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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 OF 2016 INTERIM REPORT PREPARED ACCORDING TO CHINESE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

This announcement is made by Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**" or the "**Parent Company**", together with its subsidiaries, the "**Group**") 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).

The Company engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) to audit the consolidated financial statements for the six months ended 30 June 2016 (the "**Audited 2016 Interim Report**") according to Auditing Criterion for Chinese Registered Accountant.

The following Part (A) is the summary of 2016 audited Interim Report prepared in accordance with Chinese accounting standards for business enterprises and the accounting policy of the Group.

The following Part B set out the differences between the consolidated financial statements of the Company for the six months ended 30 June 2016 prepared in accordance with international financial reporting standards (the "**IFRS**") and Chinese accounting standards for business enterprises.

(A) SUMMERISED 2016 AUDITED INTERIM REPORT PREPARED ACCORDING TO CHINESE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

1. Consolidated Balance Sheet (30 June 2016)

Unit: RMB

Item	*Note*	Ending balance	Beginning balance
Current assets:			
Cash and cash equivalents		1,147,362,956.02	1,929,029,300.50
Notes receivable		971,655.00	872,844.14
Accounts receivable		944,270,798.00	660,051,562.79
Prepayments		54,964,960.36	60,073,408.90
Interest receivable		64,643.84	166,575.34
Dividend receivable		20,000,000.00	–
Other receivables		111,673,547.92	73,397,683.83
Inventories		1,262,125,387.57	1,464,179,820.95
Non-current assets due within one year		120,000,000.00	120,000,000.00
Other current assets		786,284,337.36	31,671,984.28
Total current assets		4,447,718,286.07	4,339,443,180.73
Non-current assets:			
Available-for-sale financial assets		2,386,078,454.09	2,948,341,637.73
Long-term receivables		19,701,662.83	23,145,230.77
Long-term equity investments		676,099,483.29	650,739,926.46
Investment properties		59,698,193.85	61,149,527.93
Fixed assets		1,368,775,662.53	1,409,890,949.80
Construction in progress		346,652,137.35	232,590,792.28
Intangible assets		406,415,944.53	411,293,500.73
Goodwill		500,590,036.14	500,590,036.14
Long-term deferred expenses		15,864,665.67	20,554,421.60
Deferred tax assets		7,689,753.63	8,345,365.46
Other non-current assets		140,388,495.77	137,204,482.44
Total non-current assets		5,927,954,489.68	6,403,845,871.34
Total assets		10,375,672,775.75	10,743,289,052.07

Item	*Note*	Ending balance	Beginning balance
Current liabilities:			
Notes payable		4,400,000.00	3,200,000.00
Accounts payable		2,477,229,419.51	2,537,859,546.44
Advances		243,293,936.37	240,526,811.54
Employee benefits payable		174,378,712.88	233,953,297.60
Taxes payable		11,049,303.57	36,430,615.67
Other payables		245,900,650.90	230,538,122.49
Other current liabilities		112,315,449.52	104,588,785.46
Total current liabilities		3,268,567,472.75	3,387,097,179.20
Non-current liabilities:			
Deferred income		85,362,692.24	76,333,156.35
Deferred tax liabilities		33,227,963.96	40,345,532.42
Total non-current liabilities		118,590,656.20	116,678,688.77
Total liabilities		3,387,158,128.95	3,503,775,867.97
Owners' equity:			
Share capital		1,135,131,000.00	1,135,131,000.00
Capital reserve		2,073,002,432.05	2,073,002,432.05
Other comprehensive income		1,307,291,556.38	1,903,286,451.10
Surplus reserve		476,433,736.51	476,433,736.51
Undistributed profits		2,032,840,666.23	1,682,817,310.23
Total equity attributable to shareholders of the parent company		7,024,699,391.17	7,270,670,929.89
Minority interest		-36,184,744.37	-31,157,745.79
Total equity		6,988,514,646.80	7,239,513,184.10
Total liabilities and equity		10,375,672,775.75	10,743,289,052.07

2. Consolidated Income Statement (From January to June 2016)

Unit:RMB

Item	*Note*	Current period	Corresponding
I. Total operating income		2,720,377,728.66	2,484,272,866.00
including: Operating income		2,720,377,728.66	2,484,272,866.00
II. Total operating costs		2,468,417,882.07	2,283,809,471.86
Including: Operating cost		1,605,280,276.85	1,460,354,586.07
Business tax and surcharges		4,371,798.97	5,778,178.25
Selling expenses		394,873,379.04	352,275,777.73
Administrative expenses		425,305,939.58	418,239,663.50
Finance cost		-4,253,085.56	-231,046.50
Loss on impairment of assets		42,839,573.19	47,392,312.81
Add: Investment income (loss expressed with "-")		40,647,315.48	64,247,976.51
Including: Income from investment in associates and joint ventures		-840,443.17	-147,121.75
III. Operating profit (loss expressed with "-")		292,607,162.07	264,711,370.65
Add: Non-operating income		55,920,034.22	63,429,961.31
Including: Income from disposal of non-current assets		351,267.52	13,933,258.87
Less: Non-operating expenses		6,125,924.27	5,143,855.87
Including: Loss from disposal of non-current assets		1,108,905.32	366,907.69
IV. Total profit (loss expressed with "-")		342,401,272.02	322,997,476.09
Less: Income tax expenses		4,773,948.00	1,136,987.64
V. Net profit (net loss expressed with "-")		337,627,324.02	321,860,488.45
Net profit attributable to shareholders of the Company		350,023,356.00	340,998,488.16
Profit and loss attributable to minority interest		-12,396,031.98	-19,137,999.71

