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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)**

## **(1) ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023; AND (2) RESIGNATION OF COMPANY SECRETARY AND AUTHORISED REPRESENTATIVES**

### **RESULTS**

The board (the “Board”) of directors (the “Directors”) of Xinhua News Media Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2023, together with the comparative figures for the year ended 31 March 2022, as follows:

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>REVENUE</b>	5	<b>273,619</b>	276,426
Other income and gains	6	<b>4,422</b>	1,365
Other losses	7	–	(533)
Staff costs	8	<b>(198,416)</b>	(189,693)
Depreciation and amortisation	8	<b>(6,083)</b>	(6,012)
Loss on fair value changes at financial assets at fair value through profit or loss	8	<b>(1,714)</b>	(1,830)
Other operating expenses		<b>(88,935)</b>	(94,754)
Fair value loss on investment properties	8,12	–	(1,065)
Finance costs	9	<b>(693)</b>	(633)

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>LOSS BEFORE INCOME TAX</b>	8	<b>(17,800)</b>	(16,729)
Income tax expenses	10	<u>(192)</u>	<u>(425)</u>
<b>LOSS FOR THE YEAR</b>		<b>(17,992)</b>	(17,154)
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of subsidiaries, net of tax		<u>(236)</u>	<u>402</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b><u>(18,228)</u></b>	<b><u>(16,752)</u></b>
<b>LOSS FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(17,671)</b>	(16,651)
Non-controlling interests		<u>(321)</u>	<u>(503)</u>
		<b><u>(17,992)</u></b>	<b><u>(17,154)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(17,968)</b>	(16,283)
Non-controlling interests		<u>(260)</u>	<u>(469)</u>
		<b><u>(18,228)</u></b>	<b><u>(16,752)</u></b>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic and diluted	11	<b><u>HK\$(0.0096)</u></b>	<b><u>HK\$(0.0093)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i> (restated)
<b>Non-current assets</b>			
Property, plant and equipment		<b>9,972</b>	13,181
Investment properties	<i>12</i>	–	2,220
Financial assets at fair value through profit or loss	<i>13</i>	<b>17,007</b>	13,976
Right-of-use assets		<b>5,781</b>	9,114
Deferred tax assets		–	212
Deposits paid for acquisition of property, plant and equipment		<b>3,086</b>	3,348
<b>Total non-current assets</b>		<b>35,846</b>	42,051
<b>Current assets</b>			
Inventories		<b>288</b>	895
Trade receivables	<i>14</i>	<b>49,152</b>	56,524
Prepayments, deposits and other receivables	<i>15</i>	<b>18,307</b>	15,394
Pledged time deposits	<i>16</i>	<b>2,079</b>	2,075
Cash and cash equivalents	<i>16</i>	<b>70,125</b>	74,026
<b>Total current assets</b>		<b>139,951</b>	148,914
<b>Current liabilities</b>			
Trade payables	<i>17</i>	<b>12,670</b>	11,634
Other payables and accruals	<i>18</i>	<b>39,096</b>	36,234
Promissory notes payable	<i>19</i>	<b>3,000</b>	3,000
Amount due to a related company		<b>1,055</b>	1,055
Lease liabilities		<b>3,017</b>	3,606
Loans from directors		<b>7,047</b>	14,258
Tax payables		<b>283</b>	283
<b>Total current liabilities</b>		<b>66,168</b>	70,070
<b>Net current assets</b>		<b>73,783</b>	78,844
<b>Total assets less current liabilities</b>		<b>109,629</b>	120,895

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000 (restated)
<b>Non-current liabilities</b>			
Lease liabilities		<u>3,967</u>	<u>6,984</u>
<b>Total non-current liabilities</b>		<u>3,967</u>	<u>6,984</u>
<b>NET ASSETS</b>		<u><b>105,662</b></u>	<u>113,911</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		19,311	18,049
Reserves		<u>86,799</u>	<u>96,050</u>
		<b>106,110</b>	114,099
<b>Non-controlling interests</b>		<u>(448)</u>	<u>(188)</u>
<b>TOTAL EQUITY</b>		<u><b>105,662</b></u>	<u>113,911</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2023*

## 1. CORPORATE INFORMATION

Xinhua News Media Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is located at Unit 407, Fu Hang Industrial Building, 1 Hok Yuen Street East, Hunghom, Kowloon, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) was principally engaged in the provision of cleaning and related services, the provision of waste treatment service and the provision of advertising media service.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”), unless otherwise stated.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Company and its subsidiaries (collectively the “Group”) has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or 1 January 2024.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### *Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”*

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgments” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

*Amendments to HKAS 8 "Definition of Accounting Estimates"*

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgments or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

*Amendments to HKAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"*

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 "Income Taxes" ("HKAS 12") so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for the Group's annual reporting periods beginning on or after 1 April 2023, with early application permitted. The Group is in still the process of assessing the full impact of the application of the amendments.

