

PRESS RELEASE

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

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 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, said today that revenue of the Group for the six months period ended 30 June 2022 (the “**Period**”) was approximately HK\$1,490,072,000, which represented an increase of 7.4% in comparison with the same period last year. The operating loss of the Group for the Period was increased to approximately HK\$365,246,000, which represented an increase of 21.9% over the same period last year. The loss attributable to owners of the Company was approximately HK\$330,508,000, in comparison with approximately HK\$245,175,000 for the same period last year.

At present, coupled with the once-in-a-century change in the world and global pandemic against the backdrop of an era of world multi-polarisation and cultural diversification, international communication is becoming increasingly important. In the future, Phoenix will persist in the philosophy of openness and inclusiveness, adhere to and deepen its core competitiveness in contents, and fully leverage on 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.

RESULTS

The revenue of the Group for the Period was approximately HK\$1,490,072,000 (six months ended 30 June 2021: HK\$1,386,962,000), which represented an increase of 7.4% in comparison with the same period last year. The operating costs for the Period have increased by 10.0% to approximately HK\$1,855,318,000 (six months ended 30 June 2021: HK\$1,686,613,000).

The operating loss of the Group for the Period was increased to approximately HK\$365,246,000 (six months ended 30 June 2021: HK\$299,651,000), which represented an increase of 21.9% over the same period last year. The major reason for this increase in operating loss was due to our internet media business.

The net exchange loss of the Group for the Period was approximately HK\$68,796,000 (six months ended 30 June 2021: gain of HK\$29,659,000) mainly resulting from the depreciation of Renminbi against Hong Kong dollars.

The loss attributable to owners of the Company was approximately HK\$330,508,000, in comparison with approximately HK\$245,175,000 for the same period last year.

The chart below summarises the performance of the Group for the six months ended 30 June 2022

and the same period in 2021 respectively.

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Television broadcasting	557,995	321,985
Internet media	453,830	587,771
Outdoor media	381,642	378,490
Real estate	25,014	16,566
Other businesses	71,591	82,150
Group's total revenue	1,490,072	1,386,962
Operating costs	(1,855,318)	(1,686,613)
Operating loss	(365,246)	(299,651)
Fair value gain on investment properties, net	98	7,349
Net loss on internet media investments	(35,358)	(2,043)
Exchange (loss)/gain, net	(68,796)	29,659
Other income, net	22,221	32,752
Loss before share of results of joint ventures and associates, income tax and non-controlling interests	(447,081)	(231,934)
Share of results of joint ventures and associates	146	(2,225)
Income tax expense	(815)	(22,637)
Loss for the period	(447,750)	(256,796)
Non-controlling interests	117,242	11,621
Loss attributable to owners of the Company	(330,508)	(245,175)
Basic loss per share, Hong Kong cents	(6.62)	(4.91)

COMMENTS ON SEGMENTAL INFORMATION

	Six months ended 30 June			
	2022		2021	
	Revenue	Segment Results	Revenue	Segment Results
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Television broadcasting	557,995	(64,164)	321,985	(107,616)
Internet media	453,830	(275,402)	587,771	(42,663)
Outdoor media	381,642	50,205	378,490	73,059
Real estate	25,014	14,013	16,566	(1,379)
Other businesses	71,591	(48,477)	82,150	(73,557)
Group's total revenue and segment results	<u>1,490,072</u>	<u>(323,825)</u>	<u>1,386,962</u>	<u>(152,156)</u>
Unallocated income		25,999		42,214
Unallocated expenses		<u>(149,255)</u>		<u>(121,992)</u>
Loss before share of results of joint ventures and associates, income tax and non-controlling interests		<u>(447,081)</u>		<u>(231,934)</u>

Revenue from television broadcasting, comprising advertising, subscription and other revenue sources, which accounted for 37.4% of the total revenue of the Group for the Period, increased by 73.3% to approximately HK\$557,995,000 (six months ended 30 June 2021: HK\$321,985,000), the segmental loss for television broadcasting business was approximately HK\$64,164,000 for the Period (six months ended 30 June 2021: HK\$107,616,000).

Revenue from Phoenix Chinese Channel and Phoenix InfoNews Channel, which accounted for 23.3% of the total revenue of the Group for the Period, increased by 22.5% to approximately HK\$347,447,000 (six months ended 30 June 2021: HK\$283,527,000).

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 447.5% to approximately HK\$210,548,000 (six months ended 30 June 2021: HK\$38,458,000).

The revenue of the internet media business for the Period decreased by 22.8% to approximately HK\$453,830,000 (six months ended 30 June 2021: HK\$587,771,000). The segmental loss of the internet media business for the Period was approximately HK\$275,402,000 (six months ended 30 June 2021: HK\$42,663,000). The main reasons for this reduction in advertising revenue include the intensified industry-wide competition and the negative impact of the COVID-19 outbreak in certain regions in China in the Period.

The revenue of the outdoor media business for the Period increased by 0.8% to approximately HK\$381,642,000 (six months ended 30 June 2021: HK\$378,490,000). The segmental profit of outdoor media business for the Period decreased by 31.3% to approximately HK\$50,205,000 (six months ended 30 June 2021: HK\$73,059,000).

