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 2015

RESULTS

The board of directors (the "Board") of Xinhua News Media Holdings Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2015. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

		For the six months ended 30 September	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	***HK\$'000***	*HK\$'000*
Revenue	*3*	**153,614**	137,084
Other income and gains	*4*	**825**	333
Staff costs		**(110,073)**	(97,672)
Depreciation and amortisation	*6*	**(5,550)**	(5,862)
Other operating expenses		**(41,653)**	(34,093)
Finance costs	*5*	**(25)**	(14)
Share of profit of an associate		**6**	22
Loss before tax	*6*	**(2,856)**	(202)
Income tax expenses	*7*	**(176)**	(214)
Loss for the period		**(3,032)**	(416)

	Note	For the six months ended 30 September 2015 (Unaudited) *HK$'000*	2014 (Unaudited) *HK$'000*
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations, net of tax		**(507)**	26
Total comprehensive loss for the period		**(3,539)**	(390)
Loss attributable to:			
Owners of the Company		**(2,801)**	(535)
Non-controlling interests		**(231)**	119
		(3,032)	(416)
Total comprehensive loss attributable to:			
Owners of the Company		**(3,076)**	(519)
Non-controlling interests		**(463)**	129
		(3,539)	(390)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted	*8*	**HK$(0.0020)**	HK$(0.0004)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2015

	Notes	30 September 2015 (Unaudited) HK$'000	31 March 2015 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**22,769**	21,765
Intangible assets	*9*	**51,324**	55,831
Investment in an associate		**710**	704
Total non-current assets		**74,803**	78,300
Current assets			
Inventories		**261**	225
Amount due from an associate		**240**	240
Trade receivables	*10*	**73,360**	60,588
Prepayments, deposits and other receivables	*11*	**32,014**	31,799
Pledged time deposits	*12*	**14,136**	13,086
Cash and cash equivalents		**54,565**	62,778
Total current assets		**174,576**	168,716
LIABILITIES			
Current liabilities			
Trade payables	*13*	**7,459**	5,190
Other payables and accrued liabilities		**37,799**	31,259
Loans from a director		**6,487**	5,564
Finance lease payables		**365**	359
Tax payable		**389**	394
Total current liabilities		**52,499**	42,766
Net current assets		**122,077**	125,950
Total assets less current liabilities		**196,880**	204,250

	30 September 2015 (Unaudited) *HK$'000*	31 March 2015 (Audited) *HK$'000*
Non-current liabilities		
Loans from a director	**21**	3,733
Finance lease payables	**1,026**	1,209
Provision for long service payments	**3,567**	3,058
Deferred income	**5,177**	5,622
Total non-current liabilities	**9,791**	13,622
Net assets	**187,089**	190,628
CAPITAL AND RESERVES		
Share capital	**13,675**	13,675
Reserves	**177,451**	180,527
Equity attributable to owners of the Company	**191,126**	194,202
Non-controlling interests	**(4,037)**	(3,574)
Total equity	**187,089**	190,628

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2015 ("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 (the "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 the basis of preparation adopted in the preparation of the Financial Statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2015, 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

In the current period, the Group has applied for the first time, the following new and revised standards, amendments and interpretations ("new HKFRS") issued by the HKICPA, which are effective for the Group's financial period beginning on 1 April 2015. A summary of the new HKFRSs are set out as below:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

The application of the above new HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods which have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied any new HKFRSs that have been issued but are not yet effective for the current accounting period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four 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 television screen broadcast business segment engages in the provision of publicly broadcasting information and advertisements on television screens services;

(c) the medical waste treatment segment engages in the provision of non-incineration medical waste handling services for hospitals; and

(d) the waste treatment business segment engages in the provision of organic waste treatment and sale of the 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 tax. The adjusted loss before tax are measured consistently with the Group's loss before tax except that interest income, share of profit of an associate, fair value change on financial asset, impairment loss recognised in profit or loss in respect of intangible assets and goodwill, loss on disposal of subsidiaries, finance costs and unallocated head office and corporate expenses are excluded from such measurement.