### 3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as modified by the investment properties and financial assets at fair value through profit or loss, which are carried at their fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 “Leases” (“HKFRS 16”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the cleaning and related services segment engages in the provision of cleaning and related services for office buildings, public areas and residential areas;
- (b) the advertising media business segment engages in the provision of media strategy, planning and management, product launching and selling, brand building, event marketing as well as developing and operating advertising media; and
- (c) the waste treatment business segment engages in the provision of organic waste treatment and sale of by-products produced.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted loss before income tax. The adjusted loss before income tax is measured consistently with the Group's loss before income tax except that interest income, government subsidies, dividend income and gain or loss on fair value changes on financial assets at fair value through profit or loss, share option expenses, finance costs and unallocated head office and corporate expenses are excluded from such measurement.

Segment liabilities exclude loans from directors as these liabilities are managed on a group basis.

There are no inter-segment revenue and transfers between the segments for both years.

The following is an analysis of the Group's revenue and results by reportable segments:

	<b>For the year ended 31 March 2023</b>			
	<b>Cleaning and related services <i>HK\$'000</i></b>	<b>Advertising media business <i>HK\$'000</i></b>	<b>Waste treatment <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Segment revenue:</b>				
Service income from external customers recognised over time	<u>273,619</u>	<u>–</u>	<u>–</u>	<u>273,619</u>
Segment results	<u>(2,445)</u>	<u>(3,160)</u>	<u>(1,106)</u>	<u>(6,711)</u>
Reconciliation:				
Unallocated other incomes and gains				2,954
Interest income				998
Unallocated expenses				(14,348)
Finance costs				<u>(693)</u>
Loss before taxation				(17,800)
Income tax expenses				<u>(192)</u>
Loss for the year				<u><u>(17,992)</u></u>
The following is an analysis of the Group's assets and liabilities by reportable segments:				
<b>Segment assets:</b>	<u>151,090</u>	<u>18,037</u>	<u>6,670</u>	<u>175,797</u>
Total assets				<u><u>175,797</u></u>
<b>Segment liabilities:</b>	<u>42,604</u>	<u>13,561</u>	<u>6,923</u>	<u>63,088</u>
Reconciliation:				
Loans from directors				<u>7,047</u>
Total liabilities				<u><u>70,135</u></u>
<b>Other segment information:</b>				
Capital expenditure ( <i>Note</i> )	376	–	–	376
Depreciation and amortisation	<u>4,305</u>	<u>680</u>	<u>1,098</u>	<u>6,083</u>

For the year ended 31 March 2022 (restated)

	Cleaning and related services <i>HK\$'000</i>	Advertising media business <i>HK\$'000</i>	Waste treatment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>				
Service income from external customers recognised over time	<u>276,426</u>	<u>–</u>	<u>–</u>	<u>276,426</u>
Segment results	<u>3,559</u>	<u>(4,794)</u>	<u>(1,688)</u>	<u>(2,923)</u>
Reconciliation:				
Unallocated other incomes and gains				468
Interest income				233
Unallocated expenses				(13,874)
Finance costs				<u>(633)</u>
Loss before taxation				(16,729)
Income tax expenses				<u>(425)</u>
Loss for the year				<u>(17,154)</u>
The following is an analysis of the Group's assets and liabilities by reportable segments:				
<b>Segment assets:</b>	<u>164,401</u>	<u>18,375</u>	<u>8,189</u>	<u>190,965</u>
Total assets				<u>190,965</u>
<b>Segment liabilities:</b>	<u>43,131</u>	<u>12,263</u>	<u>7,402</u>	<u>62,796</u>
Reconciliation:				
Loans from directors				<u>14,258</u>
Total liabilities				<u>77,054</u>
<b>Other segment information:</b>				
Capital expenditure ( <i>Note</i> )	2,935	8	–	2,943
Depreciation and amortisation	<u>3,905</u>	<u>944</u>	<u>1,163</u>	<u>6,012</u>

*Note:* Capital expenditure consists of additions of property, plant and equipment and intangible assets.

## Geographical information

	Revenue from external customers		Non-current assets	
	Year ended 31 March		Year ended 31 March	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> (restated)
Hong Kong	<b>273,619</b>	276,426	<b>25,693</b>	27,196
The People's Republic of China (the "PRC")	–	–	<b>10,153</b>	14,828
Macau	–	–	–	27
	<b>273,619</b>	<b>276,426</b>	<b>35,846</b>	<b>42,051</b>

The revenue and non-current assets information above are based on the location of the customers and that of the assets, respectively.

## Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	<b>87,803</b>	85,258
Customer B	<b>54,989</b>	28,679
Customer C	<b>N/A</b>	<b>31,153</b>

## 5. REVENUE

Group's revenue represents the net invoiced value of services rendered. An analysis of the Group's revenue is as follows:

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cleaning and related service fee income	<b><u>273,619</u></b>	<u>276,426</u>

### (a) Disaggregation of revenue from contracts with customers:

Segments	<b>Cleaning and related services</b>	
	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Geographical markets</b>		
Hong Kong	<b><u>273,619</u></b>	<u>276,426</u>
Total	<b><u>273,619</u></b>	<u>276,426</u>
<b>Timing of revenue recognition</b>		
Over time	<b><u>273,619</u></b>	<u>276,426</u>
Total	<b><u>273,619</u></b>	<u>276,426</u>

The Group provides cleaning and related service and waste treatment service are recognized on a monthly basis when the services are rendered. The amount for which can be reliably estimated and it is probable that the income will be received. The cleaning and related services and waste treatment service income are normally made with credit terms of 0 to 90 days.

**(b) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date**

The aggregated amounts of transaction price allocated to the remaining performance obligations under the Group's existing contracts are as follows:

	Cleaning and related services <i>HK\$'000</i>	Advertising media business <i>HK\$'000</i>	Waste Treatment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>As at 31 March 2023</b>				
Expected to be recognized within one year	215,739	–	–	215,739
Expected to be recognized after one year	<u>38,204</u>	<u>–</u>	<u>–</u>	<u>38,204</u>
	<b><u>253,943</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>253,943</u></b>
	Cleaning and related services <i>HK\$'000</i>	Advertising media business <i>HK\$'000</i>	Waste Treatment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>As at 31 March 2022</b>				
Expected to be recognized within one year	239,099	–	–	239,099
Expected to be recognized after one year	<u>109,643</u>	<u>–</u>	<u>–</u>	<u>109,643</u>
	<b><u>348,742</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>348,742</u></b>

The amounts represent revenue expected to be recognized in the future from the Group's service contracts for the respective services. The Group will recognize the expected revenue in future when services are rendered, which is expected to occur over the next 12 to 21 months (2022: next 12 to 27 months).

## 6. OTHER INCOME AND GAINS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (restated)
Interest income	998	233
Management fee income	60	60
Government subsidies ( <i>Note 1</i> )	2,472	37
Dividend income on financial assets at fair value through profit or loss	482	431
Net gain on disposals of property, plant and equipment	16	117
Sundry income	394	487
	<u>4,422</u>	<u>1,365</u>

*Note:*

1. These represented subsidies received by the Group under the Employment Support Scheme under the Anti-epidemic Fund of the Government of the Hong Kong Special Administrative Region (2022: from the Macau Government under the cash support plan for workers, self-employed professionals and operators of commercial establishments for the year 2021). There is no unfulfilled conditions and other contingencies attaching to the government subsidies that has been recognised.

## 7. OTHER LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Impairment on intangible assets	<u>–</u>	<u>533</u>

In 2020, the directors resolved to dispose of the 100% equity interest in a subsidiary which holding the Drama Scripts. On 19 June 2020, the Company and the original vendor (the “Vendor”) entered into a settlement agreement (“Settlement Agreement”), pursuant to which, the Company disposed of 100% equity interest in the subsidiary to the Vendor, and the shares previously issued to the Vendor for acquisition would be disposed of in public market and the proceeds would be paid to the Company accordingly. During the year ended 31 March 2022, the Drama Scripts had been returned to the Vendor. The proceeds from disposal were expected to be approximately HK\$4,667,000 and less than the carrying amounts of the relevant intangible assets of HK\$5,200,000, and accordingly, impairment losses of approximately HK\$533,000 had been recognised for the year ended 31 March 2022 on intangible assets in respect of advertising media business.

