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)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

RESULTS

The board of directors (the "Board") of Xinhua News Media Holdings Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2020, together with the comparative figures for the year ended 31 March 2019, as follows:

For the reasons explained in the paragraph headed "Further announcement(s)" in this announcement, the auditing process for the annual results of the Group for the year ended 31 March 2020 has not been completed.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Notes	**2020** ***HK$'000*** **(Unaudited)**	2019 *HK$'000* (Audited)
Revenue	*5*	**348,648**	404,279
Other income and gains	*6*	**1,177**	701
Other losses	*7*	**(32,098)**	–
Staff costs	*8*	**(256,640)**	(270,043)
Depreciation and amortisation		**(11,100)**	(4,750)
Impairment loss recognised on trade receivables	*8*	**(3,132)**	–
Impairment loss recognised on other receivables	*8*	**(691)**	–
Other operating expenses		**(102,119)**	(147,598)
Fair value (loss)/gain on investment properties	*8, 13*	**(1,969)**	10,270
Finance costs	*9*	**(358)**	(31)

	Notes	2020 HK$'000 (Unaudited)	2019 HK$'000 (Audited)
Loss before tax	*8*	**(58,282)**	(7,172)
Income tax credits/(expenses)	*10*	**1,387**	(9,054)
Loss for the year		**(56,895)**	(16,226)
Other comprehensive loss, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations:			
Exchange differences arising during the year		**(1,820)**	(617)
Exchange differences reclassified to profit or loss upon disposal of a subsidiary		**(2,423)**	–
Total comprehensive loss for the year		**(61,138)**	(16,843)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(57,920)**	(15,582)
Non-controlling interests		**1,025**	(644)
		(56,895)	(16,226)
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(61,894)**	(15,690)
Non-controlling interests		**756**	(1,153)
		(61,138)	(16,843)
Loss per share attributable to owners of the Company			
Basic and diluted	*11*	**HK$(0.0346)**	HK$(0.0100)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	Notes	2020 HK$'000 (Unaudited)	2019 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**12,683**	16,924
Intangible assets	*12*	**–**	33,508
Investment properties	*13*	**6,169**	31,521
Right-of-use assets		**2,440**	–
Deferred tax assets		**537**	–
Total non-current assets		**21,829**	81,953
Current assets			
Inventories		**277**	361
Trade receivables	*14*	**53,013**	77,253
Prepayments, deposits and other receivables	*15*	**12,812**	10,690
Pledged time deposits	*16*	**2,066**	2,056
Cash and cash equivalents		**52,294**	70,759
Current tax assets		**505**	–
		120,967	161,119
Non-current assets classified as held for sale	*17*	**10,850**	–
Total current assets		**131,817**	161,119
Total assets		**153,646**	243,072
Current liabilities			
Trade payables	*18*	**19,955**	21,558
Other payables and accrued liabilities		**39,722**	43,304
Amount due to a related company		**1,055**	–
Lease liabilities		**1,742**	–
Loans from a director		**5,834**	1,167
Finance lease payables		**–**	268
Other financial liability	*19*	**–**	12,973
Tax payables		**–**	4,994
Total current liabilities		**68,308**	84,264
Net current assets		**63,509**	76,855
Total assets less current liabilities		**85,338**	158,808

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current liabilities		
Loans from a director	**–**	5,081
Lease liabilities	**736**	–
Finance lease payables	**–**	294
Deferred income	**–**	3,633
Deferred tax liabilities	**–**	2,565
Total non-current liabilities	**736**	11,573
Net assets	**84,602**	147,235
EQUITY		
Equity attributable to owners of the Company		
Share capital	**16,759**	16,759
Reserves	**67,015**	127,998
	83,774	144,757
Non-controlling interests	**828**	2,478
Total equity	**84,602**	147,235

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is P.O. Box 309, Ugland 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 Group was principally engaged in the provision of cleaning and related services, the provision of medical waste treatment service, 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. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which also include Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong, the applicable disclosure required by the Hong Kong Company Ordinance and the applicable disclosure provisions of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Main Board Listing Rules").

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRSs"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years expect as stated below.

HKFRS 16

On adoption of HKFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as 'operating leases' under HKAS 17 "Leases", resulted in changes in the consolidated amounts reported in the consolidated financial statement as follows:

	1 April 2019 *HK$'000*
At 1 April 2019:	
Increase in right-of-use assets	9,631
Increase in lease liabilities	(9,631)

The reconciliation of operating lease commitment to lease liabilities as at 1 April 2019 is set out below:

	HK$'000
Operating lease commitment at 31 March 2019:	12,174
Less:	
Commitment relating to leases with a remaining lease term ending on or before 31 March 2020	(2,264)
Discounting of 4.75%	(279)
Lease liabilities as at 1 April 2019	9,631

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. 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 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;

(c) the medical waste treatment business 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, equity-settled share option expenses, finance costs and unallocated head office and corporate expenses are excluded from such measurement.

