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)

FINANCIAL INFORMATION IN RELATION TO 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 circular of Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**" or the "**Parent Company**") dated 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.

The full text of the prospectus in relation to the A Share Issue (the "**A Share Prospectus**") issued by the Company for the A Share Issue only in Chinese and 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.

Pursuant to relevant requirements of CSRC and A Share Issue, the Company has appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP ("**Deloitte Touche Tohmatsu CPA**") to audit the Company's and the consolidated balance sheets as at 31 March 2016, 31 December 2015, 31 December 2014 and 31 December 2013, the Company's and the consolidated statement of profit or loss, the Company's and the consolidated statement of cash flows and the Company's and the consolidated statement of changes in equity as at January to March 2016 and for 2015, 2014 and 2013 (the "**Audited Financial Report for Three Years and Three Months**") in accordance with the PRC Accounting Standards for Business Enterprises. Taking into account of the audited financial report for 2013, 2014 and 2015 and as at January to March 2016, the management of the Company has analysed the Company's financial position, profitability, cash flow and capital expenditure for the above periods (the "**Management Discussion and Analysis**"). The Audited Financial Report for Three Years and Three Months and Management Discussion and Analysis are set out in the sections headed "Section X Financial Information" and "Section XI Management Discussion and Analysis" in the A Share Prospectus.

Part (A) and (B) as set out below is the summary of the Audited Financial Report for Three Years and Three Months and Management Discussion and Analysis prepared in accordance with the Group's accounting policies under the PRC Accounting Standard for Business Enterprises.

Part (C) as set out below is the differences between consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards ("**IFRS**") and the PRC Accounting Standard for Business Enterprises. Deloitte Touche Tohmatsu has audited the consolidated financial statements of the Group for three years ended 31 December 2015, 31 December 2014 and 31 December 2013.

(A) SUMMARY OF AUDITED FINANCIAL REPORT FOR THREE YEARS AND THREE MONTHS PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARD FOR BUSINESS ENTERPRISES

1. *Summary of Consolidated Balance Sheets*

Unit: RMB0'000

Items	31 March 2016	31 December 2015	31 December 2014	31 December 2013
Current assets	465,083.23	433,944.32	396,994.82	402,826.07
Total assets	1,056,788.84	1,074,328.91	904,600.56	837,328.65
Current liabilities	356,190.89	338,709.72	293,946.19	290,288.66
Total liabilities	366,846.15	350,377.59	308,063.09	292,879.35
Shareholders' interests	689,942.69	723,951.32	596,537.47	544,449.29
Of which: equity attributable to the shareholders of the Parent Company	693,948.68	727,067.09	595,805.99	541,066.12
Minority interests	(4,005.99)	(3,115.77)	731.48	3,383.17

2. *Summary of Consolidated Statement of Profit or Loss*

Unit: RMB0'000

Items	January to March 2016	2015	2014	2013
Turnover	134,197.64	573,269.31	541,570.43	529,826.23
Operating profit	15,914.66	52,710.56	56,471.52	55,854.12
Total profit	16,584.47	61,770.97	61,269.20	59,444.88
Net profit	16,411.08	61,491.98	61,150.00	59,400.29
Net profit attributable to the shareholders of the Parent Company	17,301.29	64,726.95	63,278.74	62,288.18

3. Summary of Consolidated Statement of Cash Flows

Unit: RMB0'000

Items	January to March 2016	2015	2014	2013
Net cash flow from operating activities	(19,813.14)	101,665.02	87,598.40	26,893.92
Net cash flow from investing activities	(12,487.96)	(9,136.63)	(41,304.87)	(37,297.11)
Net cash flow from financing activities		(44,663.15)	(53,386.44)	(46,387.42)
Effect of changes in exchange rate on cash and cash equivalents	–	–	–	–
Net (decrease)/increase in cash and cash equivalents	(32,301.10)	47,865.24	(7,092.91)	(56,790.60)
Cash and cash equivalent balances at the beginning of the year/period	182,435.82	134,570.59	141,663.49	198,454.10
Cash and cash equivalent balances at the end of the year/period	150,134.72	182,435.82	134,570.59	141,663.49

