

PRESS RELEASE

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

Results announcement for the year ended 31 December 2021

The Chairman and Chief Executive Officer of Phoenix Media Investment (Holdings) Limited (“**Company**” and its subsidiaries collectively “**Group**” or “**Phoenix**”), Mr. Xu Wei, said today that despite the tremendous challenges and global economic instability brought by COVID-19 pandemic during the year, Phoenix continued to bring forward the business transformation and high-quality development through various corporate strategies such as content operation, business and resources integration and synergy. Mr. Xu Wei emphasises that the brand recognition, credibility and international influence of Phoenix must be demonstrated continuously, and Phoenix shall focus on its core media business, firmly establish a strong base in Hong Kong positioning to target the Chinese communities in Hong Kong, Macau, Taiwan and around the globe, with an aim of building an international first-class Chinese Media Group. The Group’s revenue for 2021 was approximately HK\$3,159,240,000, which represented an increase of 4.3% over the previous year. Operating loss for the year was approximately HK\$647,290,000 and the loss attributable to owners of the Company was approximately HK\$456,201,000.

RESULTS

The revenue of the Group for the year ended 31 December 2021 was approximately HK\$3,159,240,000 (year ended 31 December 2020: HK\$3,029,046,000), which represented an increase of 4.3% over the previous year. The operating costs for the year ended 31 December 2021 increased by 7.8% to approximately HK\$3,806,530,000 as a result of provision for impairment of accounts receivable from Evergrande Group (year ended 31 December 2020: HK\$3,531,197,000).

The operating loss of the Group increased to approximately HK\$647,290,000 for the year ended 31 December 2021, representing an increase of 28.9% over previous year as a result of provision for impairment of accounts receivable from Evergrande Group.

Fair value loss on financial assets related to subsequent measurement of internet media’s investment in Particle Inc. (approximately 0.60% of the equitable interest in Particle Inc.) for the year ended 31 December 2021 was approximately HK\$7,075,000 (approximately 20.20% of the equitable interest in Particle Inc. for the year ended 31 December 2020: HK\$1,074,851,000).

Fair value gain of approximately HK\$37,000 (year ended 31 December 2020: loss of HK\$140,493,000) was recognised for the investment properties.

The loss attributable to owners of the Company was approximately HK\$456,201,000, in comparison with HK\$1,037,043,000 for the previous year which included share of fair value loss on internet media investment of approximately HK\$585,686,000.

The chart below summarises the performance of the Group for the year ended 31 December 2021 and the year ended 31 December 2020 respectively.

	Year ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Television broadcasting	703,705	747,052
Internet media	1,247,785	1,473,327
Outdoor media	942,977	574,979
Real estate	41,359	45,121
Other businesses	223,414	188,567
Group's total revenue	3,159,240	3,029,046
Operating costs	(3,806,530)	(3,531,197)
Operating loss	(647,290)	(502,151)
Fair value gain/(loss) on investment properties	37	(140,493)
Net loss on internet media investment	(5,074)	(1,074,851)
Exchange gain, net	45,045	44,355
Gain on disposal of a subsidiary	-	70,133
Other income/(expense), net	63,131	(12,803)
Loss before share of results of joint ventures and associates, income tax and non-controlling interests	(544,151)	(1,615,810)
Share of results of joint ventures and associates	3,185	(5,041)
Income tax (expense)/credit	(84,272)	124,358
Loss for the year	(625,238)	(1,496,493)
Non-controlling interests	169,037	459,450
Loss attributes to owners of the Company	(456,201)	(1,037,043)
Basic loss per share, Hong Kong cents	(9.14)	(20.77)

MANAGEMENT DISCUSSION AND ANALYSIS

Comments on Segmental Information

	Year ended 31 December			
	2021		2020	
	Revenue <i>HK\$'000</i>	Segment result <i>HK\$'000</i>	Revenue <i>HK\$'000</i>	Segment result <i>HK\$'000</i>
Television broadcasting	703,705	(135,715)	747,052	(165,163)
Internet media	1,247,785	(300,346)	1,473,327	(1,048,389)
Outdoor media	942,977	207,038	574,979	16,402
Real estate	41,359	(7,716)	45,121	(124,285)
Other businesses	223,414	(130,195)	188,567	(104,817)
Group's total revenue and segment results	<u>3,159,240</u>	<u>(366,934)</u>	<u>3,029,046</u>	<u>(1,426,252)</u>
Unallocated income		55,342		98,120
Unallocated expenses		<u>(232,559)</u>		<u>(287,678)</u>
Loss before share of results of joint ventures and associates, income tax and non-controlling interests		<u>(544,151)</u>		<u>(1,615,810)</u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 22.3% of the total revenue of the Group for the year ended 31 December 2021, decreased by 5.8% to approximately HK\$703,705,000 (year ended 31 December 2020: HK\$747,052,000) as a result of the adverse impact of COVID-19 outbreak on the global economy and market condition. As the cost structure is relatively fixed, the segmental loss for the television broadcasting business was approximately HK\$135,715,000 for the year ended 31 December 2021 (year ended 31 December 2020: HK\$165,163,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 20.0% of the total revenue of the Group for the year ended 31 December 2021, decreased by 5.7% to approximately HK\$630,863,000 (year ended 31 December 2020: HK\$669,266,000).