Segment liabilities exclude loans from a director and finance lease payables as these liabilities are managed on a group basis.

There are no inter-segment sales and transfers between the segments.

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

	Cleaning and related services		Advertising media business		Medical waste treatment		Waste treatment		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Segment revenue:										
Service income from external customers	**326,021**	334,242	**4,933**	53,067	**17,539**	16,917	**155**	53	**348,648**	404,279
Other income and gains	**259**	85	**246**	4	**404**	418	**4**	–	**913**	507
Total	**326,280**	334,327	**5,179**	53,071	**17,943**	17,335	**159**	53	**349,561**	404,786
Segment results	**7,323**	14,610	**(43,050)**	24,121	**5,755**	3,575	**(1,814)**	(1,731)	**(31,786)**	40,575
Reconciliation:										
Interest income									**264**	194
Equity-settled share option expenses									**(911)**	(8,780)
Unallocated expenses									**(25,491)**	(39,130)
Finance costs									**(358)**	(31)
Loss before tax									**(58,282)**	(7,172)
Income tax expenses									**1,387**	(9,054)
Loss for the year									**(56,895)**	(16,226)

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Cleaning and related services 2020	2019	Advertising media business 2020	2019	Medical waste treatment 2020	2019	Waste treatment 2020	2019	Total 2020	2019
Segment assets	**114,648**	105,736	**30,197**	108,397	**–**	16,310	**8,801**	12,629	**153,646**	243,072
Total assets									**153,646**	243,072
Segment liabilities	**36,247**	35,155	**21,123**	43,047	**–**	5,438	**5,840**	5,387	**63,210**	89,027
Reconciliation:										
Finance lease payables									**–**	562
Loans from a director									**5,834**	6,248
Total liabilities									**69,044**	95,837
Other segment information:										
Capital expenditure *(Note)*	**1,016**	384	**67**	27,788	**23**	23	**12**	3	**1,118**	28,198
Depreciation and amortisation	**1,084**	1,502	**636**	832	**1,143**	1,299	**1,072**	1,117	**3,935**	4,750

Note:

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

Geographical information

(a) *Revenue from external customers*

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**326,021**	334,242
The People's Republic of China (the "PRC")	**22,627**	70,037
	348,648	404,279

(b) *Non-current assets*

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**5,020**	29,352
The PRC	**16,779**	52,558
Macau	**30**	43
	21,829	81,953

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:

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Customer A	**94,659**	95,085
Customer B	**67,216**	68,396
Customer C	**N/A**	53,067

5. REVENUE

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

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Cleaning and related service fee income	**326,021**	334,242
Advertising media related service fee income	**4,933**	53,067
Medical waste treatment income	**17,539**	16,917
Waste treatment income	**155**	53
	348,648	404,279

During the year, HK$3,451,000 (2019: HK$34,768,000) of variable consideration from advertising media business is recognised when it is highly probable that a significant revenue reversal will not occur.

Disaggregation of revenue from contracts with customers:

2020

Segments	**Cleaning and related services**	**Advertising media business**	**Medical waste treatment**	**Waste treatment**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Geographical markets					
Hong Kong	**326,021**	**–**	**–**	**–**	**326,021**
PRC	**–**	**4,933**	**17,539**	**155**	**22,627**
Total	**326,021**	**4,933**	**17,539**	**155**	**348,648**
Timing of revenue recognition					
At a point in time	**–**	**3,992**	**–**	**–**	**3,992**
Over time	**326,021**	**941**	**17,539**	**155**	**344,656**
Total	**326,021**	**4,933**	**17,539**	**155**	**348,648**

2019

Segments	Cleaning and related services *HK$'000* (Audited)	Advertising media business *HK$'000* (Audited)	Medical waste treatment *HK$'000* (Audited)	Waste treatment *HK$'000* (Audited)	Total *HK$'000* (Audited)
Geographical markets					
Hong Kong	334,242	–	–	–	334,242
PRC	–	53,067	16,917	53	70,037
Total	334,242	53,067	16,917	53	404,279
Timing of revenue recognition					
At a point in time	–	50,449	–	–	50,449
Over time	334,242	2,618	16,917	53	353,830
Total	334,242	53,067	16,917	53	404,279

6. OTHER INCOME AND GAINS

	2020 ***HK$'000*** **(Unaudited)**	2019 *HK$'000* (Audited)
Interest income	**264**	194
Amortisation of deferred income[(note)]	**274**	243
Management fee received	**60**	60
Sundry income	**579**	204
	1,177	701

Note: Various government grants have been received for purchase of property, plant and equipment for medical waste treatment. There are no unfulfilled conditions or contingencies relating to these subsidies.