## 8. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging/(crediting):

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i> (restated)
Employee benefit expenses (including directors' remuneration):			
Wages, salaries and other benefits		<b>187,831</b>	180,321
Retirement scheme contributions		<b>7,929</b>	7,446
Provision for long service payments		<b>945</b>	(251)
Provision for untaken paid leave		<b>1,711</b>	2,177
		<hr/>	<hr/>
Total staff costs		<b>198,416</b>	189,693
		<hr/>	<hr/>
Cost of services rendered*		<b>258,506</b>	252,968
Auditors' remuneration			
– Audit service		<b>700</b>	710
– Non-audit service		<b>138</b>	197
Depreciation on property, plant and equipment		<b>2,750</b>	2,782
Depreciation on right-of-use assets		<b>3,333</b>	3,230
Net gain on disposals of property, plant and equipment		<b>(16)</b>	(117)
Written-off of property, plant and equipment		<b>116</b>	13
Loss on disposal of investment properties		<b>606</b>	–
Loss on fair value changes at financial assets at fair value through profit or loss		<b>1,714</b>	1,830
Reversal of impairment losses on other receivables, net		<b>(45)</b>	–
Fair value loss on investment properties	<i>12</i>	<b>–</b>	1,065
		<hr/>	<hr/>

\* The cost of services rendered includes employee benefit expenses of approximately HK\$185,011,000 (2022: HK\$170,030,000) incurred in the provision of services which has been included in the employee benefit expenses above.

## 9. FINANCE COSTS

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Leases interest	<b>453</b>	393
Interest on promissory notes	<b>240</b>	240
	<hr/>	<hr/>
	<b>693</b>	633
	<hr/>	<hr/>



## 10. INCOME TAX EXPENSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax:		
Hong Kong	–	9
The PRC	–	3
Overprovision in prior years:		
The PRC	(3)	–
	(3)	12
Deferred tax	195	413
	<u>192</u>	<u>425</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.

Macau Complementary Tax is calculated at a rate of 0% on the estimated assessable profit up to MOP600,000 and 12% on the estimated assessable profit over MOP600,000 for the year. No provision for Macau Complementary Tax is required as the Company's subsidiary in Macau incurred tax losses for the year.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, the provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2022: 16.5%) to the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

Pursuant to the approval of the tax bureau, in accordance with the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), one subsidiary of the Group is subject to the PRC Enterprise Income Tax at a rate of 15% up to 31 December 2023 for being engaged in the encouraged industries in a designated area as pollution prevention and control. Other subsidiaries of the Group located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% (2022: 25%) on their assessable profits.

## 11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### Basic loss per share

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$17,671,000 (2022: approximately loss of HK\$16,651,000), and the weighted average number of ordinary shares of 1,841,058,290 (2022: 1,788,248,792) in issue during the year.

### Diluted loss per share

The diluted loss per share is the same as the basic loss per share for the years ended 31 March 2023 and 2022 because the Company's share options outstanding during these years were anti-dilutive.

## 12. INVESTMENT PROPERTIES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At the beginning of the year	2,220	6,390
Disposal of investment properties	(2,046)	(3,267)
Fair value loss on investment properties	–	(1,065)
Exchange realignment	(174)	162
	<u>–</u>	<u>162</u>
At the end of the year	<u>–</u>	<u>2,220</u>

The investment properties was disposal to a third party on February 2023 and completed by March 2023. The estimated fair value of investment properties as at 31 March 2022 was approximately HK\$2,220,000, which has been arrived at on the basis of a valuation carried out by Greater China Appraisal Limited, an independent professional valuer.

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Assets management funds	<u>17,007</u>	<u>13,976</u>

#### 14. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	49,320	56,707
Less: Impairment loss recognised on trade receivables	<u>(168)</u>	<u>(183)</u>
	<u><b>49,152</b></u>	<u><b>56,524</b></u>

The Group's trading terms with its customers are mainly on credit. Trade receivables are non-interest-bearing and are generally terms of 0 to 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivables balances.

Reconciliation of impairment loss for trade receivables:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Balance at the beginning of the year	183	175
Exchange realignment	<u>(15)</u>	<u>8</u>
Balance at the end of the year	<u><b>168</b></u>	<u><b>183</b></u>

An aged analysis of trade receivables, based on the invoice dates and net of loss allowance at the end of the reporting period, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	24,677	21,701
31 to 60 days	23,547	17,382
61 to 90 days	650	11,078
91 to 120 days	57	5,045
Over 120 days	<u>221</u>	<u>1,318</u>
	<u><b>49,152</b></u>	<u><b>56,524</b></u>

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, the Directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the Directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The weighted average expected credit losses also incorporate forward looking information.

