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XINHUA NEWS MEDIA HOLDINGS LIMITED

新華通訊頻媒控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 309)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

RESULTS

The board (the “Board”) of directors (the “Directors”) 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 2025. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		For the six months ended 30 September	
	<i>Notes</i>	2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	5	181,188	179,307
Other income and gains, net	6	712	1,406
Staff costs		(127,498)	(121,436)
Depreciation and amortisation		(2,775)	(2,433)
Impairment losses recognised on trade receivables		(8)	–
Impairment loss recognised on other receivables		(24)	–
Gain on fair value changes at financial assets at fair value through profit or loss		311	254
Other operating expenses		(58,433)	(60,596)
Finance costs	8	(114)	(229)

		For the six months ended	
		30 September	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Loss before income tax	7	(6,641)	(3,727)
Income tax	9	—	—
Loss for the period		(6,641)	(3,727)
Other comprehensive loss			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of subsidiaries, net of tax		95	(48)
Total comprehensive loss for the period		(6,546)	(3,775)
Loss for the period attributable to:			
Owners of the Company		(6,426)	(3,549)
Non-controlling interests		(215)	(178)
		(6,641)	(3,727)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(6,351)	(3,594)
Non-controlling interests		(195)	(181)
		(6,546)	(3,775)
Loss per share attributable to the owners of the Company			
–Basic and diluted	10	(HK\$0.0033)	(HK\$0.0018)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025 (Unaudited) <i>HK\$'000</i>	31 March 2025 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	11	6,295	6,397
Right-of-use assets	12	3,568	1,221
		9,863	7,618
Total non-current assets			
Current assets			
Inventories		45	45
Trade receivables	13	69,510	62,890
Prepayments, deposits and other receivables	14	12,145	15,192
Financial assets at fair value through profit or loss		5,202	5,902
Pledged time deposits	15	7,114	7,111
Cash and bank balances		45,954	56,239
		139,970	147,379
Total current assets			
		149,833	154,997
Total assets			
LIABILITIES			
Current liabilities			
Trade payables	16	13,999	14,093
Other payables and accruals	17	48,792	38,351
Promissory notes payable	18	3,000	3,000
Amount due to a related company		1,055	1,055
Lease liabilities	12	1,317	1,504
Loans from directors		500	11,291
Tax payables		283	283
		68,946	69,577
Total current liabilities			

		30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Net current assets		<u>71,024</u>	<u>77,802</u>
Total assets less current liabilities		<u>80,887</u>	<u>85,420</u>
Non-current liability			
Lease liabilities	12	<u>2,452</u>	<u>90</u>
Total non-current liabilities		<u>2,452</u>	<u>90</u>
NET ASSETS		<u>78,435</u>	<u>85,330</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		19,311	19,311
Reserves		<u>59,108</u>	<u>65,808</u>
		78,419	85,119
Non-controlling interests		<u>16</u>	<u>211</u>
TOTAL EQUITY		<u>78,435</u>	<u>85,330</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2025

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, Uglund 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. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the interim period, 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 unaudited interim condensed 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 interim condensed consolidated financial information for the six months ended 30 September 2025 has been 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 applicable disclosure provisions to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2025.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed 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 Standards for the first time for the current period's financial information.

Amendments to HKAS 21	Lack of Exchangeability
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The nature and impact of the amended HKFRS Accounting Standards are described below:

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 the development and operations of advertising media; and
- (c) 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 income tax. The adjusted loss before income tax is measured consistently with the Group's loss before income tax except that interest income, government subsidies, dividend income and gain or loss on fair value changes on financial assets at fair value through profit or loss, 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 six months ended 30 September 2025			
	Cleaning and related services <i>HK\$'000</i> (Unaudited)	Advertising media business <i>HK\$'000</i> (Unaudited)	Waste treatment <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue:				
Service income from external customers recognised over time	<u>181,188</u>	<u>–</u>	<u>–</u>	<u>181,188</u>
Segment results	<u>500</u>	<u>(628)</u>	<u>(709)</u>	<u>(837)</u>
Reconciliation:				
Unallocated other income and gains				24
Interest income				212
Unallocated expenses				(5,933)
Finance costs				<u>(107)</u>
Loss before income tax				(6,641)
Income tax				<u>–</u>
Loss for the period				<u>(6,641)</u>
Other segment information:				
Capital expenditure	5,354	–	–	5,354
Depreciation and amortisation	<u>2,146</u>	<u>108</u>	<u>521</u>	<u>2,775</u>