7. OTHER LOSSES

	2020 ***HK$'000*** **(Unaudited)**	2019 *HK$'000* (Audited)
Impairment on intangible assets	**20,906**	–
Impairment on investment property	**24,640**	–
Fair value change on other financial liability	**(12,973)**	–
Gain on disposal of a subsidiary	**(475)**	–
	32,098	–

8. LOSS BEFORE TAX

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

	Notes	**2020** **HK$'000** **(Unaudited)**	2019 *HK$'000* (Audited)
Employee benefit expenses (including directors' remuneration)			
Wages, salaries and other benefits		**242,378**	248,391
Retirement benefit scheme contributions		**9,488**	9,782
Equity-settled share option expenses		**911**	8,780
Provision for long service payments		**2,294**	947
Provision for untaken paid leave		**1,569**	2,143
Total employee benefit expenses		**256,640**	270,043
Cost of services rendered*		**303,372**	336,126
Auditors' remuneration			
– Audit service		**720**	700
– Non-audit service		**99**	220
Depreciation on property, plant and equipment		**3,115**	3,817
Depreciation on right-of-use assets		**7,165**	–
Gain on dissolution of an associate		**–**	(1)
Net gain on disposals of property, plant and equipment		**(30)**	(1)
Written-off of property, plant and equipment		**139**	44
Amortisation of intangible assets		**820**	933
Impairment loss recognised on trade receivables		**3,132**	–
Impairment loss recognised on other receivables		**691**	–
Fair value loss/(gain) on investment properties	*13*	**1,969**	(10,270)

* The cost of services rendered included employee benefit expenses of approximately HK$225,831,000 (2019: HK$227,824,000) incurred in the provision of services which has been included in the employee benefit expenses above.

9. FINANCE COSTS

	2020 **HK$'000** **(Unaudited)**	2019 *HK$'000* (Audited)
Lease interest	**358**	–
Interest on finance leases	**–**	31
	358	31

10. INCOME TAX (CREDITS)/EXPENSES

	2020 *HK$'000* (Unaudited)	2019 *HK$'000* (Audited)
Current tax charge for the year		
Hong Kong	**430**	1,230
The PRC	**1,418**	5,256
Over-provision in prior years	**(223)**	–
	1,625	6,486
Deferred tax	**(3,012)**	2,568
Income tax (credits)/expenses	**(1,387)**	9,054

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 progressive rate from 9% to 12% on the estimated assessable profit 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, Hong Kong profits tax has to be provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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), a subsidiary, which was disposed during the year ended 31 March 2020, is subject to the tax rate of 15% for being encourage industries at specified area. Other subsidiaries located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% (2019: 25%) on their assessable profits.

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic and diluted loss per share

The calculation of the basic and diluted loss per share amounts is based on the loss for the year attributable to owners of the Company of approximately HK$57,920,000 (2019: HK$15,582,000), and the weighted average number of ordinary shares of 1,675,869,796 (2019: 1,559,621,063) in issue during the year.

The diluted loss per share is the same as the basic loss per share for the year ended 31 March 2020 and 2019 because the Company's share options outstanding during these years were anti-dilutive.

12. INTANGIBLE ASSETS

	Drama scripts *HK$'000*	Medical waste treatment *HK$'000*	Free right *HK$'000*	Total *HK$'000*
Cost				
At 1 April 2018 (audited)	–	34,864	151,286	186,150
Additions (audited)	26,306	–	–	26,306
Exchange realignment (audited)	–	(2,289)	–	(2,289)
At 31 March 2019 and 1 April 2019 (audited)	26,306	32,575	151,286	210,167
Disposal of a subsidiary (unaudited)	–	(31,251)	–	(31,251)
Transfer to non-current assets classified as held for sales (unaudited)	(26,306)	–	–	(26,306)
Exchange realignment (unaudited)	–	(1,324)	–	(1,324)
At 31 March 2020 (unaudited)	–	–	151,286	151,286
Accumulated amortisation and impairment				
At 1 April 2018 (audited)	–	26,158	151,286	177,444
Amortisation during the year (audited)	–	933	–	933
Exchange realignment (audited)	–	(1,718)	–	(1,718)
At 31 March 2019 and 1 April 2019 (audited)	–	25,373	151,286	176,659
Amortisation during the year (unaudited)	–	820	–	820
Disposal of a subsidiary (unaudited)	–	(25,162)	–	(25,162)
Impairment (unaudited)	20,906	–	–	20,906
Transfer to non-current assets classified as held for sales (unaudited)	(20,906)	–	–	(20,906)
Exchange realignment (unaudited)	–	(1,031)	–	(1,031)
At 31 March 2020 (unaudited)	–	–	151,286	151,286
Carrying amount				
At 31 March 2020 (unaudited)	–	–	–	–
At 31 March 2019 (audited)	26,306	7,202	–	33,508

Medical waste treatment represents the assets from medical waste treatment segment which are recognised as intangible assets under HK(IFRIC) – Int 12 when the Group receives a right to charge users of the public service. The Group entered into two service concession agreements with the local governments in Siping, Jilin Province and in Suifa, Heilongjiang Province, PRC to construct medical waste treatment centers. Under the terms of the agreements, the Group shall operate the medical waste treatment centers for a period of 20 years. The Group shall be responsible for any maintenance services required during the concession period. The service concession agreements do not contain a renewal option. The intangible asset is disposed during the year ended 31 March 2020 upon the disposal of a subsidiary.

