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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

RESULTS

The board of directors (the "Board") of Xinhua News Media Holdings Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2011. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 September	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
REVENUE	*3*	**90,314**	85,696
Cost of sales of fertilisers		**–**	(6,199)
Other income and gains	*4*	**793**	159
Staff costs		**(79,775)**	(73,472)
Depreciation and amortisation		**(10,991)**	(1,562)
Impairment of property, plant and equipment		**(11,264)**	–
Other operating expenses		**(24,301)**	(18,589)
Finance costs	*5*	**(89)**	(11)
Share of profit of an associate		**45**	79
LOSS BEFORE TAX	*6*	**(35,268)**	(13,899)
Income tax expense	*7*	**–**	–
LOSS FOR THE PERIOD		**(35,268)**	(13,899)

	Note	For the six months ended 30 September **2011** **(Unaudited)** ***HK$'000***	2010 (Unaudited) *HK$'000*
Other comprehensive income:			
Exchange differences on translation of foreign operations and other comprehensive income for the period, net of tax		**3,070**	2,767
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(32,198)**	(11,132)
Loss attributable to:			
Equity holders of the parent		**(33,103)**	(11,035)
Non-controlling interests		**(2,165)**	(2,864)
		(35,268)	(13,899)
Total comprehensive loss attributable to:			
Equity holders of the parent		**(31,051)**	(9,177)
Non-controlling interests		**(1,147)**	(1,955)
		(32,198)	(11,132)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted			
For loss for the period		**(HK3.02 cents)**	(HK1.44 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 September 2011 (Unaudited) *HK$'000***	31 March 2011 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**86,455**	94,323
Goodwill		**–**	–
Intangible assets	*10*	**160,289**	14,217
Deposit paid for acquisition of plant and equipment		**9,948**	4,409
Investment in an associate		**191**	145
Total non-current assets		**256,883**	113,094
CURRENT ASSETS			
Inventories		**173**	111
Due from an associate		**1,348**	1,320
Trade receivables	*11*	**27,575**	23,869
Prepayments, deposits and other receivables		**5,927**	2,418
Pledged time deposits	*12*	**14,036**	14,029
Cash and cash equivalents		**88,913**	87,290
Total current assets		**137,972**	129,037
CURRENT LIABILITIES			
Trade payables	*13*	**3,239**	2,216
Finance lease payable		**46**	43
Other payables and accrued liabilities		**24,114**	27,253
Tax payable		**45**	283
Total current liabilities		**27,444**	29,795
NET CURRENT ASSETS		**110,528**	99,242
TOTAL ASSETS LESS CURRENT LIABILITIES		**367,411**	212,336
NON-CURRENT LIABILITIES			
Loans from a director		**9,076**	4,800
Provision for long service payments		**1,703**	592
Finance lease payable		**133**	157
Deferred income		**7,091**	7,140
Total non-current liabilities		**18,003**	12,689
Net assets		**349,408**	199,647
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**11,669**	9,063
Reserves		**319,844**	171,542
		331,513	180,605
Non-controlling interests		**17,895**	19,042
Total equity		**349,408**	199,647

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements ("Financial Statements") are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Main Board Listing Rules").

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2011, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), (which include all HKFRSs, HKASs and Interpretations) that are adopted for the first time for the current period's Financial Statements as disclosed in note 2 below.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for these Financial Statements. Except for certain cases giving rise to new and revised accounting policies, presentation and additional disclosures, the adoption of these new and revised HKFRSs has had no significant effect on these Financial Statements. Accordingly, no prior period adjustment has been recognised.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendments to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HKFRS 7 Amendment	Amendment to HKFRS 7 *Financial Instruments: Disclosures Transfers of Financial Assets*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2010 which set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

2.1 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, which are applicable to the Group, that have been issued but are not yet effective, in these financial statements:

HKAS 1 (Amendments)	*Presentation of Items of Other Comprehensive Income*[2]
HKAS 12 (Amendments)	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[1]
HKAS 19 (as revised in 2011)	*Employee Benefits*[3]
HKAS 27 (as revised in 2011)	*Separate Financial Statements*[3]
HKAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*[3]
HKFRS 9	*Financial Instruments*[3]
HKFRS 10	*Consolidated Financial Statements*[3]
HKFRS 11	*Joint Arrangements*[3]
HKFRS 12	*Disclosure of Interests in Other Entities*[3]
HKFRS 13	*Fair Value Measurement*[3]

1 Effective for annual periods beginning on or after 1 January 2012
2 Effective for annual periods beginning on or after 1 July 2012
3 Effective for annual periods beginning on or after 1 January 2013

3. OPERATING SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's operating segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other operating segments. The following table presents revenue and results for the Group's operating segments for the six months ended 30 September 2011 and 2010.

