

# **Phoenix New Media Limited**

## **Disclosure Policy**

### **Overview**

The Company Limited (NYSE: FENG) (“PNM” or “the Company”) proactively disseminates information about its management strategy, financial position and other corporate information to promote dialogue with shareholders, analysts and other investors in line with the principles embodied in the PNM corporate governance rules and Code of Business Conduct and Ethics. In doing so, the Company gives due consideration to the timeliness, fairness, accuracy and continuity of disclosure. This disclosure policy aims to develop and maintain realistic investor expectations to enhance management transparency as well as to earn the trust of, and receive a proper evaluation from analysts, shareholders and other investors.

### **Scope of Disclosure Policy**

This policy covers all employees, the Board of Directors of the Company and its subsidiaries and affiliates. It covers disclosures in SEC-filed documents and written statements made in the Company’s annual reports, news and earnings releases, communications between the Company and analysts, investors and the news media, senior management speeches and presentations and information contained on the Company’s Website.

### **Information Disclosure Standards**

The Company conducts disclosure activities based on, and in conformity with, the Financial Regulations and Exchange Act and all other applicable laws and regulations governing disclosure of material, non-public information to the investment community as well as rules concerning timely disclosure of corporate information by issuers of listed securities, as stipulated by the stock exchanges on which the Company’s shares are listed. The Company also actively discloses information that it believes to be useful in fostering a deeper understanding of the Company or that there is a substantial likelihood that a reasonable investor would consider important in determining whether to buy, sell or hold, or engage in other transactions concerning the company’s securities.

### **Information Disclosure Methods**

In order for the information to which the disclosure standards apply to be considered public, it must be widely disseminated in a manner making it generally available to investors such as in a press release, such as in the Company’s filing with the U.S. Security and Exchange Commission (the “SEC”), or posting the information on its IR website. Regarding other information, where the Company deems it to be useful in fostering an understanding of the

Company, the Company actively discloses information through the publication of an annual report and other published IR materials as well as through the distribution of press releases and postings on its IR website.

This policy prohibits all employees from discussing material, nonpublic company matters or developments with anyone outside the Company (including family members, relatives or friends), except as permitted by this policy. Nothing in this policy should be construed as prohibiting an employee from complying with local, state and federal laws and regulations, including those dealing with reporting emergencies, to appropriate non-company agencies.

### **Authorized Spokespersons and Their Responsibilities**

Those authorized by this policy to speak on behalf of the Company are the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the investor relations officers, which include the Company's external IR consultants.

### **Quiet Period**

The Company has stipulated a quiet period beginning from several weeks prior to reporting earnings through to the announcement of operating results for that quarter to prevent the leakage of earnings information and thus ensure fairness. During this quiet period, the Company will refrain from answering questions or making other comments pertaining to its upcoming earnings results and initiating meetings (in person or by phone) with investment analysts, security holders, potential investors and the media on items significant to investors, other than responding to unsolicited inquiries concerning factual information. The quiet period does not, however, prohibit the Company from conferences and meetings with shareholder, analysts and other investors. For example, the Company may participate in investment meetings and conferences organized by other parties, as long as material information which has not been generally disclosed, is not selectively disclosed.

### **Response to Third-Party Communications Regarding the Company**

The Company's policy is not to comment on or support information originating from third-party sources, such as blogs, chat boards, evaluations and earnings forecasts relating to the Company. However, the Company may attempt to correct errors or convey accurate information where it adjudges third-party communications to contain clear errors that can have a significant impact on the price of the Company's securities.

### **Forward-Looking Statement**

The Company's presentations and press releases may contain "forward-looking statements". These statements are made under the "safe harbor" provisions of the U.S. Private Securities

Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Among other things, the business outlook and quotations from management in this announcement, as well as The Company’s strategic and operational plans, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (“SEC”) on Forms 20-F and 6-K, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about The Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the Company’s goals and strategies; the Company’s future business development, financial condition and results of operations; the expected growth of the online and mobile advertising, online video and mobile paid service markets in China; the Company’s reliance on online advertising and MIVAS for the majority of its total revenues; the Company’s expectations regarding demand for and market acceptance of its services; the Company’s expectations regarding the retention and strengthening of its relationships with advertisers, partners and customers; fluctuations in the Company’s quarterly operating results; the Company’s plans to enhance its user experience, infrastructure and service offerings; the Company’s reliance on mobile operators in China to provide most of its MIVAS; changes by mobile operators in China to their policies for MIVAS; competition in its industry in China; and relevant government policies and regulations relating to the Company. Further information regarding these and other risks is included in its registration statement on Form F-1, as amended, filed with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and The Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

### **Non-GAAP Financial Measures**

To supplement the consolidated financial statements presented in accordance with the United States Generally Accepted Accounting Principles (“GAAP”), The Company uses adjusted net income, gross margin excluding share-based compensation, adjusted net margin and adjusted net income per diluted ADS, each of which is a non-GAAP financial measure. Adjusted net income is net income/(loss) attributable to The Company excluding share-based compensation expenses. Gross margin excluding share-based compensation expenses is gross profit with share-based compensation expenses added back, divided by total revenues; adjusted net margin is adjusted net income divided by total revenues; and adjusted net income per diluted ADS is adjusted net income divided by the weighted average diluted number of

ADS. The Company believes that separate analysis and exclusion of the non-cash impact of share-based compensation adds clarity to the constituent parts of its performance. The Company reviews adjusted net income together with net income/(loss) to obtain a better understanding of its operating performance. It uses this non-GAAP financial measure for planning and forecasting and measuring results against the forecast. The Company believes that using several measures to evaluate its business allows both management and investors to assess the company's performance against its competitors and ultimately monitor its capacity to generate returns for its investors. The Company also believes that non-GAAP adjusted net income is useful supplemental information for investors and analysts to assess its operating performance without the effect of non-cash share-based compensation expenses, which have been and will continue to be significant recurring expenses in its business. However, the use of adjusted net income has material limitations as an analytical tool. One of the limitations of using non-GAAP adjusted net income is that it does not include all items that impact the Company's net income/(loss) for the period. In addition, because adjusted net income is not calculated in the same manner by all companies, it may not be comparable to other similar titled measures used by other companies. In light of the foregoing limitations, adjusted net income should not be considered in isolation from or as an alternative to net income/(loss) prepared in accordance with U.S. GAAP.