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

	Cleaning and related services HK\$'000 (Unaudited)	Advertising media business HK\$'000 (Unaudited)	Waste treatment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
As at 30 September 2025				
Segment assets:	135,754	8,874	5,205	149,833
Total assets				149,833
Segment liabilities:	45,066	12,389	2,377	59,832
Reconciliation:				
Loans from directors and a former director				11,566
Total liabilities				71,398

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

	For the six months ended 30 September 2024			
	Cleaning and related services HK\$'000 (Unaudited)	Advertising media business HK\$'000 (Unaudited)	Waste treatment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue:				
Service income from external customers recognised over time	179,307	–	–	179,307
Segment results	2,511	(364)	(595)	1,552
Reconciliation:				
Unallocated other income and gains				423
Interest income				980
Unallocated expenses				(6,453)
Finance costs				(229)
Loss before income tax				(3,727)
Income tax				–
Loss for the period				(3,727)
Other segment information:				
Capital expenditure	398	–	–	398
Depreciation and amortisation	1,803	109	521	2,433

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

	Cleaning and related services <i>HK\$'000</i> (Audited)	Advertising media business <i>HK\$'000</i> (Audited)	Waste treatment <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
As at 31 March 2025				
Segment assets:	<u>137,884</u>	<u>13,056</u>	<u>4,057</u>	<u>154,997</u>
Total assets				<u>154,997</u>
Segment liabilities:	<u>40,377</u>	<u>15,945</u>	<u>2,054</u>	58,376
Reconciliation:				
Loans from directors				<u>11,291</u>
Total liabilities				<u>69,667</u>

Geographical information

	Revenue from external customers For the six months ended 30 September		Non-current assets	
	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Unaudited)	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Hong Kong	181,188	179,307	6,066	3,152
The People's Republic of China (the "PRC")	<u>–</u>	<u>–</u>	<u>3,797</u>	<u>4,466</u>
	<u>181,188</u>	<u>179,307</u>	<u>9,863</u>	<u>7,618</u>

The Group's revenue from external customers and non-current assets information above are based on the location to which the services and goods are delivered and that of the assets, respectively.

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 six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cleaning and related service fee income	181,188	179,307

6. OTHER INCOME AND GAINS, NET

	Note	For the six months ended	
		30 September	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Interest income		212	980
Management fee income		30	30
Government subsidies (<i>Note 1</i>)		24	60
Dividend income on financial assets at fair value through profit or loss		–	109
Gain on disposal of subsidiaries	20	218	–
Net (loss)/gain on disposals of property, plant and equipment		(4)	1
Gain on lease termination		19	–
Sundry income		213	226
		712	1,406

Note:

1. These represented subsidies received by the Group under the Employment Programme for the Elderly and Middle-aged of the Government of the Hong Kong Special Administrative Region for the six months ended 30 September 2025 and 2024. There was no unfulfilled conditions and other contingencies attaching to the government subsidies that had been recognised.

7. LOSS BEFORE INCOME TAX

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

	For the six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' remuneration):		
Wages, salaries and other benefits	121,220	115,324
Contribution to defined contribution pension plans (<i>Note 1</i>)	5,465	5,063
Defined benefit plan obligation	(513)	(219)
Provision for untaken paid leave	1,326	1,268
	<hr/>	<hr/>
Total staff costs	127,498	121,436
	<hr/>	<hr/>
Cost of services rendered (<i>Note 2</i>)	171,876	169,209
Depreciation of property, plant and equipment	1,146	1,122
Depreciation of right-of-use assets	1,629	1,311
Net loss/(gain) on disposals of property, plant and equipment	4	(1)
Loss on write-off of property, plant and equipment	10	110
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions during the period and there was zero balance available at the end of reporting period for future use.
2. The cost of services rendered includes employee benefit expenses of approximately HK\$122,118,000 (six months ended 30 September 2024: approximately HK\$114,233,000) incurred in the provision of services which has been included in the employee benefit expenses above.

8. FINANCE COSTS

	For the six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Leases interest	114	109
Interest on promissory notes	–	120
	<hr/>	<hr/>
	114	229
	<hr/> <hr/>	<hr/> <hr/>

9. INCOME TAX

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.