4. Statement of Non-recurring Profit or Loss

Unit: RMB0'000

Items	January to March 2016	2015	2014	2013
Profit (loss) from disposal of non-current assets	2.52	1,844.75	(26.67)	371.47
Profit (loss) from disposal of long-term equity investment	–	3.68	(37.51)	1,974.21
Government grants included in current profit or loss (closely related to corporate business, excluding government grants in fixed amount or times based on the state's consolidated standards)	403.70	2,929.62	748.85	703.42
Profit from lesser investment cost of acquiring subsidiaries, associates and joint ventures than identifiable net asset at fair value of investees to be entitled upon investment acquired	–	–	58.55	–

Items	January to March 2016	2015	2014	2013
Net profit (loss) realised before business consolidation under common control		(229.40)	340.35	464.91
Profit or loss from changes in fair value generated from holding trading financial assets and trading financial liabilities, and investment gain from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, other than effective hedging business related to ordinary business of the Company	–	140.89	–	–
Profit or loss received from purchase of financial products	22.05	595.29	917.65	715.63
Profit or loss received from external custodian loans	186.55	1,065.92	1,113.72	343.34
Net non-operating income and expenses other than the above items	(18.67)	(1,071.40)	(1,157.41)	(815.19)
Affected income tax amount	(5.64)	(25.23)	(131.62)	(29.39)
Affected minority interests (after tax)	(27.20)	(429.94)	(14.95)	(111.30)
Total	**563.32**	**4,824.19**	**1,810.94**	**3,617.09**
Net profit attributable to the shareholders of the Parent Company	17,301.29	64,726.95	63,278.74	62,288.18
Effect of the non-recurring profit or loss on net profit attributable to the shareholders of the Parent Company	3.26%	7.45%	2.86%	5.81%
Net profit attributable to the shareholders of the Parent Company, net of non-recurring profit or loss	16,737.97	59,902.76	61,467.80	58,671.09

5. *Key Financial Indicators*

Items	31 March 2016	31 December 2015	31 December 2014	31 December 2013
Current ratio (times)	1.31	1.28	1.35	1.39
Quick ratio (times)	0.91	0.85	0.91	0.91
Gearing ratio (the Parent Company)	40.17%	37.18%	40.44%	39.69%
Gearing ratio (combined)	34.71%	32.61%	34.06%	34.98%
Net assets per share (RMB)	6.11	6.41	5.25	4.77
Intangible assets (excluding land use rights, marine cultivation rights and mining rights) to net assets ratio	1.16%	1.10%	1.20%	1.18%
	January to March 2016	**2015**	**2014**	**2013**
Trade and bill receivables turnover rate (time/year)	4.85	7.61	7.13	6.71
Inventory turnover rate (time/year)	1.99	2.29	2.21	2.40
Profit before income tax, depreciation and amortisation (RMB0'000)	20,069.91	76,515.03	74,765.32	75,279.67
Interest coverage ratio (times)	N/A	363.47	135.64	110.07
Cash flow from operating activities per share (RMB)	(0.17)	0.90	0.77	0.23
Net cash flow per share (RMB)	(0.28)	0.42	(0.06)	(0.50)

6. Return on Net Assets and Earnings per Share

In accordance with the requirements of "Regulations on Information Disclosures of Listed Companies No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share" (as amended in 2010) issued by CSRC, the return on net assets and earnings per share of the Company during the reporting period are as follows:

Return on net assets		**Weighted average return on net assets**	**Earnings per share (RMB/Share)**	
			Basic earnings per share	**Diluted earnings per share**
Base on net profit attributable to ordinary shareholders of the Parent Company	January to March 2016	2.44	0.15	N/A
	2015	9.83	0.57	N/A
	2014	11.19	0.56	N/A
	2013	12.03	0.55	N/A
Base on net profit attributable to ordinary shareholders of the Parent Company, net of non-recurring profit or loss	January to March 2016	2.35	0.15	N/A
	2015	9.10	0.53	N/A
	2014	10.87	0.54	N/A
	2013	11.34	0.52	N/A

The Company had no potential dilutive ordinary shares.

