

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2025

RESULTS

The board (the “Board”) of directors (the “Directors”) of Xinhua News Media Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2025

	<i>Notes</i>	For the three months ended 30 June 2025 HK\$'000
REVENUE	5	89,534
Other income and gains	6	1,099
Staff costs	7	(62,757)
Depreciation and amortisation	7	(1,375)
Impairment losses recognised on the trade receivables	7	(9)
Other operating expenses		(27,814)
Finance costs	8	(47)
LOSS BEFORE INCOME TAX	7	(1,369)
Income tax expense	9	—
LOSS FOR THE PERIOD		(1,369)

	For the three months ended 30 June 2025
<i>Notes</i>	<i>HK\$'000</i>
Other comprehensive income:	
<i>Items that may be reclassified subsequently to profit or loss:</i>	
Exchange differences on translation of financial statements of subsidiaries, net of tax	361
	<u>361</u>
Other comprehensive income	<u>361</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(1,008)</u></u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO:	
Owners of the Company	(1,274)
Non-controlling interests	(95)
	<u>(1,369)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:	
Owners of the Company	(935)
Non-controlling interests	(73)
	<u>(1,008)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	
Basic and diluted	10 <u><u>HK\$0.00066</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	<i>Notes</i>	30 June 2025 <i>HK\$'000</i>
Non-current assets		
Property, plant and equipment	11	5,941
Right-of-use assets	12	<u>4,020</u>
Total non-current assets		<u>9,961</u>
Current assets		
Inventories		45
Trade receivables	14	67,003
Prepayments, deposits and other receivables	15	14,927
Financial assets at fair value through profit or loss	13	6,048
Pledged time deposits	16	7,112
Cash and bank balances	16	<u>48,822</u>
Total current assets		<u>143,957</u>
Current liabilities		
Trade payables	17	14,071
Other payables and accruals	18	35,711
Promissory notes payable	19	3,000
Amount due to a related company		1,055
Lease liabilities	12	1,947
Loans from directors		11,543
Tax payables		<u>283</u>
Total current liabilities		<u>67,610</u>
Net current assets		<u>76,347</u>
Total assets less current liabilities		<u>86,308</u>
Non-current liabilities		
Lease liabilities	12	<u>2,335</u>
Total non-current liabilities		<u>2,335</u>
Net assets		<u><u>83,973</u></u>

	<i>Notes</i>	30 June 2025 <i>HK\$'000</i>
Equity		
Equity attributable to owners of the Company		
Share capital		19,311
Reserves		64,524
		<hr/>
		83,835
Non-controlling interests		138
		<hr/>
Total equity		83,973
		<hr/> <hr/>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2025

	Attributable to owners of the Company											
	Share capital	Share premium*	Capital redemption reserve*	Merger reserve*	Share option reserve*	Contributed surplus*	Other reserve*	Accumulated losses*	Exchange fluctuation reserve*	Total	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2025	19,311	563,658	254	47,063	4,663	26,591	(2,451)	(583,278)	9,308	85,119	211	85,330
Loss for the period	-	-	-	-	-	-	-	(1,274)	-	(1,274)	(95)	(1,369)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	339	339	22	361
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	(1,274)	339	(935)	(73)	(1,008)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(349)	(349)	-	(349)
At 30 June 2025	19,311	563,658	254	47,063	4,663	26,591	(2,451)	(584,552)	9,298	83,835	138	83,973

* The reserve accounts comprise the consolidated reserves of approximately HK\$64,524,000 in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2025

1. CORPORATE INFORMATION

Xinhua News Media Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is located at Unit 508B, 5/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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

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

2. BASIS OF PREPARATION

The consolidated financial statements for the three months ended 30 June 2025 have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements include the applicable disclosures required by section 13.49 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). As the consolidated financial statement is only for internal purpose, it excludes the comparative figures and consolidated statement of cash flows for the delay out of proportion to value to the management of the Group.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements for the three months ended 30 June 2025 does not include all the information and disclosures required in the annual financial statements. The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as modified by the financial assets at fair value through profit or loss (“FVTPL”), which are carried at their fair values.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

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

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted loss before income tax. The adjusted loss before income tax is measured consistently with the Group's loss before income tax except that interest income, finance costs and unallocated head office and corporate expenses are excluded from such measurement.