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% (2024: 16.5%) to the six months ended 30 September 2025, 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% (six months ended 30 September 2024: 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 interim period attributable to owners of the Company of approximately HK\$6,426,000 (six months ended 30 September 2024: approximately HK\$3,549,000), and the weighted average number of ordinary shares of 1,931,069,796 (six months ended 30 September 2024: 1,931,069,796) in issue during the interim period.

Diluted loss per share

The diluted loss per share is the same as the basic loss per share for the six months ended 30 September 2025 and 2024 because the Company's share options outstanding during these periods were anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2025, the Group acquired items of property, plant and equipment with aggregate cost of approximately HK\$1,209,000 (six months ended 30 September 2024: approximately HK\$398,000). Items of property, plant and equipment with aggregate carrying amount of approximately HK\$244,000 were written off and disposed of during the six months ended 30 September 2025 (six months ended 30 September 2024: approximately HK\$110,000), resulting in a net loss on write-off and disposal of property, plant and equipment of approximately HK\$14,000 (six months ended 30 September 2024: net loss on write-off and disposal of property, plant and equipment of approximately HK\$109,000).

12. LEASES AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 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\$4,145,000 (six months ended 30 September 2024: Nil).

13. TRADE RECEIVABLES

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

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within 30 days	54,232	30,035
31 to 60 days	118	27,964
61 to 90 days	14,861	4,706
91 to 120 days	297	151
Over 120 days	2	34
	<u>69,510</u>	<u>62,890</u>

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Prepayments	3,165	1,946
Deposits	1,683	1,980
Other receivables	755	4,799
Amount due from a related company	7,002	7,030
Less: Impairment loss recognised	(460)	(563)
	<u>12,145</u>	<u>15,192</u>

15. PLEDGED TIME DEPOSITS

At the end of the reporting period, the Group's banking facilities amounting to HK\$7,000,000 (31 March 2025: HK\$7,000,000) were secured by the pledge of certain of the Group's time deposits amounting to approximately HK\$7,114,000 (31 March 2025: approximately HK\$7,111,000). The facilities were not utilized to the extent of HK\$4,953,000 (31 March 2025: HK\$4,778,000).

16. TRADE PAYABLES

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

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within 30 days	13,895	7,256
31 to 60 days	–	6,139
Over 90 days	104	698
	13,999	14,093

17. OTHER PAYABLES AND ACCRUALS

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Other payables	8,479	9,991
Provisions and accruals (<i>Note 1</i>)	29,247	28,360
Loans from a former director (<i>Note 2</i>)	11,066	–
	48,792	38,351

Notes:

1. Provisions and accruals mainly represent the accrued staff costs incurred in the Group.
2. Mr. Tsui Kwok Hing retired as director of the Company on 30 September 2025. The amounts due are unsecured and interest-free and repayable within one year.

18. PROMISSORY NOTES PAYABLE

During the year ended 31 March 2021, the Company issued three promissory notes to an investor in the aggregate principal sum of HK\$3,000,000 and bearing interest at 8% per annum. The promissory notes should be repayable in full by 31 January 2023 but the expiry date has been extended to 31 January 2024 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 condensed consolidated statement of financial position as at 30 September 2025 and 31 March 2025. No remedies in respect of the defaults have been agreed with the notes holders up to the date of this announcement.

19. DIVIDEND

The Directors do not declare the payment of any interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

20. 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		<u>(16,068)</u>
Subtotal		(12,636)
Exchange fluctuation reserve		(349)
Amounts due with intra-group companies		13,067
Gain on disposal of subsidiaries	6	<u>218</u>
Total consideration		<u><u>300</u></u>
Satisfied by:		
Cash		<u><u>300</u></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>

21. 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 September 2025, the Group had no material contingent liabilities.

EXTRACT FROM REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The following is an extract of the independent auditor’s review report on the Group’s interim financial information for the six months ended 30 September 2025:

BASIS FOR DISCLAIMER OF CONCLUSION

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 evidences to review 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 interim condensed consolidated financial statements of the Group, the inability to perform sufficient review procedures on the Inaccessible Accounting Supporting resulted in limitation on our review of the interim condensed consolidated financial statements of the Group. As disclosed in note 21, during the six months ended 30 September 2025, the Sub-Group had been disposed to the independent third party.

We were unable to determine whether any adjustments might have been found to be necessary in respect of the elements making up the condensed consolidated profit or loss and other comprehensive income, and the related disclosures in the interim condensed consolidated financial statements of the Group.