The total revenue of Phoenix Hong Kong Channel, Phoenix Movies Channel, Phoenix North America Chinese Channel, Phoenix Chinese News and Entertainment Channel and others decreased by 6.4% to approximately HK\$72,842,000 (year ended 31 December 2020: HK\$77,786,000).

The revenue of the internet media business for the year ended 31 December 2021 decreased by 15.3% to approximately HK\$1,247,785,000 (year ended 31 December 2020: HK\$1,473,327,000). The segmental loss of internet media business for the year ended 31 December 2021 was approximately HK\$300,346,000 (year ended 31 December 2020: HK\$1,048,389,000 as a result of significant net loss related to the investment in Particle Inc.).

The revenue of the outdoor media business for the year ended 31 December 2021 increased by 64.0% to approximately HK\$942,977,000 (year ended 31 December 2020: HK\$574,979,000). The segmental profit of the outdoor media business for the year ended 31 December 2021 increased by 1,162.3% to approximately HK\$207,038,000 (year ended 31 December 2020: HK\$16,402,000).

The segmental loss for real estate business for the year ended 31 December 2021 was approximately HK\$7,716,000 (year ended 31 December 2020: HK\$124,285,000), which included the net fair value gain of approximately HK\$37,000 (year ended 31 December 2020: loss of HK\$140,493,000), recognised for the investment properties.

BUSINESS OVERVIEW AND PROSPECTS

In 2021, Phoenix completed its shareholding restructuring, intensifying the pace of its business transformation and innovation by adopting multiple strategic measures, a continuing positive trend in its operating performance is shown. Mr. Xu Wei, the Chairman of the board of directors and Chief Executive Officer, emphasises that the brand recognition, credibility and international influence of Phoenix must be demonstrated continuously, and Phoenix shall focus on its core media business, firmly establish a strong base in Hong Kong positioning to target the Chinese communities in Hong Kong, Macau, Taiwan and around the globe, with an aim of building an international first-class Chinese media group.

In 2021, Phoenix delivered first-hand news to Chinese audiences all over the world, demonstrating its media professionalism. The global team of Phoenix focused and broadcasted live reports on a number of news events such as The 100th Anniversary of the Founding of The Communist Party of China, China-U.S. High-Level Talks in Alaska, United Nations Summit on Biodiversity, China-Russia and China-U.S. Summits, Leaders Summit on Climate, Russia-U.S. Summit and the launch of Shenzhou manned spacecrafts. The team also followed up and reported on major events such as the radical changes in Afghanistan and the return of Meng Wanzhou to China. In-depth reportings on Hong Kong's important local news such as the election of Hong Kong Election Committee were also made.

During the year, Phoenix revamped by emphasising on its news professionalism and strengthening its news live broadcast and topic selections. Programs like *Phoenix Morning Express*, *Phoenix Midday Express* and *Phoenix Evening Express* focused on around-the-clock press releases and prime time news, with their formats, packaging and visual effects more in line with the positioning as an international media. Phoenix Hong Kong Channel enhanced Cantonese broadcasts to serve Hong Kong and other Cantonese-speaking audiences and targeted Hong Kong's current affairs and entertainment news as two main focuses, which opened up a new broadcasting landscape. In addition, Phoenix newly launched in-depth and thoughtful topical programs such as *Zoom In*, *Asian Financial*

Insight, China Insight, The Great Era, Fact Check on News and *Bench Talk About Taiwan*, which greatly enriched its international broadcast content using the audiovisual narrative style, whereby winning praises from the Chinese audiences.

In 2021, Phoenix's brand value continued to grow. It has been listed as Asia's 500 Most Influential Brands for 16 consecutive years and continued to be rated as Top 4 TV brands in Asia, which reflected its publicity and reputation in fields like media and culture. With international and high-quality production standards, Phoenix's programs garnered numerous awards which demonstrated Phoenix's excellent strengths and professionalism. Among which, *Chief Editor's Time* promotional trailer and *Phoenix Morning Express* promotional trailer won the gold prize and silver prize in Best News/Current Affairs Promotional Trailer Category of Promax UK Awards at Promax Asia 2021 respectively. *Hovering over Macau* won the silver prize in Art Direction Category of New York Festivals International TV & Films Awards. In the 2021 Asian Academy Creative Awards, Phoenix's *Hong Kong Perspectives: Species unique to Hong Kong* won the Best Lifestyle Programme; *Save Our Planet, Save Our Children's Future* won the Best Promo or Trailer; *A Nian* produced by *C'est La Vie* programme won the Best Documentary Programme (One-off); *When The World Was Young — Chinese in the International Column* produced by *Phoenix Panorama* programme won the Best Documentary Series. In addition, *The World of Live Streamers* produced by *C'est La Vie* programme won the Best Documentary Programme (One-off/Special) at the 2021 Asian Television Award.

