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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of Xinhua News Media Holdings Limited (the “**Company**”) dated 18 May 2018 in relation to the strategic cooperation framework agreement entered into between the Company and Zhi Chuang (“**Cooperation Announcement**”) and the announcements dated 7 June 2018, 12 June 2018, 29 June 2018 and 13 July 2018 in relation to the proposed placing of new shares under general mandate of the Company (the “**Placing Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Cooperation Announcement and the Placing Announcement unless otherwise stated.

In addition to the information disclosed in the Cooperation Announcement and the Placing Announcement, the Company wishes to provide Shareholders and the public with additional information regarding the Proposed Cooperation and the Placing.

About the Advertisement Broadcasting Business

The intended plan for investing and developing advertisement broadcasting business, disclosed in the Placing Announcement, falls under the Group's television screen broadcast business segment. It mainly covers our Group's business plans in the following aspects including but not limited to: (i) the Group's proposed establishment of an operation centre in the PRC to provide a wider scope of services of publicly broadcasting information and advertisements on television screens; (ii) engagement of outsourcing business partners to enhance our capacity and service scope; and (iii) our Group's business development, expansion and exploration of business collaboration opportunities.

About the Framework Agreement

The business development activities under the 3-year-long Proposed Cooperation is part of the plans stated in the section "About the Advertisement Broadcasting Business". Under the 3-year-long Proposed Cooperation, the Company has been and, if appropriate, will be continuously exploring, working on and negotiating with Zhi Chuang for entering into solid business agreement(s) for the best interests of the Company.

Information on Zhi Chuang

The Board has performed its duties with reasonable skill, care and diligence to verify the commercial capability of the management of our potential customer, Zhi Chuang, including conducting a site visit to the projects serviced by Zhi Chuang and having business conference with its management. The Board after taking due commercial judgment believes that Zhi Chuang is capable of soliciting a wide range of business network, especially in the area of real estate business in the PRC, such that the Company could leverage the business network of Zhi Chuang for the Company's outreach to a wider range of potential customers in the PRC.

The Company was also informed by the management of Zhi Chuang that 5% of the total sales revenue of the real estate sales projects they solicit will be allocated as marketing expenses, which is forecasted to be around RMB200,000,000 (approximately HK\$250,000,000) for the 3-year cooperation, i.e. around RMB47,000,000 for 1st year, RMB66,000,000 for 2nd year and RMB87,000,000 for 3rd year. The total sales revenue of the real estate sales projects is estimated by multiplying the number of property units for sales and the intended sales price of each unit.

Save as disclosed above, the contents of the Placing Announcement and Cooperation Announcement remain unchanged.

By order of the Board
Xinhua News Media Holdings Limited
Chan Chun Wo
Co-Chairman & Executive Director

Hong Kong, 19 July 2018

As at the date of this announcement, the board of directors of the Company comprises six executive directors, namely, Mr. Lo Kou Hong, Mr. Chan Chun Wo, Mr. David Wei Ji, Mr. Huang Wen Kai, Ms. Chen Ming and Mr. Li Bing; and four independent non-executive directors, namely, Mr. Wang Qi, Mr. Tsang Chi Hon, Mr. Ho Hin Yip and Ms. Lee Suen.