DISCLAIMER OF CONCLUSION

Because of the directors of the Company were unable to access the supporting documents of the accounting books and records of certain subsidiaries and its possible effect on these interim condensed consolidated financial statements described in the “Basis for Disclaimer of Conclusion” section of our report, we do not express a conclusion on the interim financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 September 2025 (the “reporting period”), the Group’s revenue increased by 1.05% to approximately HK\$181,188,000 (30 September 2024: approximately HK\$179,307,000). The Group’s net loss attributable to the owners of the Group was approximately HK\$6,426,000, whilst the loss attributable to the owners was approximately HK\$3,549,000 for the same period in 2024.

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

Advertising Media Business

The advertising media industry is undergoing profound changes, like traditional media is challenged by digital media, increasing demand for targeted marketing and emergence of new business models. Digital transformation is the overarching trend. The Group keeps navigating carefully the evolving industry landscape for the interest of the Group.

Cleaning and Related Services Business

During the reporting period, the Group successfully renewed many of its contracts which were coming up for renewals. Despite global economic volatility and intense competition in the cleaning industry, the Group was able to maintain stability in its revenue. Due to fierce competition, profit margins were compromised when bidding for contracts so as to maintain market share.

The Group was successful in renewing contracts and one of the bigger contracts renewed included a five-year renewal with one of Hong Kong’s largest airport catering service providers, and a two-year renewal of a contract for the provision of cleaning services for the largest luxury residential estate in the Southern District.

Waste Treatment Business

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

FINANCIAL REVIEW

The Group's revenue for the reporting period amounted to approximately HK\$181,188,000 (30 September 2024: approximately HK\$179,307,000) represented a 1.05% increase as compared to the corresponding period in 2024.

The Group's gain on fair value changes at financial assets at fair value through profit or loss for the reporting period was approximately HK\$311,000 (30 September 2024: gain of approximately HK\$254,000). Other operating expenses, which amounted to approximately HK\$58,433,000 (30 September 2024: approximately HK\$60,596,000), represented a period-to-period 3.6% decrease. Such expenses mainly included the costs of services rendered under cleaning and related services business, which accounted for over 85% of the total other operation expenses, while legal and professional fees and a one-off reinstatement cost incurred in respect of a former leased property accounted for approximately 3.7% and 1.4% respectively. The Group's net loss attributable to the owners of the Group for the reporting period was approximately HK\$6,426,000 (30 September 2024: approximately HK\$3,549,000). Cleaning and related services business made a profit of approximately HK\$500,000, the advertising media business made a loss of approximately HK\$628,000, and the waste treatment business made a loss of approximately HK\$709,000.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2025, the Group's cash and bank balances and pledged time deposits were approximately HK\$53,068,000 (31 March 2025: approximately HK\$63,350,000) and its current ratio was 2.0 (31 March 2025: 2.1).

The Group's net assets as at 30 September 2025 were approximately HK\$78,435,000 (31 March 2025: approximately HK\$85,330,000).

As at 30 September 2025, the Group's gearing ratio was 3.8% (31 March 2025: 3.5%), representing the total interest-bearing debts divided by total equity. The Group had lease liabilities and loans from directors of approximately HK\$3,769,000 and HK\$500,000 respectively (31 March 2025: approximately HK\$1,594,000 and HK\$11,291,000 respectively). The Group's shareholders' equity amounted to approximately HK\$78,419,000 as at 30 September 2025 (31 March 2025: approximately HK\$85,119,000).

The Group takes a prudent approach to cash management and risk control. Its revenues, expenses and capital expenditures in relation to cleaning and related services business are transacted in Hong Kong dollars, whereas those of the advertising media and waste treatment businesses are transacted in Renminbi ("RMB"). The Group's cash and bank balances are primarily denominated in HK\$, RMB and United States dollars. Foreign currency risks in relation to exchange rate fluctuations of RMB will be mitigated as future revenues from advertising media business, which are in RMB, can offset future liabilities and expenses.

PROSPECTS

Advertising Media Business

The industry keeps evolving and transforming to digital focus. The use of big data, VR, AR and AI technology reshapes the business landscape. The Group is adapting the dynamic industry landscape and exploring new opportunities. Should there be material progress, the Company will publish announcement as and when appropriate according to applicable rules and regulations.

Cleaning and Related Services Business

The Hong Kong Government's Supplemental Labour Optimization Scheme, which permit the import of Chinese workers, has alleviated Hong Kong's labour shortage to a certain extent. The cleaning industry has benefited from this, resulting in reasonable adjustments to labour wages, which in turn has helped companies control costs.