Drama scripts represent the scripts of the dramas together with the intellectual property rights and other relevant rights for advertising media business segment. During the year and subsequent to the end of the reporting period, certain drama scripts were under settlement agreements and release back to Vendor as non-current assets held for sale. Impairment loss of HK$20,906,000 has been recognised on the classification as held for sale.

Free right arise from a cooperation agreement with Xinhua News Agency Asia-Pacific Regional Bureau Limited ("APRB"), which was a former substantial shareholder of the Company, for the development of the TV screen broadcast business (the "Cooperation Agreement"). Free right was fully impaired during the year ended 31 March 2016.

The following useful lives are used in the calculation of amortisation:

	Useful life	**Remaining useful life**
Medical waste treatment	20 years	Disposed
Free right	10 years	1 year
Drama scripts	Over the shorter of the underlying license period and their useful life with reference to projected revenue	Classified as non-current assets as held for sales

13. INVESTMENT PROPERTIES

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At the beginning of the year	**31,521**	–
Transfer from trade receivables	**8,086**	21,262
Fair value (loss)/gain on investment properties	**(1,969)**	10,270
Impairment	**(24,640)**	–
Transfer to non-current assets classified as held for sale	**(5,450)**	–
Exchange realignment	**(1,379)**	(11)
At the end of the year	**6,169**	31,521

The estimated fair value of investment properties as at 31 March 2020 was approximately HK$6,169,000 (2019: HK$31,521,000), which has been arrived at on the basis of a valuation carried out by Greater China Appraisal Limited, an independent professional valuer (2019: CHFT Advisory and Appraisal Ltd.).

During the year, the directors resolved to dispose of an investment property. Impairment loss of HK$24,640,000 has been recognised on the classification as held for sale. Details are set out in note 17.

14. TRADE RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**56,061**	77,253
Less: Impairment loss recognised on trade receivables	**(3,048)**	–
	53,013	77,253

The Group's trading terms with its customers are mainly on credit. Trade receivables are non-interest-bearing and are generally on 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:

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Balance at the beginning of the year	**–**	31,500
Increase in loss allowance for the year	**3,132**	–
Amount written-off as uncollectible	**–**	(31,500)
Exchange realignment	**(84)**	–
Balance at the end of the year	**3,048**	–

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

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**21,579**	36,620
31 to 60 days	**21,322**	20,366
61 to 90 days	**4,823**	5,966
91 to 120 days	**5,205**	11,335
Over 120 days	**84**	2,966
	53,013	77,253

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 has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

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**	**Total**
At 31 March 2020						
Weighted average expected loss rate (unaudited)	0%	0%	0%	0%	99.97%	
Receivable amount *(HK\$'000)* (unaudited)	47,724	5,205	47	36	3,049	56,061
Loss allowance *(HK\$'000)* (unaudited)	–	–	–	–	3,048	3,048
At 31 March 2019						
Weighted average expected loss rate (audited)	0%	0%	0%	0%	0%	
Receivable amount *(HK\$'000)* (audited)	61,715	1,433	372	11,160	2,573	77,253
Loss allowance *(HK\$'000)* (audited)	–	–	–	–	–	–

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020	2019
	HK\$'000	*HK\$'000*
	(Unaudited)	(Audited)
Prepayments	**2,466**	3,944
Deposits	**3,079**	5,576
Other receivables	**19,644**	19,860
Amount due from a related company	**7,004**	–
Less: Impairment recognised on other receivables and deposits	**(19,381)**	(18,690)
	12,812	10,690

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.

During the year ended 31 March 2019, approximately HK$3,000,000 has been settled by the Borrower. A provision for impairment of HK$18,690,000 has been provided for this balance of the loan since the fiscal year of 2017/18. 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 the 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 year ended 31 March 2020, no further actions have been taken by the Company. The Company will however, closely monitor the development of the matter and will take appropriate action when necessary.

16. PLEDGED TIME DEPOSITS

At the end of the reporting period, the Group's banking facilities were secured by the pledge of certain of the Group's time deposits amounting to approximately HK$2,066,000 (2019: HK$2,056,000), and a property owned by a related company which is controlled by a director of the Company.