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

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

Segment revenue and results

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

	For the three months ended 30 June 2025			
	Cleaning and related services <i>HK\$'000</i>	Advertising media business <i>HK\$'000</i>	Waste treatment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Service income from external customers recognised over time	89,534	–	–	89,534
Segment results	<u>666</u>	<u>530</u>	<u>(320)</u>	876
Reconciliation:				
Interest income				181
Unallocated expenses				(2,379)
Finance costs				<u>(47)</u>
Loss before income tax				(1,369)
Income tax expense				<u>–</u>
Loss for the period				<u><u>(1,369)</u></u>
The following is an analysis of the Group's assets and liabilities by reportable segments:				
Segment assets:	<u>140,357</u>	<u>10,056</u>	<u>3,505</u>	<u>153,918</u>
Total assets				<u><u>153,918</u></u>
Segment liabilities:	<u>44,344</u>	<u>11,891</u>	<u>2,167</u>	<u>58,402</u>
Reconciliation:				
Loans from directors				<u>11,543</u>
Total liabilities				<u><u>69,945</u></u>
Other segment information:				
Capital expenditure (<i>note</i>)	3,855	–	–	3,855
Depreciation and amortisation	<u>1,061</u>	<u>54</u>	<u>260</u>	<u>1,375</u>

Note: Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

Geographical information

	For the three months ended 30 June 2025	
	Revenue from external customers	Non-current assets
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	89,534	5,892
The People's Republic of China (the "PRC")	—	4,069
	<u>89,534</u>	<u>9,961</u>

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 period contributing over 10% of the total revenue of the Group are as follows:

	For the three months ended 30 June 2025
	<i>HK\$'000</i>
Customer A	40,471
Customer B	18,120
	<u>58,591</u>

5. REVENUE

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

	For the three months ended 30 June 2025
	<i>HK\$'000</i>
Cleaning and related service fee income	<u>89,534</u>

(a) **Disaggregation of revenue from contracts with customers**

	Cleaning and related services
	For the three months ended 30 June 2025
	<i>HK\$'000</i>
Geographical markets	
Hong Kong	89,534
Total	<u>89,534</u>
Timing of revenue recognition	
Over time	89,534
Total	<u>89,534</u>

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

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

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

	Cleaning and related services	Advertising media business	Waste treatment	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 30 June 2025				
Expected to be recognised within one year	258,670	–	–	258,670
Expected to be recognised after one year	160,699	–	–	160,699
	<u>419,369</u>	<u>–</u>	<u>–</u>	<u>419,369</u>

The amounts represent revenue expected to be recognised in the future from the Group's service contracts for the respective services. The Group will recognise the expected revenue in the future when services are rendered, which is expected to occur over the next 12 to 30 months.

6. OTHER INCOME AND GAINS

**For the three
months ended
30 June 2025**
HK\$'000

Interest income	180
Management fee income	15
Change in fair value of financial assets at FVTPL	146
Gain on disposal of subsidiaries	218
Reversal of impairment loss on the other receivables	396
Sundry income	144
	<hr/>
	1,099
	<hr/> <hr/>

7. LOSS BEFORE INCOME TAX

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

**For the three
months ended
30 June 2025**
HK\$'000

Employee benefit expenses (including directors' remuneration):	
Wages, salaries and other benefits	59,348
Contribution to defined contribution pension plans	2,695
Defined benefit plan obligation	14
Provision for untaken paid leave	700
	<hr/>
Total staff costs	62,757
	<hr/> <hr/>
Cost of services rendered*	85,372
Auditors' remuneration	
– Audit service	250
Depreciation on property, plant and equipment	551
Depreciation on right-of-use assets	824
Impairment loss on the trade receivables	9
Reversal of impairment loss on the other receivables^	(396)
	<hr/> <hr/>

* The cost of services rendered includes employee benefit expenses of approximately HK\$60,122,000 incurred in the provision of services which has been included in the employee benefit expenses above.

^ The amount of reversal of impairment losses on the other receivables, included in note 6 "Other income and gains".

8. FINANCE COSTS

	For the three months ended 30 June 2025 <i>HK\$'000</i>
Leases interest	47
Interest on promissory notes	—
	<hr/>
	47
	<hr/> <hr/>

9. INCOME TAX EXPENSE

	For the three months ended 30 June 2025 <i>HK\$'000</i>
Current tax:	
Hong Kong	—
The PRC	—
	<hr/>
	—
	<hr/> <hr/>

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.

No provision for Hong Kong profits tax and the PRC corporate income tax have been made as the Group did not generate any assessable profits arising in Hong Kong and the PRC during the period.

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.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, the provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% to the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

Subsidiaries of the Group located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% on their assessable profits.

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$1,274,000, and the weighted average number of ordinary shares of 1,931,069,796 in issue during the period.

Diluted loss per share

The diluted loss per share is the same as the basic loss per share for the three months ended 30 June 2025 because the Company's share options outstanding during the period were anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 30 June 2025, the Group acquired items of property, plant and equipment with aggregate cost of approximately HK\$232,000. Items of property, plant and equipment with aggregate carrying amount of approximately HK\$227,000 were disposed of as part of the disposal of subsidiaries during the three months ended 30 June 2025.