	Current	Within 30 days past due	31-60 days past due	61-120 days past due	121 days - 1 year past due	Over 1 year past due	Total
<b>At 31 March 2023</b>							
Weighted average expected loss rate	0%	0%	0%	0%	0%	100%	
Receivable amount (HK\$'000)	48,874	57	204	13	4	168	49,320
Loss allowance (HK\$'000)	-	-	-	-	-	168	168
<b>At 31 March 2022</b>							
Weighted average expected loss rate	0%	0%	0%	0%	0%	100%	
Receivable amount (HK\$'000)	50,160	5,046	712	602	4	183	56,707
Loss allowance (HK\$'000)	-	-	-	-	-	183	183

## 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 HK\$'000	2022 HK\$'000 (restated)
Prepayments	2,780	3,511
Deposits	5,655	3,774
Other receivables	3,239	20,688
Amount due from a related company	6,933	6,802
Less: Impairment loss recognised on other receivables and deposits	(300)	(19,381)
	<b>18,307</b>	<b>15,394</b>

Reconciliation of impairment loss for other receivables and deposits:

	2023 HK\$'000	2022 HK\$'000
Balance at the beginning of the year	19,381	19,381
Amount written off as uncollectible	(19,036)	-
Impairment loss reversed, net	(45)	-
Balance at the end of the year	<b>300</b>	<b>19,381</b>

The other receivables mainly included the loan receivable (the “Loan”) which was advanced to Sheng Tang Petroleum & Chemical Development Limited (the “Borrower”), an independent third party of the Company. The Loan is unsecured and receivable on demand. The loan receivable is charged at an interest rate of 6% per annum. As of 31 March 2018, the Loan in the original principal amount of HK\$18,000,000, bearing interest at a rate of 6% per annum, an amount of HK\$3,690,000 was outstanding and total HK\$18,690,000 was made for the provision of impairment, after considering subsequent settlement of HK\$3,000,000.

On 4 October 2018, the Company obtained a final judgement from the Court of First Instance of the High Court of The Hong Kong Special Administrative Region against the Borrower for recovering the Loan. Based on a legal advice provided in October 2018, the Board decided to enforce the final judgement on 30 November 2018. In March 2019, the Company successfully obtained garnishee orders from the Court of First instance to order banks to pay to the Company relevant amount and attend a hearing. However, banks later replied to the legal representative of the Company that either no fund was attached or the bank account was closed by the Borrower therefore would not attend the hearing.

During the years ended 31 March 2023 and 2022, the Borrower was compulsory winding up by court order and joint and several liquidators were appointed on 19 October 2021 to deal with the affairs. The impairment loss recognised in prior years was written off against the other receivables accordingly.

## 16. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cash and bank balances	40,209	32,858
Time deposits	<u>31,995</u>	<u>43,243</u>
	72,204	76,101
Less: Pledged short-term time deposits for banking facilities	<u>(2,079)</u>	<u>(2,075)</u>
Cash and cash equivalents	<u><u>70,125</u></u>	<u><u>74,026</u></u>

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to approximately HK\$408,000 (2022: HK\$302,000). RMB is not freely convertible into other currencies; however, under PRC’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

At the end of the reporting period, the Group’s banking facilities amounting to HK\$40,000,000 (2022: HK\$40,000,000) were secured by the pledge of certain of the Group’s time deposits amounting to approximately HK\$2,079,000 (2022: HK\$2,075,000), and a property owned by a related company which is controlled by a director of the Company. The facilities were not utilised to the extent of HK\$40,000,000 (2022: HK\$40,000,000).

## 17. TRADE PAYABLES

An aged analysis of trade payables, based on the invoice dates at the end of the reporting period, is as follows:

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	<b>7,047</b>	6,098
31 to 60 days	<b>5,115</b>	4,986
Over 90 days	<b>508</b>	550
	<u><b>12,670</b></u>	<u>11,634</u>

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

## 18. OTHER PAYABLES AND ACCRUALS

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other payables	<b>12,432</b>	10,891
Accruals ( <i>Note</i> )	<b>26,664</b>	25,343
	<u><b>39,096</b></u>	<u>36,234</u>

*Note:* Accrual mainly represent the accrued staff costs incurred in the Group.

## 19. PROMISSORY NOTES PAYABLE

During the year ended 31 March 2021, the Company issued three promissory notes to an investor in the aggregate principal sum of HK\$3,000,000 and bearing interest at 8% per annum. The promissory notes should be repayable in full by 31 January 2023 but the expiry date has been extended to 31 January 2024 by the Company and the investor.

## 20. DIVIDEND

The Directors do not recommend the payment of a dividend to shareholders for the year ended 31 March 2023 (2022: Nil).

## 21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the year ended 31 March 2023 (the “Year”), the businesses of the Group are still adversely affected by the impact brought by COVID-19. The Group’s revenue decreased slightly by 1.0% to approximately HK\$273,619,000 (2022: approximately HK\$276,426,000). The Group’s net loss attributable to the owners of the Group was approximately HK\$17,671,000, comparing to the loss of approximately HK\$16,651,000 for the year ended 31 March 2022.

The Group is principally engaged in three business segments: (i) advertising media business, (ii) cleaning and related services business; and (iii) waste treatment business.