17. NON-CURRENT ASSETS AS HELD FOR SALE

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The classes of assets classified as held for sale are as follows:		
Intangible assets		
– Drama Scripts	**5,400**	–
Investment property	**5,450**	–
	10,850	–

Note: During the year, the directors resolved to dispose of the 100% equity interest in a subsidiary which holding the Drama Scripts. Subsequent to the end of the reporting period, the Company and the original vendor (the "Vendor") entered into a settlement agreement ("Settlement Agreement"), pursuant to which, the Company disposes of 100% equity interest in the above mentioned subsidiary to the Vendor, and the shares previously issued to the Vendor for acquisition will be disposed of in public market and the proceeds will be paid to the Company accordingly. The assets and liabilities attributable to the subsidiary, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

During the year, the directors resolved to dispose of an investment property. The property is expected to be sold within twelve months, has been classified as non-current asset held for sale and is presented separately in the consolidated statement of financial position.

The proceeds from disposals are expected to be less than the carrying amounts of the relevant intangible assets and investment property. Accordingly, impairment losses of HK$20,906,000 and HK$24,640,000, respectively, have been recognised for the year ended 31 March 2020 on intangible assets and investment property.

18. TRADE PAYABLES

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

	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**4,982**	21,360
31 to 60 days	**4,175**	20
Over 90 days	**10,798**	178
	19,955	21,558

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

19. OTHER FINANCIAL LIABILITY

Other financial liability is in respect of the contingent consideration for the payment of the scripts of the dramas together with the intellectual property rights and other relevant rights. The estimated aggregate fair value of the remaining allotted and issued consideration shares and the cash consideration as at 31 March 2020 was HK$Nil (2019: HK$12,973,000), which has been arrived at on the basis of a valuation carried out by Greater China Appraisal Limited (2019: CHFT Advisory and Appraisal Ltd.), an independent professional valuer.

20. DIVIDEND

The Directors do not recommend the payment of a dividend to shareholders for the year ended 31 March 2020 (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The Group's revenue for the year ended 31 March 2020 amounted to approximately HK$348,648,000 (2019: HK$404,279,000), a 13.8% decrease as compared to the previous year. The loss of the Group was approximately HK$56,895,000 (2019: HK$16,226,000). The cleaning and related services business made a profit of approximately HK$7,323,000, the medical waste treatment business made a profit of approximately HK$5,755,000, the advertising media business made a loss of approximately HK$43,050,000, and the waste treatment business made a loss of approximately HK$1,814,000.

Other operating expenses, which amounted to approximately HK$102,119,000 (2019: HK$147,598,000), represented a year-to-year 30.8% decrease. Such expenses mainly included the cost of services rendered under cleaning and related services business, advertising media business and medical waste treatment business which accounted for 75.9% of other operating expenses in the current period.

The drop in the other operating expenses was mainly due to the decrease in legal and professional fee as the legal proceedings were discontinued. Also, the drop in the cost of services rendered was in line with the drop in the revenue.

During the year ended 31 March 2020, other losses of HK$32,098,000 incurred whereas nil was noted during the previous year. Other losses mainly represented impairments on intangible assets and investment property which was partially offset by the fair value change on other financial liability and gain on disposal of a subsidiary.

Financial Review

As at 31 March 2020, the Group's cash and cash equivalents and pledged time deposits totaled approximately HK$54,360,000 (2019: HK$72,815,000) and its current ratio was 1.9 (2019: 1.9). The Group's net assets were approximately HK$84,602,000 (2019: HK$147,235,000).

As at 31 March 2020, the Group did not have any bank borrowings but the Group had lease liabilities and loan from a Director of approximately HK$2,478,000 and HK$5,834,000 respectively (2019: nil and HK$6,248,000 respectively). The Group's shareholders' equity amounted to approximately HK$84,602,000 (2019: HK$147,235,000).

The Group takes a prudent approach to cash management and risk control. Its revenues, expenses and capital expenditures in relation to cleaning and related business are transacted in HK$, whereas those of the medical waste treatment business, waste treatment business and advertising media business are transacted in Renminbi ("RMB"). The Group's cash and bank balances are primarily denominated in HK$, 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 2020, the Group's banking facilities were secured by the pledge of certain of the Group's time deposits amounting to approximately HK$2,066,000 (2019: HK$2,056,000) and a property owned by a related company which is controlled by a director of the Company.

Business Review

Advertising Media Business

For the year ended 31 March 2020, the Group's advertising media business generated revenue of approximately HK$4,933,000 (2019: approximately HK$53,067,000). The Group's advertising media business recorded an operating loss of approximately HK$43,050,000 for the year ended 31 March 2020 (2019: operating profit of approximately HK$24,121,000).

Due to the slowdown in GDP growth of the Chinese economy and the continuous uncertainties over the China-U.S. trade conflict, coupled with the fierce competition in the market and outbreak of COVID-19 thereby caused a material adverse impact in the operation and its overall performance of the Group in advertising media business which led to a sharp decrease in the advertising media related service fee income as compared to the corresponding period of 2019.