There are no intersegment sales and transfers between the segments.

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

	For the six months ended 30 September 2015				
	Cleaning and related services (Unaudited) *HK$'000*	Television screen broadcast business (Unaudited) *HK$'000*	Medical waste treatment (Unaudited) *HK$'000*	Waste treatment (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment revenue:					
Service income from external customers	**140,636**	**7,500**	**5,447**	**31**	**153,614**
Other income and gains	**41**	**–**	**235**	**–**	**276**
Total	**140,677**	**7,500**	**5,682**	**31**	**153,890**
Segment results	**5,937**	**739**	**312**	**(980)**	**6,008**
Reconciliation:					
Interest income					**549**
Unallocated gains					**6**
Unallocated expenses					**(9,394)**
Finance costs					**(25)**
Loss before tax					**(2,856)**
Income tax expenses					**(176)**
Loss for the period					**(3,032)**

	For the six months ended 30 September 2014				
	Cleaning and related services (Unaudited) *HK$'000*	Television screen broadcast business (Unaudited) *HK$'000*	Medical waste treatment (Unaudited) *HK$'000*	Waste treatment (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment revenue:					
Service income from external customers	121,963	9,918	5,104	99	137,084
Other income and gains	259	61	–	1	321
Total	122,222	9,979	5,104	100	137,405
Segment results	7,118	2,745	1,209	(1,148)	9,924
Reconciliation:					
Interest income					12
Unallocated gains					22
Unallocated expenses					(10,146)
Finance costs					(14)
Loss before tax					(202)
Income tax expenses					(214)
Loss for the period					(416)

4. OTHER INCOME AND GAINS

	For the six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Sundry income	**11**	119
Net gain on disposal of property, plant and equipment	**–**	172
Amortisation of deferred income	**235**	–
Interest income	**549**	12
Management fee received	**30**	30
	825	333

5. FINANCE COSTS

	For the six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on finance leases	**25**	14

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of services rendered	**124,586**	106,677
Depreciation	**1,484**	1,796
Amortisation of intangible assets	**4,066**	4,066
Loss on disposal of property, plant and equipment	**23**	–

7. INCOME TAX EXPENSES

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 (30 September 2014: Nil).

The corporate income tax has been provided for subsidiaries in the People's Republic of China (the "PRC") based on assessable profits arising in the PRC during the period. Subsidiaries located in the PRC are subject to the PRC corporate income tax at a rate of 25% (2014: 25%) on its assessable profits.

	For the six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**–**	–
The PRC	**176**	214
	176	214

No deferred tax liabilities was provided in respect of the tax that would be payable on the distribution of the retained profits as the Group determined that the retained profits as at 30 September 2015 would not be distributed in the foreseeable future.

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

The calculation of basic loss per share is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,367,486,040 (30 September 2014: 1,304,423,745) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2015 and 2014 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 diluted loss per share was the same as the basic loss per share.

The calculation of basic and diluted loss per share is based on:

	For the six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the Company used in the basic and diluted loss per share calculation	**(2,801)**	(535)

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**1,367,486,040**	1,304,423,745

9. INTANGIBLE ASSETS

	Medical waste treatment *HK$'000*	Free right *HK$'000*	Total *HK$'000*
Cost			
At 31 March 2015 (Audited)	35,283	151,286	186,569
Exchange realignment	(1,356)	–	(1,356)
At 30 September 2015 (Unaudited)	33,927	151,286	185,213
Accumulated amortisation and impairment			
At 31 March 2015 (Audited)	23,443	107,295	130,738
Amortisation during the period	500	3,566	4,066
Exchange realignment	(915)	–	(915)
At 30 September 2015 (Unaudited)	23,028	110,861	133,889
Carrying amount			
At 30 September 2015 (Unaudited)	**10,899**	**40,425**	**51,324**
At 31 March 2015 (Audited)	11,840	43,991	55,831