(B) MANAGEMENT DISCUSSION AND ANALYSIS

1. Analysis of Financial Position

As at 31 March 2016, 31 December 2015, 31 December 2014 and 31 December 2013, total assets of the Company amounted to RMB10,567.8884 million, RMB10,743.2891 million, RMB9,046.0056 million and RMB8,373.2865 million respectively, while the current assets to total assets ratios were 44.01%, 40.39%, 43.89% and 48.11% respectively; total liabilities of the Company amounted to RMB3,668.4615 million, RMB3,503.7759 million, RMB3,080.6309 million and RMB2,928.7935 million respectively, while the current liabilities to total liabilities ratios were 97.10%, 96.67%, 95.42% and 99.12% respectively.

The Company's liabilities were principally current liabilities and were mainly trade payables. As at 31 March 2016, 31 December 2015, 31 December 2014 and 31 December 2013, trade payables of the Company amounted to RMB2,571.5515 million, RMB2,537.8595 million, RMB2,033.2409 million and RMB1,934.7532 million, representing 72.20%, 74.93%, 69.17% and 66.65% of the current liabilities respectively. Major factor affecting the solvency of the Company is the ability to solve trade payables. The major debtors of the Company's trade payables are providers, such as publishers and book trade enterprises. As at 31 March 2016, the percentage of the amounts payable to the largest five debtors in total trade payables of the Company was 9.62%. In light of Company' sound corporate reputation and the long-term and stable cooperative relationship with major providers, the Company enjoys favorable credit terms. Meanwhile, a majority of sales of the Company are made to procurement departments from educational and administrative bodies, schools and individual consumers who settled by cash, as a result, the Company recorded stable sales, collected trade payables smoothly and thus had sufficient capital. Accordingly, the Company' solvency could be well guaranteed.

2. *Analysis of Profitability*

Income from principal business of the Company mainly comes from distribution of textbooks and supplementary materials to schools and students, retailing, distribution and online sales of publications. Income from other business mainly comes from rental income and commission income from joint venture product items sales, etc. During the Reporting Period, income from principal business of the Company kept increasing, with annual growth rates of 2014 and 2015 being 2.33% and 5.77% respectively. Percentage of income from principal business of the Company to its turnover was more than 97%, a substantial ratio. In January to March 2016, 2015, 2014 and 2013, the consolidated gross profit margins of the Company were 42.06%, 39.48%, 39.68% and 40.81%, respectively. With large scale of business and income, the Company maintained stable operation and thus the changes in its consolidated gross profit margin during the Reporting Period was small.

Unit: RMB0'000

Items	January to March 2016	2015		2014		2013
	Amount	Amount	Changes comparing with corresponding period	Amount	Changes comparing with corresponding period	Amount
Turnover	15,914.66	52,710.56	(6.66%)	56,471.52	1.11%	55,854.12
Total profit	16,584.47	61,770.97	0.82%	61,269.20	3.07%	59,444.88
Net profit	16,411.08	61,491.98	0.56%	61,150.00	2.95%	59,400.29
Of which: net profit attributable to the owners of the Parent Company	17,301.29	64,726.95	2.29%	63,278.74	1.59%	62,288.18
Net profit attributable to the shareholders of the Parent Company, net of non-recurring profit or loss	16,737.97	59,902.76	(2.55%)	61,467.80	4.77%	58,671.09

Regarding the composition of profit during the Reporting Period, the profit of the Company mainly generated from its operating profit. During the Reporting Period, the percentage of operating profit to total profit was around 90%. In recent years, given the continuous stepping up in system reform and restructuring of the publishing industry of the PRC, the industry has suffered from intensifying market competition. In the meantime, facing the setbacks from digital publishing to the real operating network of the publishing and distribution industry, the traditional publishing and distribution industry has been suffering challenges in terms of operation and profitability. The Company has consolidated its traditional publishing and distribution business, and proactively promoted its transformation and development.