The Company entered into an agreement (the "Agreement") in acquiring the script of five dramas and a movie (the "Dramas") on 20 March 2019. However, in view of the continuing imposition of policies by the National Radio and Television Administration in relation to restrictions on the shooting, broadcasting and distribution of ancient costume dramas, of which the Dramas are being categorized as, the vendors have commenced negotiation with the Company on how to proceed with the fulfillment of the contractual obligations of the parties as the restrictions on ancient costume dramas have become more stringent since mid-2019 to such extent that it is uncertain when will the Dramas be allowed to be shot, broadcasted or distributed.

On 19 June 2020, the Company and the vendors reached certain mutual understandings on settlement of the outstanding contractual obligations under the Agreement and entered into a settlement agreement (the “Settlement Agreement”). After completion of the obligations under the Settlement Agreement, the Agreement shall be terminated.

Hotel Business

On 18 April 2019, the Company, through its indirect wholly-owned subsidiary, entered into an agreement to acquire the entire issued share capital in Fujian Jiye Property Management Co., Ltd. (the “Target Company”), which indirectly owns a property named Wuyishan Zhong Sheng Hotel (the “Acquisition Agreement”).

However, due to (1) the first installment of RMB23,100,000 was not paid by the Company whilst the actual operation of the Target Company has not been handed over to the Company after the transfer of shares; and (2) the re-adjustment on the long-term business strategy of the Company in order to retain capital for existing operations after taking into account the uncertain prospects of the hotels industry recently.

On 13 March 2020, the vendor and the Company entered into a termination agreement to revoke, nullify and terminate the Acquisition Agreement.

Cleaning and related services business

Hong Kong’s economy has been battered heavily during the year under review. The economic momentum has been gradually evaporating since the commencement of the social movements around middle of 2019 and has worsen still after the outbreak of the coronavirus at the beginning of 2020.

Customers are more cautious amid the pessimistic atmosphere. Most of our service contracts were acquired or renewed with less favourable returns during the year.

In the wake of the pandemic, our services have to be stepped up in terms of increasing the manpower or job frequencies. To protect our staff members, in particular those who are on the frontline facing the public, we provided them with necessary protective gears, such as face masks, overalls, goggles, sanitizers and forehead thermometers etc. Some of these items have to be ordered from overseas due to heavy demand and thus attracting additional costs.

During the year under review, a contract was extended with a top-notch residential development containing over 2,000 luxurious domestic flats with abundant amenities in Hong Kong south for a term of two years with fair adjustment in the contract price.

Several contracts which were due to expire in the year were also renewed for a term of one to two years.

Our co-operation with a listed property developer went on. Contracts for the provision of cleaning and pest management for their several properties were renewed for a fixed term of two years.

Rents and prices of shops in core commercial and shopping districts have plunged by as much as 40% as the infections crimped the demand. At the request of the customers and by mutual consent, prices of certain ongoing contracts of three commercial developments were reduced for a temporary period of twelve months as we are quite willing to join hands with our business partners to help tide over the difficulty during these uncertain economic times.

Amidst fierce competitions, the Group succeeded in obtaining two high-level cleaning service contracts – one from a membership club for curtain wall cleaning at their brand new clubhouse and the other for the external cleaning of 15 elegant townhouses on the peak, which called for different high-level access equipment in view of the creative external shapes of the properties.

High-level cleaning has been one of our strengths. We are now in joint collaboration with a firm of professional experts in the field to explore the use of remote controlled robotic cleaning equipment instead of using conventional high-level access equipment. This new approach can enhance our high-level cleaning service, in terms of cost effectiveness, safety and avoiding the time constraint and stringent regulations imposed when suspended working platforms are used.

Medical wastes treatment business

The Group operated two medical waste treatment plants in the PRC, one in Siping City and the other in Suihua City during the year. The Group disposed of the entire medical waste treatment business during the year.

Waste treatment business

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

Prospects

Advertising Media Business

The outbreak of COVID-19 has brought more uncertainties to the Group's operating environment in the PRC. In respect of the Group's operations, the epidemic has caused a near stoppage in the Group's advertising media business. Certain adverse impact of such epidemic is expected to be continued in the third quarter of 2020. The Group has formulated response measures to alleviate the consequential impact. However, it is still full of uncertainties at this stage.

With the gradual restoration of order in the affected provinces and municipalities, economic activities are expected to rebound quickly after downturn. The Group will closely monitor the market fluctuations and continue to implement its strategies in a prudent manner by conducting appraisal to each of its businesses, and downsizing or ceasing certain losing businesses with a view to focus the Group's resources on its profit-making businesses and thereby improving the financial performance of the Group.

Cleaning and related services business

Looking ahead, the coronavirus infection is unlikely to be eliminated entirely any time soon nor will local consumption rebound in the second quarter and even perhaps in the third quarter of this year in spite of the efforts and a list of relief measures introduced by our government aiming at easing unemployment and stimulating economic growth.