	Cleaning and related services		Medical waste treatment		Waste treatment		TV screen broadcast business		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Service income from external customers	**87,434**	82,029	**2,830**	3,514	**–**	153	**50**	–	**90,314**	85,696
Other income and gains	**171**	102	**337**	–	**146**	3	**–**	–	**654**	105
Total	**87,605**	82,131	**3,167**	3,514	**146**	156	**50**	–	**90,968**	85,801
Segment results	**(3,087)**	184	**(103)**	(842)	**(6,784)**	(8,470)	**(7,764)**	–	**(17,738)**	(9,128)
Reconciliation:										
Interest income and unallocated gains									**139**	54
Unallocated expenses									**(6,361)**	(4,893)
Impairment loss of property, plant and equipment									**(11,264)***	–
Finance costs									**(89)**	(11)
Share of profit of an associate									**45**	79
Loss before tax									**(35,268)**	(13,899)

* Impairment loss of property, plant and equipment was related to the waste treatment segment.

4. OTHER INCOME AND GAINS

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**39**	45
Management fee received	**80**	80
Amortisation of government grant	**229**	–
Sundry income	**445**	25
Reversal of impairment on interest in an associate	**–**	4
Reversal of impairment of due from an associate	**–**	5
	793	159

5. FINANCE COSTS

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on loans from a director	**75**	–
Interest on a finance lease	**8**	11
Interest on bank overdraft	**6**	–
	89	11

6. LOSS BEFORE TAX

This is arrived at after charging:

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold*	**–**	6,199
Cost of services rendered	**81,357**	74,123
Depreciation	**5,045**	4,644
Amortisation of intangible assets	**5,946**	709
Impairment of inventories	**–**	981

* The cost of inventories sold for the period ended 30 September 2010 included an amount of depreciation of HK$3,791,000. Such amount has also been included in the respective expense item disclosed above.

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2010: Nil). No corporate income tax has been provided in Mainland China as the Group did not generate any assessable profits arising in Mainland China during the period (2010: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 September 2011 and 2010 in respect of a dilution as the impact of the share options and warrants outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic loss per share is based on:

	For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	**(33,103)**	(11,035)
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**1,096,697,427**	766,718,000

Diluted loss per share

Diluted loss per share amounts for the periods ended 30 September 2011 and 2010 have not been disclosed, as the share options and warrants outstanding during these periods had an anti-dilutive effect on the basic loss per share for these periods.

9. INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 September 2011 (2010: Nil).

10. ADDITIONS TO INTANGIBLE ASSETS

During the period, the Group incurred approximately HK$151,286,000 (2010: HK$6,328,000) on the acquisition of intangible assets, which related to the granting of the free right by Xinhua News Agency Asia Pacific Regional Bureau Limited ("Asia-Pacific Regional Bureau") for the development of the television screen broadcast business ("Free Right"). The consideration of the Free Right was the issue of 214,681,040 new ordinary shares of HK$0.01 each of the Company at a price of HK$0.7047 each. This constitutes a very substantial acquisition and details of which were described in the Company's circular dated 11 March 2011.

11. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 days, extending up to 90 days for customers with a long term relationship. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

At the end of the reporting period, the aged analysis of trade receivables, based on invoice date, is as follows:

	30 September 2011 (Unaudited) ***HK$'000***	31 March 2011 (Audited) *HK$'000*
Within 30 days	**15,613**	13,700
31 – 60 days	**7,363**	5,992
61 – 90 days	**4,152**	3,798
91 – 120 days	**298**	133
Over 120 days	**149**	246
	27,575	23,869

12. PLEDGED TIME DEPOSITS

The Group's banking facilities amounting to HK$14,000,000 (31 March 2011: HK$14,000,000), of which no banking facilities (31 March 2011: Nil) had been utilised as at the end of the reporting period, are secured by the pledge of certain of the Group's time deposits amounting to HK$14,036,000 (31 March 2011: HK$14,029,000) and a corporate guarantee to the extent of HK$18,000,000 (31 March 2011: HK$18,000,000).

13. TRADE PAYABLES

At the end of the reporting period, the aged analysis of trade payables, based on invoice date, is as follows:

	30 September 2011 (Unaudited) ***HK$'000***	31 March 2011 (Audited) *HK$'000*
Within 30 days	**2,779**	2,014
31 – 60 days	**88**	11
61 – 90 days	**372**	191
	3,239	2,216

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

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Environment

The Hong Kong economy has recorded impressive growth since the beginning of 2011, well above the levels forecast by most economists. Financial services, trade, logistics and professional services continue to be our core sectors, which are fully supported by China's 12th 5-year Plan, underscoring the role of Hong Kong as the Mainland's international financial centre, trade and shipping centre as well as an offshore Renminbi ("RMB") centre.

The residential property market continued to soar due to low interest rates, excessive liquidity and perhaps unbalanced demand and supply, as some experts opined. There are indications that the government may bow to majority opinion in the community to resume the "Home Ownership Scheme".

The statutory minimum wage was implemented by the government on 1 May 2011. The service sector, however, is still encountering problems in recruiting and sustaining an adequate and stable workforce. A Work Incentive Transport Subsidy Scheme has been introduced by the government as an incentive for job seekers living in remote districts to encourage them to find jobs and to stay in employment.

The Hong Kong economy grew solidly during the past half year, despite uncertainties in the external environment. On the other hand, inflation rose further amid rising import prices as a result of RMB appreciation and the weak United States ("US") dollar. Stronger local cost pressures also contributed to the inflation.

After the financial tsunami, there is a perception of a shift of the economic centre of gravity from the west to the east. The sovereign debt issue in Europe seems unlikely to arrive at a root-and-branch solution though some encouraging signs have been observed of late. In the United States, indexes indicate that the economy is still fragile and a third round of quantitative easing could be launched in the near term.

Operating Results

The Group's turnover of HK$90,314,000 for the six months ended 30 September 2011 represented a 5.4% increase as compared to HK$85,696,000 for the same period last year. The loss for the Group for the six months ended 30 September 2011 was HK$35,268,000 against a loss of HK$13,899,000 for the same six-month period last year. The cleaning and related services business made a loss of HK$3,087,000, the medical waste treatment business and the waste treatment business made losses of HK$103,000 and HK$6,784,000 respectively. The TV screen broadcast business made a loss of HK$7,764,000. Corporate expenses and finance costs amounted to HK$6,450,000.

Business Review

In the past half year under review, the cleaning services business continued to be the core business of the Group. We succeeded in obtaining contracts ranging from 1 year to 3 years for a brand new grade-A commercial building in the heart of Central; a composite development comprising a shopping mall, a food court, office accommodation and car parking facilities in Causeway Bay facing the Victoria Park; 2 commercial complexes in Wanchai and a new development in the south district of Hong Kong Island – probably the first grade-A commercial building in the area. The Group also entered into a contract for a term of 2 years with a US-based international fashion and clothing retailer to provide initial and regular cleaning to their first flagship store in Hong Kong.

Several contracts in hand, including a contract for one of the biggest residential estates in Tseung Kwan O, were renewed or extended.

Sales of the stone maintenance products from our business partner in Italy continued to go up. In fact, the products, some of which were specially formulated and manufactured to suit the needs of Asia markets, are gradually being recognized and achieving brand recognition in the industry.

The two medical waste treatment centres of the Group in Siping City and Suihua City on the Mainland remained in smooth operation.

As explained in our previous annual report, the Shuyang Plant cannot operate at the moment for various reasons, including impure municipal solid wastes in Shuyang and disagreement with local government on how to resolve the matter. The Group is looking into alternative plans to resolve the situation.