#### *Advertising Media Business*

Due to COVID-19 outbreak, the Group’s advertising media business had ceased since the second quarter of 2020 to minimize the loss brought by tightened public health measures and sanitation controls. The management will continue to streamline the operation and to adopt stringent cost control measures so as to strengthen the competitiveness of the business.

#### *Cleaning and Related Services Business*

Pessimism about the economy remains a concern, but the relaxation of restrictions due to COVID-19 has a positive impact on most businesses, including the Group’s cleaning business. Statutory Minimum Wage increased to HK\$40 per hour with effect from 1 May 2023. These two factors will be taken into account when working out the service contract charges during tenders submission and contracts renewal.

During the reporting period, we were able to renew contracts for the provision of general cleaning and ware washing for one of the largest flight kitchens in the world located at the Hong Kong International Airport. We were also able to renew the cleaning contract for the same client in respect of its cargo operation. In addition, we have also been awarded the service contract for the same client doing “kitchen cleaning”, which is regarded as one of the most specialised and sophisticated services in the cleaning industry.

Our Group was successful in winning contracts for the provision of cleaning services to a number of properties, such as, a grade-A commercial building in Central which was a previous client of ours, a residential estate located in Tseung Kwan O whose developer has been a client of ours for many years and a new prestigious residential estate, within walking proximity of the Wong Chuk Hang MTR Station.

Our Group was able to renew the cleaning contract with a renowned property management company in respect of two commercial buildings located in Sheung Wan and in Yau Ma Tei for two years.

#### *Waste Treatment Business*

The Group is continuing to look for suitable options in respect of this investment.

### **Financial Review**

The Group's revenue for the Year amounted to approximately HK\$273,619,000 (2022: approximately HK\$276,426,000) represented a 1.0% decrease as compared to last year. The slight decrease was mainly because a number of contracts expired during the year and in the year before and were not renewed but this was counter-balanced by the Group's success in gaining a number of new cleaning contracts during the year, notably our success in obtaining the service contract for one of the biggest kitchens in Hong Kong.

The Group's other income and gains for the Year was approximately HK\$4,422,000 (2022: approximately HK\$1,365,000), representing an increase of approximately HK\$3,057,000 as compared to last year. Such increase was mainly due to the receipt of government subsidies under the Employment Support Scheme under the Anti-epidemic Fund and increase in interest income.

Other operating expenses, which amounted to approximately HK\$88,935,000 (2022: approximately HK\$94,754,000), represented a year-to-year 6.1% decrease. Such expenses mainly included the costs of services rendered under cleaning and related services business, which accounted for 84.1% of other operating expenses in the Year. Such decrease was mainly because the cost of sub-contracting had reduced by 7.9% when compared with last year's.

The Group's net loss attributable to the owners of the Group for the Year was approximately HK\$17,671,000 (2022: approximately HK\$16,651,000). Cleaning and related services business made a loss of approximately HK\$2,445,000, the advertising media business made a loss of approximately HK\$3,160,000, and the waste treatment business made a loss of approximately HK\$1,106,000.



## **Capital Structure, Liquidity and Financial Resources**

As at 31 March 2023, the Group's cash and cash equivalents and pledged time deposits were approximately HK\$72,204,000 (31 March 2022: approximately HK\$76,101,000) and its current ratio was 2.1 (31 March 2022: 2.1 (restated)).

The Group's net assets as at 31 March 2023 were approximately HK\$105,662,000 (31 March 2022: approximately HK\$113,911,000).

As at 31 March 2023, the Group's gearing ratio was 2.8% (31 March 2022: 2.6%), representing the total interest-bearing debts divided by total equity. The Group had lease liabilities and loans from directors of approximately HK\$6,984,000 and HK\$7,047,000 respectively (31 March 2022: approximately HK\$10,590,000 and HK\$14,258,000 respectively). The Group's shareholders' equity amounted to approximately HK\$106,110,000 as at 31 March 2023 (31 March 2022: approximately HK\$114,099,000).

The Group takes a prudent approach to cash management and risk control. Its revenues, expenses and capital expenditures in relation to cleaning and related services business are transacted in Hong Kong dollars, whereas those of the advertising media and waste treatment businesses are transacted in Renminbi ("RMB"). The Group's cash and bank balances are primarily denominated in HK\$, RMB and United States dollars.

Foreign currency risks in relation to exchange rate fluctuations of RMB will be mitigated as future revenues from advertising media business, which are in RMB, can offset future liabilities and expenses.

As at 31 March 2023, the Group's banking facilities amounting to HK\$40,000,000 (2022: HK\$40,000,000) were secured by the pledge of certain of the Group's time deposits amounting to approximately HK\$2,079,000 (2022: HK\$2,075,000), and a property owned by a related company which is controlled by a director of the Company. The facilities were not utilised to the extent of HK\$40,000,000 (2022: HK\$40,000,000).