Having regard to the fact that most of our customers have been our long-term business partners with close confidence established, we are still cautiously optimistic that we shall be able to maintain our operations with limited impact caused by these negative factors, though the profit margin will inevitably be narrowed.

We are the contractor providing warewash, operations handling and cleaning and related services to a leading flight kitchen in Chap Lop Kok Airport. As a result of the coronavirus infection outbreak since the beginning of 2020, many countries around the world took actions to contain the spread of the virus via lockdowns and strict quarantine measures. Such actions resulted in the current almost stagnant situation of the aviation industry. Consequently, the services required from us by this major customer had dwindled in the last few months and our services can only resume back to normal when the aviation industry recover.

Summary

The business environment had been unstable and challenging during the year ended 31 March 2020. Facing the US-China trade war, the effects of COVID-19 and other uncertain global economic outlook, the challenges in the overall business environment will be severe in the year ahead. In terms of future development of the Group and for the interest of the Shareholders, the management has been keen on improving the operating results of the Group. The management will, on one hand, continue to strengthen the cleaning and related business for further improvement in performance and, on the other hand, will take a keen but cautious approach to explore all possible solutions, including the possible introduction of and joint venture with strategic partners who can bring in financing and management support to the Group so as to enhance its competitiveness and to attain better results. At the same time, the management has been ambitious in exploring different business opportunities and identifying potential projects, in particular those that can bring in sustainable growth and stable return, with an aim to secure the ongoing business development of the Group, to further diversify our business and to broaden the revenue streams of the Group so as to enhance the value of the Group and its Shareholders as a whole.

Accordingly, the management will be proactive in development in different markets and industries and to take prompt and appropriate actions as and when appropriate opportunities are identified.

Dividend

The Directors do not recommend the payment of a dividend to shareholders for the year ended 31 March 2020 (2019: Nil).

Use of the Placing Proceeds

All proceeds were utilized in the same intentions as stipulated in the general mandate as at 31 March 2020.

Save for the aforesaid placing, the Company has not conducted any fund raising activities in the past 12 months immediately preceding the date of 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 HK$16,362,000 (2019: HK$15,662,000) 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 2020 and 2019. Up to the date of this announcement, the claim against the Group for legal costs with interest is approximately HK$1,224,000 (which decision is still pending).

Event subsequent to the end of financial year

The Company entered into an agreement (the "Agreement") in acquiring the script of five dramas and a movie (the "Dramas") on 20 March 2019. However, in view of the continuing imposition of policies by the National Radio and Television Administration in relation to restrictions on the shooting, broadcasting and distribution of ancient costume dramas, of which the Dramas are being categorized as, the vendors have commenced negotiation with the Company on how to proceed with the fulfillment of the contractual obligations of the parties as the restrictions on ancient costume dramas have become more stringent since mid-2019 to such extent that it is uncertain when will the Dramas be allowed to be shoot, broadcasted or distributed.

On 19 June 2020, the Company and the vendors reached certain mutual understandings on settlement of the outstanding contractual obligations under the Agreement and entered into a settlement agreement (the "Settlement Agreement"). After completion of the obligations under the Settlement Agreement, the Agreement shall be terminated. For more details, please refer to the Company's announcement dated 19 June 2020.

Employees and Remuneration Policies

The total number of employees of the Group as at 31 March 2020 was 1,354 (2019: 1,520). Total staff costs, including directors' emoluments and net pension contributions, for the period under review amounted to HK$256,640,000 (2019: HK$270,043,000). 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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

Share Options

The Board granted a total of 57,940,604 share options on 6 July 2018 to five Directors and a number of employees (the "Grantees"), to subscribe for a total number of 57,940,604 ordinary shares of HK0.01 each in the capital of the Company under the share option scheme adopted by the Company on 25 September 2015 (the "Share Option Scheme").

In accordance with Rule 17.06A of the Main Board Listing Rules, the details of the share options are as follows: (1) Date of grant: 6 July 2018; (2) Exercise price of the share options granted: HK$0.278 per share (not less than the highest of (i) the closing price of HK$0.275 as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of HK$0.278 per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of HK0.01 per share); (3) Number of share options granted: an aggregated of 57,940,604 share options each entitling the holder thereof to subscribe for one share at the exercise price mentioned above; and (4) Validity period of the share options: from the date of grant to 5 July 2028 (both dates inclusive).

