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XINHUA NEWS MEDIA HOLDINGS LIMITED

新華通訊頻媒控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 309)

CLARIFICATION ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2015

References are made to the announcements (the “**Announcements**”) of the Company dated 1 September 2014 and 25 September 2014 in relation to, inter alia, the placing of 65,200,000 ordinary shares of HK\$0.01 each (the “**Placing Share(s)**”) at a placing price of HK\$0.325 per Placing Share and the annual report of the Company for the year ended 31 March 2015 published on 30 July 2015 (the “**Annual Report**”). Unless otherwise stated herein, capitalized terms used in this announcement shall have the meanings as those defined in the Announcements.

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Further to the Announcements and the Annual Report, the Board wishes to provide further information regarding the use of the net proceeds from the Placing.

USE OF PROCEEDS FROM THE PLACING

As disclosed in the Announcements, the net proceeds from the Placing, after deducting the placing commission and other expenses in connection with the Placing from the gross proceeds, was approximately HK\$19,144,900. As at 30 July 2015, the sum of the net proceeds from the Placing have not been utilized by the Group. The unutilized proceeds have been retained by the Group and the Group intends to reserve for the intended use as disclosed in the Announcements, that is, to apply the net proceeds of the Placing for general working capital of the Company.

REASONS OF THE PLACING

The Directors were of the view that the completion of the Placing would provide additional working capital to the Group in carrying on its businesses and would also broaden the capital and shareholder base of the Group. The Board considered that the Placing was in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PLACEES

A total of 65,200,000 Placing Shares have been successfully placed to not fewer than six Placees at the Placing Price of HK\$0.325 per Placing Share pursuant to the terms and conditions of the Placing Agreement. To the best of the Directors' knowledge, information and belief, having made all enquiries, the Placees and their ultimate beneficial owners are Independent Third Parties. None of the Placees has become a substantial Shareholder (as defined under the Listing Rules) immediately after the completion of the Placing.

On 1 September 2014, being the date of the Placing Agreement, the closing price of the Company's shares as HK\$0.36 per share as quoted on the Stock Exchange. The Placing Price was HK\$0.325 per Placing Share. The net placing price was approximately HK\$0.29 per Placing Share.

By Order of the Board
Xinhua News Media Holdings Limited
Ju Mengjun
Co-chairman

Hong Kong, 9 November 2015

As at the date of this announcement, the Board comprises six executive directors, namely, Mr. Ju Mengjun, Dr. Lo Kou Hong, Mr. Yu Guang, Mr. David Wei Ji, Mr. Yan Liang and Mr. Wen Xin Nian; and three independent non-executive directors, namely, Mr. Wang Qi, Mr. Tsang Chi Hon and Mr. Ho Hin Yip.