## **Prospects**

### *Advertising Media Business*

The resumption of the advertising media business segment is temporarily unforeseeable due to the slow recovery of global economy. While adapting to the pandemic and identifying new opportunities ahead, the Group will continue to implement its business plan in a prudent manner as and when appropriate.

### *Cleaning and Related Services Business*

The Group was able to maintain its turnover for the year when compared to the previous year amidst severe competitive while profit margin was only slightly reduced. The Group will continue to exercise its professionalism to upkeep our reputation so as to maintain our market share in the middle to high end cleaning service market.

Many of our clients place emphasis on social and environmental issues and we have addressed their concerns wholeheartedly. We have started using more environmentally-friendly cleaning products as well as provide training to our staff so that they know how to use and dispose of chemicals more efficiently and properly.

Looking ahead, as economy is recovering slowly but steadily and the public consciously take health and hygiene more seriously, demand for cleaning, pest control and disinfection will remain strong. Our Group should be able to benefit accordingly.

### *Summary*

The outlook for the global economic recovery is still slow. Looking forward, the management will continue to stay cautious to economic changes and fine tune the Group's development and operation strategies. At the same time, the management will continue seizing business opportunities in a prudent but proactive manner aiming to create value for the shareholders of the Group.

### **Fund Raising Activity**

On 31 May 2022, the Company entered into a placing agreement (the "Placing Agreement") with ASA Securities Limited (the "Placing Agent") pursuant to which the Placing Agent agreed to place as the Company's placing agent on a best effort basis of up to 360,973,000 new shares (the "Placing Share(s)") at the placing price of HK\$0.063 per Placing Share (the "Placing").

All conditions to the Placing Agreement have been fulfilled and completion of the Placing took place on 21 June 2022 ("Completion"). An aggregate of 126,200,000 Placing Shares have been successfully placed by the Placing Agent to not less than six places at placing price of HK\$0.063 per Placing Share pursuant to the terms and conditions of the Placing Agreement, representing (i) approximately 6.99% of the then existing issued share capital of the Company before Completion; and (ii) approximately 6.54% of the issued share capital of the Company as enlarged by the allotment and issue of 126,200,000 Placing Shares immediately upon Completion.

The gross proceeds from the Placing amounted to HK\$7,950,600 and the net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing amounted to approximately HK\$7,763,000. The Company intended to use such net proceeds for the general working capital and future business opportunities and investment. As at the date of this announcement, the net proceeds from the Placing were fully utilized as general working capital.

For the details of the Placing, please refer to the announcements of the Company dated 31 May 2022 and 21 June 2022.

### **Dividend**

The Directors do not recommend the payment of a dividend to shareholders for the year ended 31 March 2023 (2022: Nil).

### **Pledge Of Assets**

Details the Group's pledged assets are included in note 16 to this announcement.

### **Contingent Liabilities**

At the end of the reporting period, the Group had contingent liabilities as follows:

- (a) The Group has executed performance guarantees to the extent of an aggregate amount of approximately HK\$1,913,000 (2022: approximately HK\$4,630,000) in respect of certain services provided to various customers by the Group.
- (b) During the ordinary course of its business, the Group may from time to time be involved in litigation concerning personal injuries sustained by its employees or third party claimants. The Group maintains insurance cover and, in the opinion of the Directors, based on current evidence, any such existing claims should be adequately covered by the insurance as at 31 March 2023 and 2022.
- (c) As at 31 March 2023, the Group had contingent liabilities as possible claims arising from indemnity related to acquisition of property, plant and equipment of approximately HK\$5,144,000 being equivalent to RMB4,500,000 (31 March 2022: Nil). In the opinion of management of the Company, it is not necessary for recording any provisions for the above contingent liabilities as at 31 March 2023.

As at the date of this announcement, there are no other known material contingent liabilities of the Group not disclosed and there are no legal, administrative or other proceedings pending which would materially affect the Group's financial condition.

## **Capital Commitments**

As at 31 March 2023 and 2022, the Group had a total capital commitment of approximately HK\$7,201,000 and HK\$7,782,000 respectively, contracted for but not provided in the consolidated financial statements.

## **Event Subsequent to the Reporting Period**

There have been no significant events occurring after the end of the reporting period and up to the date of this announcement.

## **Future Plans For Material Investments Or Capital Assets**

The Group did not have future plans for material investments or capital assets.

## **Material Acquisitions And Disposal Of Subsidiaries**

There was no material acquisition and disposal of subsidiaries during the year ended 31 March 2023.