Movements of the share options during the year ended 31 March 2020 are listed below in accordance with chapter 17 of the Listing Rules:

Name or category of participant	As at 1 April 2018	Lapsed during the year	Granted	As at 31 March 2019	Lapsed during the year	As at 31 March 2020	Date of grant of share options	Exercise period of share option	Exercise price of share options HK$ per share
Directors									
Mr. Chan Chun Wo (removed on 27 April 2020)	–	–	14,462,000	14,462,000	–	14,462,000	6/7/2018	6/7/2018 to 5/7/2028	0.278
Ms. Chen Ming (Resigned on 31 October 2019, grace period from 30 November 2019 to 29 November 2024	–	–	1,446,000	1,446,000	–	1,446,000	6/7/2018	6/7/2018 to 5/7/2028	0.278
Mr. Li Bing (resigned on 1 June 2019)	–	–	8,677,000	8,677,000	(8,677,000)	–	6/7/2018	6/7/2018 to 5/7/2028	0.278
Mr. Huang Wen Kai (resigned on 17 January 2020)	–	–	8,677,000	8,677,000	(8,677,000)	–	6/7/2018	6/7/2018 to 5/8/2028	0.278
Ms. Lee Suen (resigned on 18 December 2019)	–	–	1,446,000	1,446,000	(1,446,000)	–	6/7/2018	6/7/2018 to 5/7/2028	0.278
Sub-total	–	–	34,708,000	34,708,000	(18,800,000)	15,908,000			
All other eligible participant	1,367,400	(1,367,400)	–	–	–	–	29/9/2016	29/9/2016 to 28/9/2026	0.1882
Continuous Contracts Employees	–	–	23,232,604	23,232,604	(5,959,302)	17,273,302	6/7/2018	6/7/2018 to 5/7/2028	0.278
Sub-total	1,367,400	(1,367,400)	23,232,604	23,232,604	(5,959,302)	17,273,302			
Total	1,367,400	(1,367,400)	57,940,604	57,940,604	(24,759,302)	33,181,302			

Each grant of the options to the Directors (and associate of the substantial shareholders of the Company), and the chief executives of the Company was approved by the independent non-executive Directors in accordance with Rule 17.04 of the Main Board Listing Rules, save that each of the independent non-executive Directors has abstained from approving the resolution relating to the grant of options to himself/herself.

Save as disclosed above, none of the grantees is a Director, a chief executive or a substantial shareholder of the Company or any of their respective associate(s) (as defined in the Main Board Listing Rules).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE OF THE 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 year ended 31 March 2020, the Company has complied with the principles and code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Main Board Listing Rules, except for the following deviation:

As at 31 March 2020, the roles of the chairman of the Board and the chief executive of the Company was not separated as Mr. Chan Chun Wo acted as both the Co-Chairman of the Board and Co-Chief Executive Officer of the Company. On 27 April 2020, subsequent to the removal of Mr. Chan Chun Wo as the Co-Chairman of the Board, Co-Chief Executive Officer and an executive Director of the Company, the Co-Chairman of the Board, Mr. Lo Kou Hong and the Co-Chief Executive Officer of the Company, Mr. Tsui Kwok Hing, took over the roles of the Chairman of the Board and the Chief Executive Officer of the Company respectively. On 31 May 2020, Mr. Tsui Kwok Hing resigned from the role as Chief Executive Officer of the Company.

After Mr. Tsui Kwok Hing's resignation, the position of the Chief Executive Officer of the Company is still vacant up to the date of this announcement.

The Company will, from time to time, review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the re-establishment of the role of the Chief Executive Officer.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the Listing Rules. As at the date of this announcement, the audit committee of the Company comprised three independent non-executive Directors of the Company, namely, Mr. Tsang Chi Hon (the chairman of the audit committee), Mr. Wang Qi and Mr. Wong Hon Kit. 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 2020.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 22 September 2020 to 25 September 2020, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 21 September 2020.

FURTHER ANNOUNCEMENT(S)

The auditing process for the annual results of the Group for the year ended 31 March 2020 has been disrupted and has not been completed due to travel restrictions and other relevant measures implemented by the governments of the PRC and Hong Kong attributable to the outbreak of novel coronavirus (COVID-19). The audit work/property valuation work, including but not limited to the site visits, inspection of investment properties, and its source document is subject to a significant delay. Therefore, the unaudited annual results contained herein have not been agreed with the auditors of the Company as required by the Listing Rules. The unaudited annual results contained herein have been reviewed by the Audit Committee.

Following the completion of the auditing process, the Company will make further announcement(s) in relation to the audited annual results of the Group for the year ended 31 March 2020 as soon as practicable. In addition, the Company may make further announcement(s) as and when appropriate if there are other material developments in the completion of the auditing process. The Company expects that the auditing process will be completed on or before 15 July 2020.

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) and the Company at (www.XHNmedia.com). The 2019/20 annual report containing all the information required by the Main Board 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.

By order of the Board
Xinhua News Media Holdings Limited
Tsui Kwok Hing
Executive Director

Hong Kong, 26 June 2020

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; and three independent non-executive Directors, namely, Mr. Wang Qi, Mr. Tsang Chi Hon and Mr. Wong Hon Kit.