The segmental profit of the real estate business for the Period was approximately HK\$14,013,000 (six months ended 30 June 2021: loss of HK\$1,379,000).

BUSINESS OVERVIEW AND PROSPECTS

In the first half of 2022, Phoenix intensified the pace of its business transformation and innovation by adopting multiple strategic measures, and has shown a continuing positive trend in its operating performance. Mr. Xu Wei, the Chairman of the Board 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, focus on the international market, focus on innovation and focus on talents”. It shall 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.

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 various important domestic and foreign news events such as China-Russia Presidents’ Talks, China-U.S. Presidents’ video conference, BRICS Summit, Davos Forum, French Presidential Election, PRC government aiding Hong Kong in fighting the fifth wave of COVID-19, North Korea Parade, and Russia Parade. At the same time, upholding the spirit of “being on the spot at major events”, several reporters were sent deep into the battlefield of Ukraine to perform news coverage after the outbreak of Russia-Ukraine War. Moreover, as an international Chinese media based in Hong Kong, Phoenix fully utilised the advantage of its geographical location, and had in-depth comprehensive reporting on major events in Hong Kong such as Hong Kong Chief Executive Election, and the Celebration of 25th Anniversary of Hong Kong’s Return to the Motherland.

Phoenix implemented new revampification of its programmes by emphasising on its news professionalism and strengthening its news live broadcast. Programmes like *Phoenix Morning Express*, *Phoenix Midday Express*, *Phoenix Evening Express*, and *Phoenix Midnight Express* focused on around-the-clock news-updates and breaking news, with their presentation, 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 Cantonese-speaking audiences in other regions and rendered Hong Kong’s local affairs and entertainment news as two main focuses, which opened up a new broadcasting landscape. Phoenix also newly launched programmes such as *Zoom In*, *Asian Financial Insight*, *China Insight*, *The Great Era*, *Fact Check on News*, *Top View* and *Bench Talk About Taiwan*, showcasing a series of in-depth and thoughtful programmes, which greatly enriched its international broadcast content using the audiovisual narrative style, whereby winning praises from the Chinese audiences and increasing viewership significantly.

Phoenix continues to enhance its broadcast efforts and international influence. 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, social media and

content distribution platforms, and expands its international broadcasting network with “Internet Thinking” and “Mobile-First” broadcasting ideas. In the first half of 2022, the official account of “Phoenix” on various social media platforms has been upgraded, with development of a new information social brand “Phoenix TV News (鳳凰資訊)” and introduction of a new Cantonese integrated media brand “HKV”, thus establishing a three-dimensional, diverse and integrated Chinese-language media matrix.

Moreover, Phoenix undertakes media responsibilities in the international communication practice by establishing extensive strategic cooperation 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), in order to build a platform for cultural exchange between China and the world, and co-organised the “2022 Earth Hour” to enhance its affinity and influence in international communication via the respective global, regional and demassified ways.

During the reporting period, Phoenix continued to enhance its brand value, and has been consecutively listed as Asia’s 500 Most Influential Brands for several 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 its international and high-quality production standards, Phoenix’s programmes garnered numerous international awards. At the 2022 New York Festivals International TV & Films 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, which demonstrated Phoenix’s outstanding strengths and professionalism.

The Group actively brings forward the business transformation and high-quality development through various corporate strategies such as content innovation, business and resources integration and synergy. The Company has been nurturing new business forms including customised media services and content consumption to further improve the monetisation 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 with a view to providing customers with integrated media services while facilitating the on-going 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. Phoenix New Media has unequivocal advantages in aspects such as the in-depth coverage of major events, unique and original content, quality programmes in vertical domains, and offline galas, and on such basis, new innovations have been continued with launch of online cloud financial summit format, creation of globalised content products, continuous exploration of the operations and monetisation of accounts on third party platforms, as well as active development in 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 been actively exploring synergic cooperation with other members of the Group, and achieved mutual communication and integration in contents, broadcast and resources, thereby strengthening 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. In the first half of 2022, the revenue and number of customers from premier international brands continued to maintain year-over-year growth, and the cooperation with both PRC and overseas well-known brands were being optimised. Driven by this phenomenon, Phoenix Metropolis Media has continued to progress in innovative marketing to boost brand sales, and 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, America, Europe and Oceania, and as such it has literally achieved global procurement and distribution for satisfying the customers' outdoor media advertising needs in all aspects.

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. In the fields of culture and arts, the Group has incubated and set up different business sectors, such as creative planning, performance arts activities, art curation and cultural IP development and operations to form a sustainable business mode gradually.

At present, coupled with the once-in-a-century change in the world and global pandemic against the backdrop of an era of world multi-polarisation and cultural diversification, international communication is becoming increasingly important. Phoenix will persist in the philosophy of openness and inclusiveness, adhere to and deepen its core competitiveness in contents, and fully leverage on 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.

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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 26 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) platform, 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 and magazines 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).

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