## **Significant Investments**

As at 31 March 2023, the Group did not have any significant investment plans.

## **Employees and Remuneration Policies**

The total number of employees of the Group as at 31 March 2023 was 1,144 (2022: 1,071). Total staff costs, including directors' emoluments and net pension contributions, for the year under review amounted to approximately HK\$198,416,000 (2022: HK\$189,693,000). The Group provides employees with training programmes to equip them with the latest skills and other benefits including share option scheme.

Remunerations are commensurate with individual job nature, work experience and market conditions, and performance related bonuses are granted to employees on discretionary basis.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Reference was made to the announcement of the Company dated 19 June 2020 relating to, among others, the settlement agreement in relation to the termination of the acquisition of the entire issued shares in DaWen Corporation Limited (香港達文有限公司). The 66,666,666 escrow consideration shares of the Company have been sold on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by the licensed securities brokerage firm on behalf of the Company on 3, 6, 7, 8 and 9 March 2023 at an aggregate consideration of approximately HK\$2,225,000.

Save as aforesaid, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

## **CORPORATE GOVERNANCE PRACTICES**

The Board recognises the vital importance of a good corporate governance to the Group's management, success and sustainability. Corporate governance practices would be reviewed from time to time to ensure compliance with the regulatory requirements and to meet the rising expectations of shareholders and investors relating to corporate value, transparency and accountability of all its operations.

The Company strived to maintain a high standard of corporate governance and complied with the Corporate Governance Code (the "CG Code") as stated in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The Company has adopted the code provisions in the CG Code as its own code of corporate governance. During the year ended 31 March 2023, the Directors consider that the Company has complied with all the relevant code provisions set out in the CG Code throughout the year.

## **COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted its own code of conduct governing Directors' dealings in the Company's securities (the "Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Code and the Model Code throughout the year ended 31 March 2023.

The Company has also established written guidelines on terms no less exacting than the Model Code (the "Employees Written Guidelines") for governing the securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

## **SCOPE OF WORK OF CCTH CPA LIMITED**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2023. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on the preliminary announcement.

## **AUDIT COMMITTEE**

The Company established an audit committee of the Company (the "Audit Committee") with written terms of reference in compliance with the Listing Rules. As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Yau Pak Yue (the chairman of the Audit Committee), Mr. Wang Qi and Mr. Leung Nga Tat. The Audit Committee has reviewed together with the management of the Company the accounting principles, accounting standards and methods adopted by the Company, discussed the matters concerning internal control, auditing and financial reporting matters and has reviewed the consolidated financial statements of the Group for the year ended 31 March 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the identity of the shareholders entitle to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 28 September 2023, the register of members of the Company will be closed from Friday, 22 September 2023 to Thursday, 28 September 2023, both dates inclusive, during which period no transfer of shares will be effected. All transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 21 September 2023.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT**

The annual results announcement is published on the websites of the Stock Exchange at ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company at ([www.XHNmedia.com](http://www.XHNmedia.com)). The 2022/2023 annual report containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to express my sincere gratitude to the management team and staff for their tireless dedication that helped fuel the Group's healthy development. In addition, I would also like to thank all our shareholders, business partners and customers for their continuous support. We will continue to devote unwavering efforts to reap promising returns for all parties.

## **RESIGNATION OF COMPANY SECRETARY AND AUTHORISED REPRESENTATIVES**

The Board also announces that Ms. Chan Yuen Ying Stella ("Ms. Chan") has resigned as the company secretary of the Company (the "Company Secretary") with effect from 30 June 2023, and will cease to act as the authorised representative of the Company as required under Rule 3.05 of the Listing Rules (the "Authorised Representative under the Listing Rules") and the authorised representative of the Company for accepting on the Company's behalf service of process or notice to be served on the Company in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Authorised Representative under the Companies Ordinance", and together with the Authorised Representative under the Listing Rules, collectively, the "Authorised Representatives") on the same day.

The Company will use its best endeavour to identify suitable candidate(s) to fill up the vacancy of Company Secretary and Authorised Representatives as soon as practicable as required under Rules 3.05 and 3.28 of the Listing Rules, and will make further announcement(s) as and when appropriate.

By order of the Board

**Xinhua News Media Holdings Limited**

**Fu Jun**

*Chief Executive Officer and Executive Director*

Hong Kong, 29 June 2023

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lo Kou Hong, Mr. Tsui Kwok Hing, Mr. Fu Jun and Mr. Leung Cheung Hang; two non-executive Directors namely Ms. Wang Guan and Mr. Wang Chunping and three independent non-executive Directors, namely, Mr. Wang Qi, Mr. Yau Pak Yue and Mr. Leung Nga Tat.*