Mechanization and automation are also future trends in the cleaning industry. The Group continuously adapts to the times, introducing various technologies to reduce labour costs. In addition to focusing on general cleaning development, the Group will also strive to promote pest control and high-level cleaning, exploring the introduction of AI mechanization to improve efficiency and reduce labour costs, thereby increasing the company's competitiveness.

Waste Treatment Business

With the combination of growing demand, supportive policies around the world, technological advancements and the integration of waste treatment and new energy solutions, the business environment is expected to be favorable. The Group has been exploring ways to capture these trends for the development and the interest of the Group and its shareholders as a whole.

FUND RAISING ACTIVITY

The Company has not conducted any fund raising activities during the six months ended 30 September 2025.

INTERIM DIVIDEND

The Board do not recommend the payment of an interim dividend to the shareholders of the Company (the "Shareholders") for the six months ended 30 September 2025 (30 September 2024: Nil).

PLEDGE OF ASSETS

As at 30 September 2025, the Group's banking facilities amounting to HK\$7,000,000 (31 March 2025: HK\$7,000,000) were secured by the pledge of certain of the Group's time deposits amounting to approximately HK\$7,114,000 (31 March 2025: approximately HK\$7,111,000). The facilities were not utilized to the extent of HK\$4,953,000 (31 March 2025: HK\$4,778,000).

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\$2,047,000 (31 March 2025: approximately HK\$2,222,000) 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 30 September 2025 and 31 March 2025.

CAPITAL COMMITMENTS

As at 30 September 2025, the Group had no capital commitment (31 March 2025: approximately HK\$Nil), contracted for but not provided in the consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

It is the Group's corporate mission to continue to explore ways to improve its financial performance and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or changing to other business as long as it is in the interest of the Company and the shareholders as a whole. Also, as part of its routine exercise, the Company reviews the performance of its existing business portfolio and evaluates possible investment opportunities available to the Company from time to time. Subject to the result of such review and the then market and economy situation, the Company may make suitable investment decisions which may involve the disposal of part of its existing business portfolio and/or change of the asset allocation of its business and investment portfolio and/or expanding its business portfolio with a view of realizing and/or optimizing the expected return and minimizing the risks. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects. In these regards, the Company will publish announcement as and when appropriate according to applicable rules and regulations.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

As disclosed in the announcement of the Company dated 26 September 2025 (the “Special Audit Announcement”), in view of the Inaccessible Accounting Supporting (as defined in the Special Audit Announcement) and in order to resolve the Audit Issue (as defined in the Special Audit Announcement), the Company identified a purchaser for the disposal of the entire equity interest in the Sub-Group (as defined in the Special Audit Announcement) (the “Disposal”) in late May 2025. The Group and the purchaser, an independent third party and a company incorporated in Hong Kong with limited liability and principally engaged in the provision of financial advisory services relating to corporate restructuring and debt recovery, entered into the sale and purchase agreement on 27 June 2025 in respect of the Disposal for a consideration of HK\$300,000 and the completion took place on the same day. The consideration for the Disposal was determined after arm’s length negotiation between the Group and the purchaser having considered various factors, including but not limited to (i) the Sub-Group’s financial performance and financial position to the extent that the Company has information on; (ii) the business operations of the Sub-Group, which, based on the findings of the Investigation, the Sub-Group currently has no business operations; (iii) the issues with the management of the Sub-Group on the Inaccessible Accounting Supporting; and (iv) the prospects of a potential contractual dispute of the Sub-Group.

Except for disclosed herein, there was no material acquisition and disposal of subsidiaries during the period ended 30 September 2025.

SIGNIFICANT INVESTMENTS

As at 30 September 2025, the Group did not have any significant investment plans.

NO MATERIAL CHANGES

Saved as disclosed in this announcement, during the reporting period, there were no material changes affecting the Group’s performance that needs to be disclosed under Paragraphs 32 and 40(2) of Appendix 16 to the Listing Rules.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 6 October 2025, an extraordinary general meeting of the Company (the “EGM”) requested by Mr. Yu Weikun (the “Requisitionist”), who purport to be the beneficial owner of 193,131,000 shares in the Company, representing not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings, was adjourned due to two of the resolutions to be proposed in the EGM become invalid and no longer applicable owing to the retirement of Mr. Tsui Kwok Hing and Mr. Yung Ting Yiu on 30 September 2025 that the EGM was postponed to a later date to be confirmed for clarification and to seek legal advice from its advisors. Details were set out in the announcement of the Company dated 26 August 2025, the circular of the Company dated 27 August 2025 and the announcement of the Company dated 6 October 2025.