10. TRADE RECEIVABLES

	30 September 2015 (Unaudited) ***HK$'000***	31 March 2015 (Audited) *HK$'000*
Trade receivables	**73,360**	60,588

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 2015 (Unaudited) *HK$'000*	31 March 2015 (Audited) *HK$'000*
Within 30 days	**23,739**	22,195
31 – 60 days	**13,063**	10,320
61 – 90 days	**4,444**	12,369
91 – 120 days	**8,807**	691
Over 120 days	**23,307**	15,013
	73,360	60,588

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2015 (Unaudited) *HK$'000*	31 March 2015 (Audited) *HK$'000*
Prepayments	**7,865**	7,198
Deposits	**4,030**	4,734
Other receivables *(Note)*	**20,119**	19,867
	32,014	31,799

Note:

At 30 September 2015, included in other receivables was a loan receivable amount to HK$18,000,000 (31 March 2015: HK$18,000,000) advanced to a company not connected to the Group. The loan receivable is unsecured, charged at an interest rate of 6.00% per annum and due on 29 February 2016.

12. PLEDGED TIME DEPOSITS

At the end of the reporting period, the Group's banking facilities were secured by the pledge of certain Group's time deposits amounting to approximately HK$14,136,000 (31 March 2015: HK$13,086,000).

13. TRADE PAYABLES

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

	30 September 2015 (Unaudited) *HK$'000*	31 March 2015 (Audited) *HK$'000*
Within 30 days	**4,231**	3,669
31 – 60 days	**2,830**	1,326
61 – 90 days	**3**	66
Over 90 days	**395**	129
	7,459	5,190

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

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The Group's turnover for the six months ended 30 September 2015 amounted to approximately HK$153,614,000 (30 September 2014: HK$137,084,000) represented a 12.1% increase as compared to the same period last year. The loss of the Group for the six months ended 30 September 2015 was approximately HK$3,032,000 (30 September 2014: HK$416,000). Cleaning and related services business made a profit of approximately HK$5,937,000, the medical waste treatment business made a profit of approximately HK$312,000, the television screen broadcast business made a profit of approximately HK$739,000 and the waste treatment business made a loss of approximately HK$980,000.

Financial Review

As at 30 September 2015, the Group's cash and cash equivalents and pledged time deposits totalled approximately HK$68,701,000 (31 March 2015: HK$75,864,000) and its current ratio was 3.33 (31 March 2015: 3.95). The Group's net assets were approximately HK$187,089,000 (31 March 2015: HK$190,628,000).

As at 30 September 2015, the Group did not have any bank borrowings but the Group has finance lease payables and loans from a Director of approximately HK$1,391,000 and HK$6,508,000 respectively (31 March 2015: HK$1,568,000 and HK$9,297,000) and therefore, its gearing ratio, representing ratio of finance lease payables and loans from a Director to shareholders' equity was 4.2% (31 March 2015: 5.7%). The Group's shareholders' equity amounted to approximately HK$187,089,000 as at 30 September 2015 (31 March 2015: HK$190,628,000).

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 and television screen broadcast business are transacted in Hong Kong ("HK") dollars, whereas those of the medical waste treatment business, and waste treatment business are transacted in Renminbi ("RMB"). The Group's cash and bank balances are primarily denominated in HK dollars, RMB and United States dollars.

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

As at 30 September 2015, the Group's banking facilities were secured by the pledge of certain Group's time deposits amounting to approximately HK$14,136,000 (31 March 2015: HK$13,086,000).

Business Review

Television Screen Broadcast Business

During the period under review, the Group faced significant headwind from a multitude of macro-economic downturns. The slowdown of growth from mainland China has caused large Chinese enterprises to cut spending. The uncertainty of the future has caused these companies to tighten budget planning in the upcoming years. Additionally, consumers and tourists are spending less as a result. This has had significant impact in areas such as Macau and Hong Kong where the Company currently operates. Increase in instability throughout other parts of the world such as America and Europe combined with the slowdown of Asia have also caused foreign companies leery of committing to long term contracts in the Asia region.