Phoenix continues to expand its broadcast strength and international influence. Through various channels such as satellites, cable TV networks, mobile internet, over-the-top (OTT) platforms, Internet Protocol Television (IPTV), social media and content distribution platforms, Phoenix has developed a global information (Chinese language) omnimedia matrix. Moreover, Phoenix undertakes media responsibilities in the international communication practice by establishing extensive strategic cooperations with various 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 with prestigious think tanks such as The International Emmy Awards, The International Institute for Strategic Studies and The Brookings Institution, in order to build a cooperation platform for cultural exchange between China and the world, and to enhance its affinity and influence in international communication via the respective global, regional and demassified ways.

The Group actively brings forward the business transformation and high-quality development of the Company through various corporate strategies such as content operation, business and resources integration and synergy. The Company has been nurturing new business forms including customised media services and content consumption to further expand the realisation of our media brands, contents, platforms, traffic and resources. Meanwhile, the Group continues to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media and magazines to provide customers with integrated media services while facilitating the ongoing improvements in its service quality and business scale.

The flagship product IFENG News App under Phoenix New Media, an internet media platform of the Group, has actively optimised the content operation and algorithmic strategy, the number and

activeness of its users maintained a leading position as one of the most popular mobile terminal information products among Chinese users. While maintaining its advantageous aspects such as the in-depth coverage of major events, unique and original content, quality programmes in vertical domains, and offline summits and galas, Phoenix New Media continues to innovate and build pan-knowledge Multi-Channel Network (MCN), constantly explores the operation and realisation of accounts on third party platforms, as well as develops its business layout in various areas including quality e-commerce, supply chain and consumption guidance, thus bringing new realisation channels and strategic opportunities for the Company. Moreover, during the year, Phoenix New Media actively explored synergic cooperation with other members of the Group, innovated content styles, enriched communication paths, expanded audience coverage, optimised marketing plans, and achieved mutual communication and integration in contents, broadcast and resources, thereby strengthened the overall influence and competitiveness of the Phoenix brand.

Phoenix Metropolis Media has been focussing on outdoor LED media for years, and providing the PRC and overseas well-known brand customers with professional services that are characterised by comprehensive, reliable and creative services with sufficient technical support. In 2021, the number of our customers from top international brands reached a historical high, and has optimised the cooperation with the PRC and overseas well-known brands. Driven by this phenomenon, Phoenix Metropolis Media has brought new tactical measures to innovative marketing, using interactive creativity such as autostereoscopic display, dynamic posters, live streaming and Dolby Vision to boost brand sales. In terms of technology, the cloud-based smart broadcast control COS system is newly upgraded to further consolidate the advantages of the national digital network. Phoenix's outdoor LED display panel media resources currently cover over 300 cities in China with over 1,000 panels. Its global network encompasses over 20 countries and regions including Asia, Americas, Europe and Oceania, achieves genuine global distribution as well as fully satisfies the customers' advertising needs for outdoor media.

The Group has also maintained a systematic development in other business segments. In the field of digital technology, the Company has strived to promote the integrated development of the technology and media industry. It has held several technological interactive digital art exhibitions, such as *Along the River during the Qingming Festival 3.0* and *A Panorama of Rivers and Mountains 3.0*, to enrich cultural scenes and application experiences with digital technology. In the fields of culture and arts, the Group has incubated and set up different business sectors, such as creative planning, performing arts activities, art curation and cultural IP development and operation, and it has launched activities such as The Full Moon Rising in the Greater Bay Area - Mid-Autumn Festival Concert, Compassion Award Ceremony, From Neo-Classicism to Post-Contemporary: Salon Exhibition of Young Artists and Kulangsu Contemporary Art Exhibition to form a sustainable business mode.

At present, against the backdrop of an era of world multi-polarisation, economic globalization and cultural diversification, international communication is becoming increasingly important. Phoenix will persist in the philosophy of openness and inclusiveness, adhere and deepen its core competitiveness in contents, and fully utilise the Group's credibility, communication strength and influence, so as to promote Chinese culture more effectively from a global perspective, and to present to the world a true, stereoscopic and comprehensive China and fulfill the expectations of our stakeholders.

– End –

ABOUT PHOENIX

“Phoenix” launched Phoenix Chinese Channel on 31 March 1996, with the aim of offering quality Chinese programme 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 25 years, Phoenix Media Investment (Holdings) Limited has developed as an omni-media business with integrated structure, covering various media channels such as television broadcasting, mobile internet, outdoor media, over-the-top platform, social media, APP and publication etc. The Group continues to promote the synergistic operation of its omni-media platforms including television broadcasting, internet media, outdoor media and magazines and has now a diversified portfolio covering entertainment, digital technologies, creative cultural, cloud technology services, education, exhibitions 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).

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Further information about Phoenix Media Investment (Holdings) Limited can be found at www.ifeng.com and www.hkexnews.hk.