The Group has demonstrated considerable progress since we entered into a contract with Asia-Pacific Regional Bureau and engaged in the news information broadcasting and LED advertising businesses in May 2011. In particular, the car-mount TVs on Ktt train have launched programmes since September 2011, and the programmes were updated weekly. The installation of television screens in the Departure Hall of Hung Hom Station has basically completed and is ready to operate after testing. In addition, the Group has commenced the advertising business and has achieved initial success. Currently, we have basically put in place the office equipments and personnel in Hong Kong and Shenzhen of PRC. We have also employed professional staff engaging in advertising sales business which contributes profit accordingly.

Financial Review

As at 30 September 2011, the Group's cash and cash equivalents and pledged time deposits totalled HK$102,949,000 (31 March 2011: HK$101,319,000) and its current ratio was 5.03 (31 March 2011: 4.33). The Group's net assets increased to HK$349,408,000 as at 30 September 2011 (31 March 2011: HK$199,647,000).

As at 30 September 2011, the Group did not have any bank borrowings but the Group had a finance lease payable and loans from a director of HK$179,000 and HK$9,076,000 respectively (31 March 2011: HK$200,000 and HK$4,800,000 respectively) and therefore, the gearing ratio, representing ratio of total bank borrowings and finance lease payable to shareholders' equity, was 2.6% (31 March 2011: 2.5%). The Group's shareholders' equity amounted to HK$349,408,000 as at 30 September 2011 (31 March 2011: HK$199,647,000).

The Group takes a prudent approach to cash management and risk control. Its revenues, expenses and capital expenditures in relation to the cleaning and related services business are transacted in Hong Kong ("HK") dollars, those of the medical waste treatment business and waste treatment business are transacted in RMB and those of the television screen broadcast business are transacted in both currencies. The Group's cash and bank balances are primarily denominated in HK dollars, RMB and US dollars.

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

As at 30 September 2011, the Group's banking facilities were secured by the following:

(i) the pledge of certain of the Group's time deposits amounting to HK$14,036,000 (31 March 2011: HK$14,029,000); and

(ii) a corporate guarantee to the extent of HK$18 million (31 March 2011: HK$18 million) provided by the Company.

Warrants

i) Warrants placed on 8 September 2010

On 8 September 2010, an aggregate of 151,000,000 unlisted warrants have been successfully placed by the Company to not less than six placees who are third parties independent of and not connected to the Company and its connected persons, at the issue price of HK$0.015 per warrant and the subscription price of HK$0.51 per warrant. The subscription period for the warrants is from the date of issue of the warrants to the expiry, which is 18 months from the issue of the warrants. Upon the exercise in full of the subscription rights attached to the warrants, a maximum of 151,000,000 shares of the Company will be issued and allotted.

An aggregate of 109,000,000 unlisted warrants have been exercised last year and no further unlisted warrants have been exercised during the six months ended 30 September 2011.

As at 30 September 2011, an aggregate of 42,000,000 unlisted warrants has remained unexercised.

ii) Warrants placed on 18 March 2011

On 18 March 2011, an aggregate of 30,600,000 unlisted warrants have been successfully placed by the Company to not less than six placees who are third parties independent of and not connected to the Company and its connected persons, at the issue price of HK$0.01 per warrant and the subscription price of HK$0.70 per warrant. The subscription period for the warrants is from the date of issue of the warrants to the expiry, which is 18 months from the issue of the warrants. Upon the exercise in full of the subscription rights attached to the warrants, a maximum of 30,600,000 shares of the Company will be issued and allotted.

As at 30 September 2011, no warrantholders have exercised the subscription rights attached to the warrants.

Placing of New Shares and Warrants

On 3 May 2011, an aggregate of 45,900,000 new shares have been successfully placed by the Company to not less than six placees who are third parties independent of and not connected to the Company and its connected persons, at the placing price of HK$0.70 per share.

On 3 May 2011, an aggregate of 45,900,000 unlisted warrants have been successfully placed by the Company to not less than six placees who are third parties independent of and not connected to the Company and its connected persons, at the issue price of HK$0.01 per warrant and the subscription price of HK$0.70 per warrant. The subscription period for the warrants is from the date of issue of the warrants to the expiry, which is 18 months from the issue of the warrants.