12. LEASES AND RIGHT-OF-USE ASSETS

During the three months ended 30 June 2025, the Group entered into a number of new lease agreements in respect of renting buildings and recognised lease liabilities and right-of-use assets of approximately HK\$3,623,000.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 <i>HK\$'000</i>
Assets management funds	6,048

14. TRADE RECEIVABLES

	30 June 2025 <i>HK\$'000</i>
Trade receivables	67,017
Less: Impairment loss recognised on trade receivables	(14)
	<u>67,003</u>

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

As at 1 April 2025, trade receivables from contracts with customers amounted to HK\$59,659,000.

Reconciliation of impairment loss for trade receivables:

	30 June 2025 <i>HK\$'000</i>
Balance at 1 April 2025	163
Impairment losses recognised	9
Disposal of subsidiaries	<u>(158)</u>
Balance at 30 June 2025	<u><u>14</u></u>

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

	30 June 2025 <i>HK\$'000</i>
Within 30 days	39,179
31 to 60 days	16,837
61 to 90 days	10,156
91 to 120 days	812
Over 120 days	<u>19</u>
	<u><u>67,003</u></u>

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

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

	Current	Within 30 days past due	31–60 days past due	61–120 days past due	121 days– 1 year past due	Total
At 30 June 2025						
Weighted average expected loss rate	0.02%	0.02%	0.09%	7.30%	9.44%	
Receivable amount (<i>HK\$'000</i>)	55,409	10,761	826	19	2	67,017
Loss allowance (<i>HK\$'000</i>)	(10)	(2)	(1)	(1)	–	(14)

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025
	<i>HK\$'000</i>
Prepayments	2,966
Deposits	4,114
Other receivables	889
Amount due from a related company, gross	6,998
Less: Impairment loss recognised	(40)
	<u>14,927</u>

Reconciliation of impairment loss for other receivables and deposits:

	30 June 2025
	<i>HK\$'000</i>
	<i>Notes</i>
Balance at 1 April 2025	563
Impairment losses reversed	6 (396)
Disposal of subsidiaries	(128)
Exchange realignment	1
	<u>40</u>
Balance at 30 June 2025	<u>40</u>

16. CASH AND BANK BALANCES AND PLEDGED TIME DEPOSITS

	30 June 2025
	<i>HK\$'000</i>
Cash at banks and on hand	48,768
Time deposits with initial term no more than three months	2,166
Time deposits with initial term over three months	5,000
	<u>55,934</u>
Cash and bank balances and pledged time deposits presented in consolidated statement of financial position	55,934
Less: Pledged time deposits with initial term over three months for banking facilities	(5,000)
Less: Pledged short-term time deposits for banking facilities	(2,112)
	<u>48,822</u>
Cash and cash equivalents presented in consolidated statement of cash flows	<u>48,822</u>

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to approximately HK\$244,000. RMB is not freely convertible into other currencies; however, under PRC’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between five days and one year depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

At the end of the reporting period, the Group's banking facilities amounting to HK\$7,000,000 were secured by the pledge of certain of the Group's time deposits amounting to approximately HK\$7,112,000. The facilities were not utilised to the extent of HK\$4,779,000.

17. TRADE PAYABLES

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

	30 June 2025 <i>HK\$'000</i>
Within 30 days	13,969
31 to 60 days	–
Over 90 days	102
	<hr/>
	14,071
	<hr/> <hr/>

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

18. OTHER PAYABLES AND ACCRUALS

	30 June 2025 <i>HK\$'000</i>
Other payables	8,530
Provisions and accruals (<i>Note a</i>)	27,181
	<hr/>
	35,711
	<hr/> <hr/>

Note:

(a) Provisions and accruals mainly represent the accrued staff costs incurred in the Group.

19. PROMISSORY NOTES PAYABLE

During the prior year ended 31 March 2021, the Company issued three promissory notes to an investor in the aggregate principal sum of HK\$3,000,000 and bearing interest at 8% per annum. The promissory notes should be repayable in full by 31 January 2023 but the expiry date has been extended to 31 January 2024 and further extended to 31 January 2025 by the Company and the investor. In January 2025, the Group was unable to repay the promissory notes payable which was due for payment in accordance with the respective loan agreement. The suspension of payment of principal and interest of promissory notes payable constitute a default of payment. The default promissory notes payable amounted to HK\$3,000,000 is presented under current liabilities in the Group's consolidated statement of financial position as at 30 June 2025. No remedies in respect of the defaults have been agreed with the notes holders up to the date of this announcement.

