WIN SHARE

新華文軒出版傳媒股份有限公司
XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 811)

PRELIMINARY PRICE CONSULTATION PERIOD OF A SHARE ISSUE; AND SUMMARY OF PRINCIPAL PROVISIONS OF A SHARE PROSPECTUS

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the requirements of Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcement of Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**" or the "**Parent Company**") dated 11 July 2016 in relation to the CSRC approval of the A Share Issue and the circulars of the Company dated 5 February 2013, 21 January 2014, 19 January 2015 and 29 January 2016 in relation to the A Share Issue. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 29 January 2016.

(I) PRELIMINARY PRICE CONSULTATION PERIOD OF A SHARE ISSUE

As disclosed in the announcement of the Company dated 11 July 2016, the CSRC has formally approved the A Share Issue on 8 July 2016. The A Share Issue with a valid period of 12 months from the date of approval will issue not more than 98,710,000 A Shares. As required by the applicable PRC laws and regulations, the Company and the sponsor (lead underwriter) of the A Share Issue will conduct preliminary price consultations among qualified participates that meet the requirements of the PRC laws and regulations (each day from 09:30 a.m. to 15:00 p.m.) on 21 July 2016 and 22 July 2016 in the PRC to determine the issue price. The Company will make further announcements once the final size and issue price of the A Share Issue have been determined.

(II) PRINCIPAL PROVISIONS OF A SHARE PROSPECTUS

The full text of the prospectus in relation to the A Share Issue (the "**A Share Prospectus**") issued by the Company only in Chinese, a summary of the A Share Prospectus and the relevant appendices will be published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Stock Exchange (www.hkexnews.hk) on 19 July 2016. A summary of the A Share Prospectus will also be published in several PRC newspapers including the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on the same day.

A summary of the principal provisions of the A Share Prospectus is as follows:

1. Summary of A Share Issue

1. Class of shares	Ordinary shares in RMB (A Shares)
2. Nominal value per A Share	RMB1.00
3. Number of A Shares to be issued	The A Share Issue will issue 98,710,000 A Shares, representing 8% of the total share capital of the Company after the A Share Issue, and all of which will be new A Shares. The A Share Issue will not involve any transfer of existing A Shares
4. Issue price per A Share	RMB【】, which is determined by way of price consultation approved by the CSRC
5. Price earning ratio of the A Share Issue	【】 times (calculated by dividing the issue price per A Share by the earning per A Share after the A Share Issue which is calculated by dividing the audited net profit for 2015 before or after the non-recurring profit or loss (whichever is lesser) by the total capital of the Company after the A Share Issue)
6. Net asset per A Share before the A Share Issue	RMB6.11 (calculated by dividing the audited owners' interests attributable to the shareholders of the Parent Company as at 31 March 2016 by the total capital of the Company before the A Share Issue)
7. Net asset per A Share after the A Share Issue	RMB【】 (calculated by dividing the owners' interests attributable to the shareholders of the Parent Company after the A Share Issue which is the sum of the audited owners' interests attributable to the shareholders of the Parent Company as at 31 March 2016 and the net proceeds from the A Share Issue by the total capital of the Company after the A Share Issue)
8. Price-to-book ratio	【】 times (calculated by dividing the issue price per A Share by the net asset per A Share after the A Share Issue)
9. Target persons for the A Share Issue	The natural persons, legal persons and other investors within the PRC which have established ordinary shares in RMB (A Shares) accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and administrative regulations, other normative documents applicable to the Company and other regulatory requirements to which the Company is subject)
10. Issuing method	By offline placing through price consultations to qualified investors and online issuance at fixed price to public investors who hold the market value of non-restricted A shares at the Shanghai Stock Exchange

11. Way of underwriting	Standby underwriting
12. Place of listing	Shanghai Stock Exchange
13. Total and net proceeds	Total proceeds will be RMB【】; after deducting the cost of issue, net proceeds are estimated to be RMB【】
14. Estimated cost of issue	Total cost of the A Share Issue is RMB57,640,100 Which is mainly consisted of: Underwriting and sponsor fees of RMB50,000,000 Auditing and capital verification fees of RMB850,000 Legal expenses of RMB960,000 Information disclosure fees of RMB4,100,000 Listing fees of RMB1,407,500 Stamp duty of RMB322,600

2. Use of proceeds

The Company intends to apply the proceeds from the A Share Issue after deducting the cost of issue mainly in its principal business and invest in the following projects in order of priority:

