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XINHUA NEWS MEDIA HOLDINGS LIMITED

新華通訊頻媒控股有限公司

(formerly known as Lo's Enviro-Pro Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 309)

PROFIT WARNING

This announcement is made by Xinhua News Media Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board of Directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group by the management of the Company, the Group is expected to record a loss for the financial year ended 31 March 2012 which is significantly higher than the audited loss recorded for the year ended 31 March 2011. The increase in loss is mainly attributable to impairment of property, plant and equipment related to the waste treatment segment and annual amortization of the intangible asset in relation to the Free Right owned under the TV Screen Broadcast Business (non-cash expenses).

As Shuyang ITAD Environmental Technology Limited, an indirect subsidiary of the Company, had entered into the termination of the Investment Agreement with the Shuyang Municipal Government on 9 January 2012 (please refer to the announcement of the Company dated 11 January 2012 for details), the Company had made appropriate impairment of property, plant and equipment related to the waste treatment segment.

In addition, the Free Right awarded to the Company for ten years (please refer to the circular of the Company dated 31 March 2011 for details of the Free Right) is an intangible asset which should be amortized annually, and the income from TV Screen Broadcast Business recorded for the year ended 31 March 2012 is not as expected, so the annual results of the Group will be affected.

The Company is preparing the annual results of the Group for the year ended 31 March 2012. The information contained in this announcement is based on the information currently available to the Group and is a preliminary assessment by the management of the Company after reviewing the unaudited consolidated management accounts (which is under review by the independent auditor of the Company). The audited annual results of the Group for the year ended 31 March 2012 is expected to be released on 28 June 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Xinhua News Media Holdings Limited
Kwong Yin Ping, Yvonne
Company Secretary

Hong Kong, 20 June 2012

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr Ju Mengjun, Dr Lo Kou Hong, Mr Xu Zugen, Mr Mao Hongcheng, Mr Chang Loong Cheong, Mr Meng Jin, Mr Shi Guoxiong and Mr Zhou Guanghe; one non-executive director, namely, Mr Xu Rong; and three independent non-executive directors, namely, Ms Xu Zhijuan, Mr Tang Binfeng and Mr Wang Qi.