The Group has also experienced an increase in pricing disparity when talking to potential advertising clients. These potential advertising clients are often requesting large discounts from retail pricing and shortening of the duration of the contracts. This disparity has caused termination of several potential investment opportunities in the advertising space. The Group is prudent with its financial resources and will not commit unless the potential investment fits all of the investment criteria of the Company.

Despite the aforementioned difficulties, the Group is still committed to its strategy of the television screen broadcast business. The synergy that has been created with Xinhua News Agency Asia Pacific Bureau is still unique to the Group and in the media advertising space. Existing media platforms, in cooperation with MTR Corporation Limited and Hong Kong

International Airport, continue to operate smoothly. Other existing media platforms at large commercial buildings are fully operational as well. The Group considers the existing media platform to be a solid foundation to build upon and to expand from. The Group will continue to seek other media platforms to increase its media network in order to meet the increasing demands of its potential advertising clients.

Cleaning and related services

The sustained labour shortage is still confronting most of the employers in Hong Kong. Hong Kong has been on the threshold of a greying population as a result of sprinkling fertility rate, skills mismatch and perhaps succession. There is so far no way to be sure how long the shortage will last nor would there be any immediate remedies. A manpower shortfall will continue in the next few years, warned some human resources consultants. This is a pressing issue that we cannot afford to ignore.

During the period under review, the Group, notwithstanding a combination of challenges, was able to achieve steady growth. Several significant contracts were renewed for terms ranging from one year to three years with our clients, including a Hong Kong based flight kitchen, which is one of the biggest in the world, two top-notch office buildings in Central, two housing estates of relatively large scale in Tung Chung and Yuen Long and one prestigious residential estate on Island South.

Some new contracts were also secured including that for the biggest housing estate in Lantau for a fixed term of three years with an option to renew for another three years.

The Group has been renowned for its expertise to provide high-level and external wall cleaning via gondolas and other high-level access equipment. Other than rendering curtain wall cleaning for several commercial and shopping developments on contract basis, the Group acquired an external wall cleaning contract for a low-rise premier residential development on the Peak. The work had to be completed under a compressed time frame and in a rigid working environment, which encompassed proper protection of landscape gardening, strict restrictions on disturbing noises and working hours as well as the occasional gusts of strong winds. Through the effort of our service teams, the work was completed well on schedule.

Series of stone care and maintenance products from Italy, for which the Group is the sole agent in Hong Kong, Macau and the Mainland, enjoyed their successive popularity in the market. A long term contract was signed with a listed company to provide these products for the regular maintenance and care of the stone fittings in their flagship shopping mall in West Kowloon.

Progress of the pest control business was also at a steady pace. As an effort of launching our corporate social responsibility, the group's technical manager of this department, at the requests of some owners' corporations and social organisations, provided to their members courses in terms of basic knowledge of destructive pests which are perceived to be detrimental to humans' health. Methods of elimination and extermination approaches adopted by the professional service sector were also introduced during the course.

This year the Group was again nominated for the award of a "Caring Company Logo" launched by The Hong Kong Council of Social Service for our performance in "employee friendly" and "caring for the environment".

Medical waste treatment business

As to the medical waste treatment business, the two medical waste treatment plants of the Group located in Siping City and Suihua City in the People's Republic of China (the "PRC"), continued to operate smoothly throughout the period under review.

Waste treatment business

The Group is seeking various options in respective of this investment during the period under review.

Prospects

Television Screen Broadcast Business

The Group is still committed in developing the television screen broadcast business. Together with Xinhua News Agency Asia Pacific Bureau, the Group's positive synergy is still unique in Asia's media advertising space. With a multitude of headwinds, the Group believes that it is now even more essential to expand to high profile areas in order to meet the demands of potential advertising clients.

The Group will continue with its existing strategy to seek out potential investment opportunities in key strategic locations such as first tier cities in mainland China, Hong Kong and Macau. High densely populated areas such as train stations, airports and well located commercial buildings are still areas where the Group will look to expand into. As we expand our network of media platforms in key strategic locations will we be able to attract the large enterprises as our potential clients.