As disclosed in the announcement of the Company dated 30 October 2025, the Company received an originating summons (the “Originating Summons”) taken out by the solicitors acting for the Requisitionist, in relation to an application by the Requisitionist, as the plaintiff (the “Plaintiff”) against the Company, Mr. Lo Kou Hong (“Mr. Lo”) and Mr. Cheung Kin Wa (“Mr. Cheung”), being the executive Directors, Ms. Wang Guan, Ms. Chen Yun and Ms. Fong Man Julisa (“Ms. Fong”, together with Mr. Cheung, the “8th and 9th Defendants”), being the non-executive Directors, and Mr. Wang Qi, Mr. Yau Pak Yue and Mr. Leung Nga Tat, being the independent non-executive Directors (collectively, the “Defendants”), as the defendants. The Company also received a summons (the “Summons”) taken out by the solicitors acting for the Requisitionist for attending a hearing at the High Court of Hong Kong on 31 October 2025 at 10:00 a.m. in relation to an application for interlocutory injunctions made by the Requisitionist, as the plaintiff against the Defendants, as the defendants.

On 31 October 2025, the Company updated the shareholders of the Company that the Summons was heard by the High Court of Hong Kong on 31 October 2025. Upon hearing submissions from the parties, the Court declined to make any interim injunction order against the Company or any of its directors and ordered that the Summons be adjourned for substantive argument on a date to be fixed.

The Company is seeking advice from its legal adviser in respect of the Summons and will take all necessary actions as appropriate to protect the interests of the Company and its shareholders as a whole. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

Except for disclosed herein, there have been no significant events occurring after the end of the reporting period and up to the date of this announcement.

LITIGATION

As disclosed in the paragraph of EVENTS SUBSEQUENT TO THE REPORTING PERIOD, the Requisitionist, made an application as the Plaintiff against the Company as Defendant. The Company is seeking advice from its legal adviser in respect of the Summons and will take all necessary actions as appropriate to protect the interests of the Company and its shareholders as a whole. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees of the Group as at 30 September 2025 was 1,284 (31 March 2025: 1,241). Total staff costs, including directors’ emoluments and net pension contributions, for the reporting period amounted to approximately HK\$127,498,000 (30 September 2024: approximately HK\$121,436,000). 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 six months ended 30 September 2025.

CORPORATE GOVERNANCE PRACTICES

Compliance with the Corporate Governance Code

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

The Company strived to maintain a high standard of corporate governance and complied with the Corporate Governance Code (the "CG Code") as stated in Appendix C1 of the Listing Rules.

The Company has adopted the code provisions in the CG Code as its own code of corporate governance. During the six months ended 30 September 2025, the Directors consider that the Company has complied with all the relevant code provisions set out in the CG Code throughout the reporting period.

Model Code for Securities Transactions by Directors

The Company has adopted its own code of conduct governing Directors' dealings in the Company's securities (the "Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Code and the Model Code throughout the six months ended 30 September 2025.

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

REVIEW OF INTERIM RESULTS

The Company's unaudited condensed consolidated interim financial statements for the six months ended 30 September 2025 have not been audited but have been reviewed by Prism Hong Kong Limited, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. An extract from the report on review with modified review conclusion is shown hereinabove under the heading "Extract from Report on Review of Interim Financial Information" on page 17. The report on review will be included in the interim report for distribution to the board of directors.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Wang Qi, Mr. Yau Pak Yue (chairman) and Mr. Leung Nga Tat, and is responsible for reviewing the Group's financial information and overseeing the Group's financial reporting system and internal control procedures. The Audit Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. In performing its duties, it has unrestricted access to personnel, records, and external auditors and senior management.

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2025 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 INTERIM 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 2025 interim report containing all the information required by the Listing Rules will be despatched to the Shareholders and will be published on the above websites in due course.

By order of the Board
Xinhua News Media Holdings Limited
Lo Kou Hong
Chairman

Hong Kong, 28 November 2025

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Lo Kou Hong and Mr. Cheung Kin Wa; three non-executive Directors, namely, Ms. Wang Guan, Ms. Chen Yun and Ms. Fong Man Julisa; and three independent non-executive Directors, namely, Mr. Wang Qi, Mr. Yau Pak Yue and Mr. Leung Nga Tat.