of live reporting of all major events from the scenes, Phoenix sent several reporters to the frontline to perform profound and regular news coverage after the outbreak of Russia-Ukraine War, adhering to the spirit of media professionalism. Moreover, as an international Chinese-language media based in Hong Kong, Phoenix had in-depth comprehensive reportings on local major events such as Hong Kong Chief Executive Election, the Celebration of the 25th Anniversary of Hong Kong’s Return to the Motherland, and the Central Government’s aid to Hong Kong in fighting against the fifth wave of the pandemic.

In 2022, Phoenix has successfully revamped with over 80 programmes launched, emphasising on its news professionalism and content, and making their presentation and visual effects to better align with

its international media positioning. Phoenix Hong Kong Channel rendered Hong Kong's local news and entertainment news as the main focuses, which has been widely recognised by local and other Cantonese audience with its exclusive news reports and opinions. According to the data of CSM, the overall average viewership of Phoenix Hong Kong Channel once rose by 42 times, unfolding a new page of Cantonese broadcasts. Phoenix InfoNews Channel focused 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 and innovating the arrangement of informational programmes, of which the viewership duration per capita increased by 2.7 times. Phoenix Chinese Channel launched a series of premium programmes in an in-depth, thoughtful and visionary approach at international level with a year-on-year increase of 25.5% in the viewership (in thousand people), which greatly 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 audiences worldwide.

During the year, Phoenix continued to enhance its brand value, and has been consecutively listed as Asia's 500 Most Influential Brands and continued to be rated as Top 4 TV brands in Asia, which reflected its popularity and reputation in media and cultural fields. Phoenix's programmes garnered numerous international awards. At the 2022 New York Festivals International TV & Film Awards, *Aerial HK (Night Version)* won the gold prize in Film/Production: Technical Production Team Category; and *When the World was Young – Chinese in the International Column* won the silver prize in Documentary: Heroes Category. At the 2022 Bangkok International Short Documentary Awards, *Fight with ALS* produced by *C'est La Vie* programme won the Best Short Documentary. Furthermore, a number of programmes produced by *Zoom In* and *Premium Spectacular* also garnered numerous awards at the International Outstanding Media Awards, Asian Television Awards, and Chinese Documentary Festival, which demonstrated Phoenix's outstanding production skills and strengths at an international level.

Phoenix continues to enhance its broadcast efforts and influence of international network. It extends its coverage worldwide through various channels such as satellites, cable TV networks, mobile internet, Internet Protocol Television (IPTV) and over-the-top (OTT) platforms and social media, which is in line with the development trend of digitalization, networking and intelligent audiovisual technology. It also expands its international broadcasting capabilities with Internet-based mindset and mobile-first broadcasting philosophy. During the year, the official account of "Phoenix" has been upgraded to the fullest, with an information social brand "Phoenix TV News (鳳凰資訊)" and a new Cantonese integrated media brand "Hong Kong V" newly launched, of which the number of subscribers of its overseas social media accounts increased by 10 times throughout the year. In the future, Phoenix will continue to launch innovative, precise and customised integrated media products to establish a three-dimensional, diverse and integrated Chinese-language media broadcasting matrix, and improve its overall strength in content delivery and monetisation with the expansion of application scenarios and intelligent distribution technology.

Phoenix undertakes media responsibilities in practising international broadcasts by building a platform for international cultural exchange, facilitating cultural integration and mutual learning of civilisation, establishing extensive strategic cooperation with international organisations and institutions such as The United Nations Educational, Scientific and Cultural Organisation (UNESCO), The United

Nations Development Programme (UNDP) and The World Wide Fund for Nature (WWF), as well as co-organising high-end forums including the Zero-Carbon Mission International Climate Summit 2022 and the 2022 Earth Hour, in order to enhance its affinity and influence in international broadcasts via global, regional and demassified ways, injecting new momentum into international broadcasts. During the year, Phoenix also organised brand events including “You Bring Charm to the World Award”, “Phoenix Financial Forum for the Greater Bay Area” and “Compassion Award”, and joined hands with its partners to gather strength and achieve win-win situation, gradually forming a sustainable business model.