Due to the Group's prudent approach to investing, the Group has been slower in expansion than as planned. However, the Group believes it is in the best interest of the Company and its shareholders to only commit when an investment meets all of the criteria of the Group. The Group will continue to seek potential projects that meet the Group's objective and investment criteria in order to expand its media platform. Despite the macro economic conditions, the Group believes that it can still capture the necessary segment of the market in the media advertising space.

Cleaning and related services

To combat the challenging environment and to maintain a viable workforce to meet the ever growing demands for high service standard of our customers, the Group will constantly review our staff fringe benefits and retention programs, step up the efficiency and capability of our service teams and adjust our management philosophy to cope with the market variances to-day.

Opportunities come with challenges. Through decades of exertion, the Group has developed a prominent position in the market and obtained the confidence of customers. We maintain an optimistic outlook for the expansion of our market share in the period ahead.

While striving for sustainable and holistic development, safety must be stressed. It cannot be emphasised any stronger the importance of good safety records which would reflect premium payable on the compulsory liabilities insurance required. We are determined to uphold these safety records.

Medical waste treatment business

The two medical waste treatment plants located in Siping City and Suihua City in the PRC are now well established and are expected to continue their smooth operations. The Group therefore expects that the medical waste treatment business segment will continue to bring in revenue to the Group in the future.

Interim Dividend

The Board does not recommend the payment of any dividend to shareholders for the six months ended 30 September 2015 (30 September 2014: Nil).

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$13,038,000 (31 March 2015: HK$10,649,000) 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$6,289,000 as at 30 September 2015 (31 March 2015: HK$5,522,000). 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 approximately HK$3,567,000 (31 March 2015: HK$3,058,000) in respect of such payments has been made in the condensed consolidated statement of financial position as at 30 September 2015.

(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 should be adequately covered by the insurance as at 30 September 2015 and 31 March 2015.

Employees and Remuneration Policies

The total number of employees of the Group as at 30 September 2015 was 1,675 (31 March 2015: 1,623). Total staff costs, including directors' emoluments and net pension contributions, for the period under review amounted to approximately HK$110,073,000 (30 September 2014: HK$97,672,000). 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.

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations, including any executive director ("Executive Director"), non-executive director ("non-executive Director"), independent non-executive director ("Independent non-executive Director") or any consultant of the Group.

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 2015.

SHARE OPTION SCHEME

The New Scheme

At the annual general meeting of the Company held on 25 September 2015, a new share option scheme of the Company was approved by the shareholders of the Company (the "New Scheme"). As at 30 September 2015, no share option was granted by the Company under the New Scheme.

The Old Scheme

The Company adopted a share option scheme (the "Old Scheme") on 24 April 2003, which expired on 23 April 2013 and the share options under the Old Scheme lapsed upon the expiration of the exercise period of share options on 21 April 2015. The following table sets out details and movements of the Company's share options held by eligible participants of the Group under the Old Scheme:

	Number of share options					
Name or category of participant	**At 1 April 2015**	**Granted/ exercised/ lapsed/ cancelled between 1 April 2015 to 21 April 2015**	**Lapsed on 21 April 2015**	**Date of grant of share options** *(Note 1)*	**Exercise period of share options**	**Exercise price of share options** *(Note 2)*
						HK $ per share
Director						
Dr. Lo Kou Hong	6,000,000	–	6,000,000	12-5-05	22-4-05 to 21-4-15	0.275
Other employees						
In aggregate *(Note 3)*	13,000,000	–	13,000,000	12-5-05	22-4-05 to 21-4-15	0.275
	19,000,000	–	19,000,000			

Notes to the table of share options under the Old Scheme during the year:

(1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.

(2) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

(3) Ms. Ko Lok Ping, Maria Genoveffa resigned as an Executive Director of the Company on 27 September 2011. However, the 6,000,000 shares options granted by the Company to Ms. Ko Lok Ping, Maria Genoveffa for subscribing 6,000,000 shares of the Company remained exercisable. Such relevant share options lapsed on 21 April 2015.