20. CONTINGENT LIABILITIES

Legal Proceedings by Former Non-executive Director

On 10 June 2025, a Chinese arbitration award was issued in relation to a loan alleged to be taken out by Heng Qin Hetong Cultural Communication Company and Fujian Yu Sheng Da Supply Chain Management Company Limited (collectively, the “Related Subsidiaries”) from Mr. Wang Chungping (“Mr. Wang”), a former non-executive Director retired on 25 September 2024. It was alleged that a loan in the amount of RMB5.2 million had not been repaid on the agreed date of 30 June 2024 by the Related Subsidiaries to Mr. Wang and as such, Mr. Wang initiated arbitration proceedings at the Fuzhou Arbitration Commission on 13 November 2024 and the arbitration award was issued on 10 June 2025 in favour of Mr. Wang (the “Award”), whereby the Related Subsidiaries were ordered to repay, within 10 days from the date of the issue of the Award, the principal loan amount of RMB5.2 million together with overdue interest at 3.1% per annum from 11 November 2024.

As the Related Subsidiaries have been disposed by the Company on 27 June 2025 and the Company ceased to hold any interest in the Related Subsidiaries, and the Related Subsidiaries ceased to be subsidiaries of the Company, there will be no material adverse impact on the Group and no contingent liabilities was made by the Group as a result of the issue of the Award to the Related Subsidiaries.

As at 30 June 2025, the Group had no material contingent liabilities.

21. DIVIDEND

The Directors do not declare the payment of any interim dividend for the three months ended 30 June 2025.

22. DISPOSAL OF SUBSIDIARIES

On 27 June 2025, the Group entered into a sale and purchase agreement with an independent third party for the disposal of two group entities, namely Precise Vision International Limited and Utter Enlightenment International Limited along with their respective subsidiaries. The sub-consolidated financial information for these entities is presented below:

	<i>Note</i>	27 June 2025 <i>HK\$'000</i>
Net assets disposed of:		
Property, plant and equipment		227
Trade receivables		–
Prepayments, deposits and other receivables		3,807
Cash and bank balances		11
Trade payables		(613)
Other payables and accruals		(16,068)
Subtotal		(12,636)
Exchange fluctuation reserve		(349)
Amounts due with intra-group companies		13,067
Gain on disposal of subsidiaries	6	218
Total consideration		<u>300</u>
Satisfied by:		
Cash		<u>300</u>

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	27 June 2025
	<i>HK\$'000</i>
Cash consideration	300
Cash and bank balances disposed of	<u>(11)</u>
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	<u><u>289</u></u>

INDEPENDENT AUDITORS' REPORT



TO THE SHAREHOLDERS OF XINHUA NEWS MEDIA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Disclaimer of opinion

We were engaged to audit the consolidated financial statements of Xinhua News Media Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages 1 to 18, which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity for the three months ended 30 June 2025, and notes to the consolidated financial statements.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for disclaimer of opinion

The directors of the Company were unable to access the supporting documents of the accounting books and records of certain subsidiaries, namely, Heng Qin Hetong Cultural Communication Company Limited and Fujian Yu Sheng Da Supply Chain Management Company Limited (hereinafter collectively referred to as the “Sub-Group”) (the “Inaccessible Accounting Supporting”). As a result of the above, we were unable to obtain sufficient appropriate audit evidence to ascertain the occurrence, accuracy, completeness, cutoff, classification and presentation of any transactions that may need to be presented or have been presented in the consolidated statement of profit or loss and other comprehensive income of the Sub-Group in accordance with HKFRS Accounting Standards. Since the consolidated financial statements of the Sub-Group form part of the consolidated financial statements of the Group, the inability to perform sufficient audit procedures on the Inaccessible Accounting Supporting resulted in limitation on our audit of the consolidated financial statements of the Group. As disclosed in note 22, during the three months ended 30 June 2025, the Sub-Group had been disposed to the independent third party.

There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the matter as mentioned above. As a result, we were unable to determine whether any adjustments might have been found to be necessary in respect of the elements making up the consolidated profit or loss and other comprehensive income, and the related disclosures in the consolidated financial statements of the Group.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared to assist the Group to meet the requirements of the Hong Kong Stock Exchange. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the directors and those charged with governance for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on the consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Dai Tin Yau.

Prism Hong Kong Limited
Certified Public Accountants

Dai Tin Yau
Practising Certificate Number: P06318
Hong Kong
26 September 2025

By order of the Board
Xinhua News Media Holdings Limited
Tsui Kwok Hing
Co-Chairman

Hong Kong, 26 September 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Lo Kou Hong, Mr. Tsui Kwok Hing and Mr. Yung Ting Yiu; two non-executive Directors namely Ms. Wang Guan and Ms. Chen Yun; and three independent non-executive Directors, namely, Mr. Wang Qi, Mr. Yau Pak Yue and Mr. Leung Nga Tat.