Upon the exercise in full of the subscription rights attached to the warrants, a maximum of 45,900,000 shares of the Company will be issued and allotted. As at 30 September 2011, no warrantholders have exercised the subscription rights attached to the warrants.

The aggregate net proceeds from the placing of the 45,900,000 new shares and the 45,900,000 unlisted warrants at an issue price of HK$0.01 per warrant were HK$30,100,000.

Contingent Liabilities

As 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 HK$3,093,000 (31 March 2011: HK$1,157,000) in respect of certain services provided to various customers by the Group.

(b) The Group had a contingent liability in respect of possible future long service payments to employees under the Employment Ordinance, with a maximum possible amount of approximately HK$3,264,000 as at 30 September 2011 (31 March 2011: HK$1,016,000). The contingent liability has arisen because, at the end of the reporting period, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision of HK$1,703,000 (31 March 2011: HK$592,000) in respect of such payments has been made in the condensed consolidated statement of financial position as at 30 September 2011.

(c) 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 not provided for should be adequately covered by the insurance as at 30 September 2011 and 31 March 2011.

Employees and Remuneration Policies

The total number of employees of the Group as at 30 September 2011 was 1,611 (31 March 2011: 1,622). Total staff costs, including directors' emoluments and net pension contributions, for the period under review amounted to HK$79,775,000 (30 September 2010: HK$74,025,000). The Group provides employees with training programmes to equip them with the latest skills.

Remunerations are commensurate with individual job nature, work experience and market conditions, and performance-related bonuses are granted to employees on discretionary basis. In addition, all employees of the Group, including directors, are eligible to participate in the Company's share option scheme.

Prospects

The Group has established a prominent position in the cleaning and specialty-cleaning services business over the past decades, and has accumulated solid knowledge and experience in serving complex and dynamic institutions and customers. Given such, as well as our continuing harmonious relationship with staff and other employees, the Group maintains an optimistic outlook for the enlargement of its market share in this highly competitive environment.

The Group will invest more in television screen broadcast business in the future. It is expected that the Hung Hom Station Hall and Train project will be inaugurated at the end of the year. All businesses will be on track by March next year. Subsequently, the news and information programmes broadcasted by the Hung Hom Station Departure Hall and Ktt train project will be updated daily. The advertisement time of the programmes will reach 30% to 40%, so as to maximize profitability with the existing resources.

In addition, the Group will continue to expand new markets and explore more large screen and related projects in Hong Kong and PRC markets by utilizing the sound resources of its own and its shareholders. It is expected that the Group will expand its media terminal network into more than 50 countries and territories in Asia-Pacific region as of the first half of next year. We will install media terminals in the office buildings or places of business of Xinhua News Agency, embassies and giant state-owned enterprises all over the world, so that our business will reach a leading level among our peers shortly.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2011.

AUDIT COMMITTEE

The Audit Committee of the Company comprises the three independent non-executive directors of the Company, namely, Ms Xu Zhijuan (Chairman of Audit Committee), Mr Tang Binfeng and Mr Wang Qi. The Audit Committee has reviewed with senior management of the Company these interim results and the accounting principles and practices adopted by the Group.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Main Board Listing Rules, except that there is no separation of the roles of Chairman and Chief Executive Officer as stipulated in the code provision A.2.1 of the CG Code.

From 1 April 2011 to 16 May 2011, Dr Lo Kou Hong was both the Chairman of the Board and the Chief Executive Officer of the Company. From 17 May 2011 to 20 October 2011, Mr Cheung Ming was appointed as Executive Director and the Chief Executive Officer of the Company. With the addition of the television screen broadcast business of the Company business, Mr Ju Mengjun and Dr Lo Kou Hong have been re-designated as Co-chairman of the Board since 13 June 2011.

The Board considers that the separation of roles in the aforesaid re-designation of titles is appropriate to the Group's current dual business focus.

On behalf of the Board
Xinhua News Media Holdings Limited
Lo Kou Hong
Co-chairman

Hong Kong, 29 November 2011

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.