Unit: RMB0'000

Category	**No.**	**Investment project**	**Total investments**	**Proceeds to be used**
Physical network construction project	1	Logistics network construction project in Western China	59,800	30,000
	2	Retail shops upgrading and expansion project	20,000	10,000
Digital publication project of education related products	3	Service platform of education cloud project	42,000	20,000
Public publication project	4	Chinese cultural revival publication project	5,000	1,000
Information construction project	5	Enterprise resource planning system construction and upgrading project	15,000	3,517.51
Total			**141,800**	**64,517.51**

Prior to receiving the proceeds from the A Share Issue, the Company may pay part of investment amounts by self-financing based on the actual payment schedule of the above projects. Upon receipt of the proceeds from the A Share Issue, the Company shall repay the said self-financing amount previously made with part of the proceeds.

The projects to be invested by the proceeds from the A Share Issue are closely related to the existing principal business and development strategies of the Company. These projects are beneficial for the Company to consolidate its competitive strength, enhance its core competitiveness, improve the profitability of its business and promote the implementation of its development strategy. As such, the use of proceeds will have a positive effect on the financial positions and operating results of the Company.

3. Share capital before and after the A Share Issue

The total share capital of the Company before the A Share Issue is 1,135,131,000 Shares. The A Share Issue will issue no more than 98,710,000 A Shares, representing less than 8% of the total share capital of the Company after the A Share Issue. As approved by the "Approval on the Issues in relation to the Transfer of the State-owned Shares of Xinhua Winshare Publishing and Media Co., Ltd. for the Social Security Fund" (Chuan Guo Zi Chan Quan [2013] No. 45) (《關於新華文軒出版傳媒股份有限公司國有股轉持充實社保基金有關問題的批覆》(川國資產權[2013]45號)) issued by the State-owned Assets Supervision and Administration Commission of Sichuan Province on 2 June 2013, Sichuan Xinhua Publishing Group Co., Ltd. will fulfill the obligations of the transfer of state-owned Shares through payment of funds (the payment amount shall equal to 9,145,191 A Shares multiplied by the issue price) and Sichuan Publication Group Co., Ltd., Sichuan Daily Newspaper Group and Liaoning Publication Group Co., Ltd, will transfer 479,034 Shares, 145,162 Shares and 101,613 Shares held by them, respectively to the National Council for Social Security Fund (全國社會保障基金理事會) based on the limit of the A Shares issued under the A Share Issue which is 98,710,000 A Shares after the domestic issue and listing of the A Shares. The changes of the share capital of the Company before and after the A Share Issue are set out in below table (calculated based on the limit of the A Share Issue):

Name of shareholder	Before the A Share Issue		After the A Share Issue	
	Number of Shares	Percentage of the total issued share capital of the Company	Number of Shares	Percentage of the total issued share capital of the Company
Sichuan Xinhua Publishing Group Co., Ltd. (SS)	592,809,525	52.22%	592,809,525	48.05%
Sichuan Publication Group Co., Ltd. (SS)	31,051,927	2.74%	30,572,893	2.48%
Sichuan Daily Newspaper Group (SS)	9,409,675	0.83%	9,264,513	0.75%
Liaoning Publication Group Co., Ltd (SS)	6,586,773	0.58%	6,485,160	0.53%
Chengdu Hua Sheng (Group) Industry Co., Ltd.	53,336,000	4.70%	53,336,000	4.32%

Name of shareholder	Before the A Share Issue		After the A Share Issue	
	Number of Shares	Percentage of the total issued share capital of the Company	Number of Shares	Percentage of the total issued share capital of the Company
National Council for Social Security Fund (A Shares)	–	–	725,809	0.06%
Other Shareholders of A Shares	–	–	98,710,000	8.00%
Shareholders of H Shares	441,937,100	38.93%	441,937,100	35.82%
Total	**1,135,131,000**	**100%**	**1,233,841,000**	**100%**

Note 1: SS refers to the state-owned shareholders.

Note 2: Domestic Shares held by the promoters will be converted into A Shares upon the completion of the A Share Issue.

The above English version of the summary of the principal provisions of the A Share Prospectus is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Company will keep the Shareholders and potential investors informed of any further development in relation to the A Share Issue as and when appropriate.

By order of the Board
XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*
He Zhiyong
Chairman

Sichuan, the PRC, 19 July 2016

As at the date of this announcement, the Board comprises (a) Mr. He Zhiyong, Mr. Luo Yong and Mr. Yang Miao as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Peng and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Han Liyan, Mr. Chan Yuk Tong and Ms. Xiao Liping as independent non-executive Directors.

* *For identification purpose only*