In 2022, the Group has fully utilized its advantages in international brands and integrated marketing and strived to develop customised integrated media products and services through various corporate strategies such as content innovation, business and resource integration and synergy in business, so as to further improve the monetisation of our media brands, contents, platforms, traffic and resources. Meanwhile, the Company continued to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media, magazines, App as well as to integrate the industrial chain and value chain of all business forms with a view to providing customers with integrated and customised broadcasting services. During the year, the integrated marketing projects achieved fruitful results, in which television advertising business stably rebounded due to its prominent influence after full revampification, facilitating the on-going development of operational transformation and business.

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. Phoenix New Media has unequivocal advantages in aspects such as the in-depth coverage of major events, unique and original content, and offline galas, and new innovations have been continued on such basis by combining algorithms and editing skills for precise content recommendation, live streaming, hotspots and community operation, for optimising product experience. Meanwhile, the Company has been promoting the matrix plan of third-party platform accounts, and thus the number of fans across the network has continued to rise with promising prospects for commercialisation. It has also endeavoured to develop various business areas including quality e-commerce, supply chain and consumption guidance, thus bringing new monetisation potentials and strategic opportunities for the Company. Moreover, Phoenix New Media has created an international forum brand “Dialogue with the World” to strengthen its global influence. It has been actively exploring synergic cooperation with other members of the Group, and achieved mutual communication and integration in contents, broadcast and resources, thereby 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 sufficient technical support, which has maintained continuous profitability. In 2022, the Company has overcome the adverse impacts arising from the pandemic and the decline in overall business in the industry, and performed the progressive upgrade on media resources, achieved a continued growth in the revenue from premier international brands by making use of KOLs and their traffic, and the cooperation with both PRC and overseas well-known brands were being 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 28 countries and regions including Asia, America, Europe and Oceania, 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. The Group's Phoenix Weekly has been expanded from solely magazine publication to multimedia integration and multi-brand management model. Its new media brand "Phoenix WEEKLY" has over 38 million users among the network matrix and has become a top media main account on various major third-party platforms. In the field of digital technology, the Company has strived to promote the development of digital content industry with the combination of digital technology and culture industry.

At present, the changes of the world, times and history are unfolding in an unprecedented way. Against the background of economic globalisation, cultural diversification and informatised societies, international broadcasts are becoming increasingly important. Phoenix will persist in the philosophy of openness and inclusiveness, adhere to and deepen its core competitiveness in contents, and leverage on Phoenix's credibility, communication strength and influence, so as to promote Chinese culture more effectively from China and international perspectives, and to serve all Chinese around the world, fulfilling the expectations of our stakeholders.

– End –

ABOUT PHOENIX

"Phoenix" launched Phoenix Chinese Channel on 31 March 1996, with the aim of offering quality Chinese programmes to Chinese communities around the world. Now, with about 60 news bureaux and production teams located worldwide, Phoenix operates popular global channels among audiences worldwide, such as Phoenix Chinese Channel, Phoenix InfoNews Channel, Phoenix Chinese News and Entertainment Channel, Phoenix North America Chinese Channel, Phoenix Movies Channel and Phoenix Hong Kong Channel etc. Through continuous effort in the past 27 years, Phoenix Media Investment (Holdings) Limited has extended its coverage worldwide through various channels such as satellites, cable TV networks, mobile internet, Internet Protocol Television (IPTV) and over-the-top (OTT) platforms, social media and content distribution platforms etc. The Group continues to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media, magazines and APP and has maintained a systemic development in other business segments covering digital technologies, cultural and arts and other fields.

Phoenix Media Investment (Holdings) Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 02008). Phoenix New Media Limited is a non wholly-owned subsidiary of the Company operating internet media business, whose shares are listed on the New York Stock Exchange in the United States (Stock code: FENG).

For more information, please contact:

Deputy Director of Capital Markets Department
Phoenix Satellite Television Company Limited

Mr ZHOU Bin Tel: +852 2200 8850 Email: zhoubin@phoenixtv.com

Director of Public Relations Department
Phoenix Satellite Television Company Limited

Ms Yolanda CHEN Tel: +852 2200 8502 Email: yolandac@phoenixtv.com

Further information about Phoenix Media Investment (Holdings) Limited can be found at <http://www.irasia.com/listco/hk/phoenixtv/> and www.hkexnews.hk.