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)

TERMINATION OF THE ACQUISITION OF ENTIRE INTERESTS IN THE TARGET COMPANY

Reference is made to the announcements of Xinhua News Media Holdings Limited (the "**Company**") dated 18 April 2019 and 10 July 2019 in relation to the acquisition of the entire issued share capital in the Target Company (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

As disclosed in the announcement dated 10 July 2019, all of the conditions precedent set out in the Agreement have been fulfilled and the Completion took place. In accordance with the Agreement, the first installment of RMB23,100,000 (70% of the total Consideration of RMB33,000,000) is payable in cash within 10 business days after the Completion Date or a date mutually agreed by the parties and the balance, RMB9,900,000 (30% of the Consideration) is payable in cash within 12 months after the Completion Date or a date mutually agreed by the parties. However, the Vendor and the Purchaser mutually agreed to terminate the Agreement due to (1) the first installment of RMB23,100,000 was not paid by the Purchaser whilst the actual operation of the Target Company has not been handed over to the Purchaser after the Completion and as at the date of this announcement; 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 Purchaser entered into a termination agreement to revoke and nullify the Agreement, such that the Agreement shall be terminated and both parties shall waive their respective rights to any claim or legal rights under the Agreement.

By order of the Board
Xinhua News Media Holdings Limited
Tsui Kwok Hing
Co-CEO & Executive Director

Hong Kong, 13 March 2020

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Lo Kou Hong, Mr. Chan Chun Wo and Mr. Tsui Kwok Hing; and four independent non-executive Directors, namely, Mr. Wang Qi, Mr. Tsang Chi Hon, Mr. Ho Hin Yip and Mr. Wong Hon Kit.