3. *Cash Flow Analysis*

Unit: RMB0'000

Items	January to March 2016	2015	2014	2013
Net cash flow from operating activities	(19,813.14)	101,665.02	87,598.40	26,893.92
Net cash flow from investing activities	(12,487.96)	(9,136.63)	(41,304.87)	(37,297.11)
Net cash flow from financing activities	–	(44,663.15)	(53,386.44)	(46,387.42)
Effect of changes in exchange rate on cash and cash equivalents				
Net (decrease)/increase in cash and cash equivalents	(32,301.10)	47,865.24	(7,092.91)	(56,790.60)
Cash and cash equivalent balances at the beginning of the year/period	182,435.82	134,570.59	141,663.49	198,454.10
Cash and cash equivalent balances at the end of the year/period	150,134.72	182,435.82	134,570.59	141,663.49

The net cash flow from operating activities of the Company in January to March 2016, 2015, 2014 and 2013 amounted to RMB-198.1314 million, RMB1,016.6502 million, RMB875.9840 million and RMB268.9392 million, respectively. The net cash outflow from investing activities of the Company in January to March 2016, 2015, 2014 and 2013 amounted to RMB124.8796 million, RMB91.3663 million, RMB413.0487 million and RMB372.9711 million, respectively. The net cash flow from financing activities of the Company in January to March 2016, 2015, 2014 and 2013 amounted to RMB0.00, RMB-446.6315 million, RMB-533.8644 million and RMB-463.8742 million, respectively.

4. *Major Factors Affecting the Operating Results of the Issuer*

The major factors affecting the operating results of the Company include the development of domestic economy and the upgrade of resident consumption structure, the reform of distribution system of textbooks for primary and middle schools, changes in the taxation preferential policies, the level of market competition and standardization, cross-region development and the progress in business innovation and the challenge of digital publishing technology, etc.

5. *Major Operating Conditions after the Closing Date of Audit of the Financial Report*

From the closing date of audit of the financial report to the signing date of the A Share Prospectus, the operating conditions of the Company were stable and there were no major changes in the purchasing scales and prices of major goods and raw materials, the producing and selling scales and selling prices of major products, the constitution of major customers and suppliers, tax policies and other major events that may affect the judgment of investors as compared with the same period of last year.

The turnover and net profit of the Company from January to June 2016 are expected to increase by 6% to 7% and by 4% to 6%, respectively, as compared with the same period of last year.

(C) DIFFERENCES BETWEEN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The main adjustments made on the net profit attributable to the shareholders of the Parent Company in 2015, 2014 and 2013 under International Financial Reporting Standards are as follows:

Unit: RMB0'000

	2015	**2014**	**2013**
Net profit attributable to the shareholders of the Parent Company (under PRC accounting standards)	**64,726.95**	**63,278.74**	**62,288.18**
Adjustment made under International Financial Reporting Standards:			
Difference caused by different cost basis of fixed assets at home and abroad	518.12	518.12	518.12
Net profit attributable to the shareholders of the Parent Company (under International Financial Reporting Standards)	**65,245.07**	**63,796.86**	**62,806.30**

The main adjustments made on equity attributable to owners of the Company as at 31 December 2015, 31 December 2014 and 31 December 2013 under International Financial Reporting Standards are as follows:

Unit: RMB0'000

	31 December 2015	**31 December 2014**	**31 December 2013**
Equity attributable to owners of the Parent Company (under PRC accounting standards)	**727,067.09**	**595,805.99**	**541,066.12**
Adjustment made under International Financial Reporting Standards:			
Difference caused by different cost basis of fixed assets at home and abroad	(10,699.30)	(11,217.42)	(11,087.89)
Others	45.94	45.94	46.34
Equity attributable to owners of the Parent Company (under International Financial Reporting Standards)	**716,413.73**	**584,634.51**	**530,024.57**

The above English version is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail. For more details of the A Shares Issue, please refer to the A Share Prospectus which was 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.

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*