Mr. Leung Tai Tsan, Charles and Mr. Cheung Pui Keung, James resigned as Executive Directors of the Company on 27 October 2011. However, the 3,000,000 share options granted by the Company to Mr. Leung Tai Tsan, Charles and the 4,000,000 share options granted by the Company to Mr. Cheung Pui Keung, James for subscribing 3,000,000 shares and 4,000,000 shares of the Company respectively remained exercisable. Such relevant share options lapsed on 21 April 2015.

As the Old Scheme expired on 23 April 2013, no further shares options could be granted under the Old Scheme. No share options have been granted, exercised and/or cancelled during the six months ended 30 September 2015. The share options under the Old Scheme lapsed upon the expiration of the exercise period of share options, i.e. 21 April 2015.

CHANGE IN DIRECTORS' INFORMATION

Changes in the composition of the Board and Board committees during the six months ended 30 September 2015 were as follows:

Mr. Chang Yong resigned as an Executive Director and a member of the executive committee and corporate governance committee under the Board with effect from 6 August 2015.

Mr. Wen Xin Nian was appointed as an Executive Director with effect from 21 August 2015.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE OF THE MAIN BOARD LISTING RULES

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 transparency and accountability of all its operations.

Throughout the six months ended 30 September 2015, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 of the Main Board Listing Rules, with the exception of Code Provision A.2.7 and A.6.7, as addressed below:

Under Code Provision A.2.7, the chairman (the "Chairman") should at least annually hold meetings with the non-executive Directors, including Independent non-executive Directors, without the Executive directors present. Under the six months period under review, the Chairman did not hold meetings with the Independent non-executive Directors without the Executive Directors present, which deviates from Code Provision A.2.7. However, in each Board meeting, the chairman of the meetings would ensure that all Directors were able to make a full and active contribution to the Board's affairs and encourage all Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that the Board decisions fairly reflect Board consensus.

Under Code Provision A.6.7, Independent non-executive Directors and non-executive Directors should attend general meetings of the Company. Mr. Wang Qi, the Independent non-executive Director, could not attend the annual general meeting of the Company held on 25 September 2015 due to other business commitments. However, Mr. Ju Mengjun, the Co-Chairman and Executive Director, present in the general meeting was elected as Chairman of the meetings to ensure an effective communication with the shareholders at the meeting.

Further, under Code Provision A.4.3, serving more than 9 years could be relevant to the determination of a non-executive director's independence. Mr. Wang Qi, has served as an Independent non-executive Director for more than 9 years since 26 August 2015. In compliance with Code Provision A.4.3, a resolution was proposed to approve the re-election of Mr. Wang Qi as an Independent non-executive Director and the resolution was passed at the annual general meeting of the Company held on 25 September 2015. The Company will continue to review the independence of Independent non-executive Directors annually and take all appropriate measures to ensure compliance of relevant provisions regarding independence of Independent non-executive Directors in the Listing Rules.

AUDIT COMMITTEE

The Audit Committee comprises three members, namely, Mr. Tsang Chi Hon (Chairman of the audit committee), Mr. Wang Qi and Mr. Ho Hin Yip, who are Independent non-executive Directors. The Audit Committee is primarily responsible for reviewing and providing supervision over the Group's financial reporting processes and internal controls. The Audit Committee comprises and will continue to comprise exclusively of Independent non-executive Directors in accordance with the requirements of the CG Code set out in Appendix 14 of the Main Board Listing Rules. The Group's unaudited consolidated results for the six months ended 30 September 2015 have been reviewed by the Audit Committee, which was of the opinion that such financial statements complied with the applicable accounting standards and that adequate disclosures have been made.

PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange of Hong Kong Limited at (www.hkexnews.hk) and the Company at (www.XHNmedia.com). The 2015 interim report containing all the information required by the Main Board Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

On behalf of the Board
Xinhua News Media Holdings Limited
Ju Mengjun
Co-chairman

Hong Kong, 27 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.