Item	*Note*	Current period	Corresponding
VI. Net other comprehensive income after tax		-595,994,894.72	783,313,512.91
Net other comprehensive income after tax attributable to owners of the parent company		-595,994,894.72	783,313,512.91
Other comprehensive income that will be reclassified to profit and loss in subsequent periods		-595,994,894.72	783,313,512.91
Gain/loss on fair value movement for available-for-sale financial assets		-595,994,894.72	783,313,512.91
VII. Total comprehensive income		-258,367,570.70	1,105,174,001.36
Total comprehensive income attributable to owners of the parent Company		-245,971,538.72	1,124,312,001.07
Total comprehensive income attributable to minority interest		-12,396,031.98	-19,137,999.71
VIII. Earnings per share:			
(I) Basic earnings per share		0.31	0.30
(II) Diluted earnings per share		0.31	0.30

3. **Consolidated Cash Flow Statement (From January to June 2016)**

Unit: RMB

Item	*Note*	**Current period**	**Corresponding period**
I. Cash flows from operating activities:			
Cash receipts from sale of goods and renderings of services		2,591,305,987.22	2,410,793,671.62
Cash received from tax refund		33,888,575.68	173,015,919.63
Other cash receipts relating to operating activities		24,370,447.66	75,504,007.45
Sub-total of cash inflows from operating activities		2,649,565,010.56	2,659,313,598.70
Cash paid for goods purchased and services received		1,587,665,159.26	1,473,392,516.14
Cash paid to and on behalf of employees		458,026,033.21	445,069,273.76
Payments of taxes		96,947,781.83	62,223,962.89
Other cash payments relating to operating activities		407,198,231.95	370,493,589.67
Sub-total of cash outflows from operating activities		2,549,837,206.25	2,351,179,342.46
Net cash flow from operating activities		99,727,804.31	308,134,256.24
II. Cash flows from investing activities:			
Cash receipts from disposal of investments		355,050,000.00	440,642,000.00
Cash receipts from investment income		25,418,381.02	52,664,858.59
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,784,201.50	1,972,441.86
Other cash receipts relating to investing activities		120,529,974.49	28,814,000.00
Sub-total of cash inflows from investing activities		502,782,557.01	524,093,300.45
Cash paid to acquire fixed assets, intangible assets and other long-term assets		135,935,331.96	106,061,249.64
Cash paid to acquire investments		1,147,123,506.19	625,966,629.72
Net cash paid for acquisition of subsidiaries and other operating units		–	1,500,000.00

Item	*Note*	Current period	Corresponding period
Other cash payments relating to investing activities		74,400,000.00	70,000,000.00
Sub-total of cash outflows from investing activities		1,357,458,838.15	803,527,879.36
Net cash flow from investment activities		-854,676,281.14	-279,434,578.91
III. Cash flows from financing activities:			
Cash receipt from receiving investments		7,500,000.00	2,250,000.00
Including: Cash received by subsidiaries from receiving minority investment		7,500,000.00	2,250,000.00
Other cash receipts relating to financing activities		12,012,050.26	–
Sub-total of cash inflows from financing activities		19,512,050.26	2,250,000.00
Cash paid for repayment of debts		–	15,000,000.00
Cash paid for dividend, profit appropriation or interest		130,966.60	30,413,653.93
Including: Dividends and profits paid to minority shareholders		130,966.60	103,199.35
Sub-total of cash outflows from financing activities		130,966.60	45,413,653.93
Net cash flow from financing activities		19,381,083.66	-43,163,653.93
IV. Effect of change in foreign exchange rate on cash and cash equivalents		–	–
V. Net increase in cash and cash equivalents		-735,567,393.17	-14,463,976.60
Add: Opening balance of cash and cash equivalents		1,824,358,247.63	1,345,705,851.29
VI. Closing balance of cash and cash equivalents		1,088,790,854.46	1,331,241,874.69

4. Exceptional items and their amounts

Unit: RMB

Exceptional items	Amount	Note (if applicable)
Gain or loss on disposal of non-current assets	-757,637.80	
Government subsidies (except for government subsidies which are closely related to the corporate business and entitled in standard amounts or quantities in conformity with the uniform standards of the State) attributable to gains or losses for the period	10,359,834.51	
Gain or loss on entrusted investments or asset management	1,407,153.23	Gains from the purchase of bank's financial products
Other non-operating income and expenses apart from above item	1,699,215.96	
Gain or loss received from external custodian loans	3,644,745.28	
Effect of minority interests	44,431.20	
Effect of income tax	-63,505.15	
Total	16,334,237.23	

Note: The main business of Winshare Investment Co., Ltd *(文軒投資有限公司) (A subsidiary of the Company) is investment. Its investment gain on holding of available-for-sale financial assets and investment gain on disposal of available-for-sale financial assets are not disclosed as extraordinary items. During the period from 1 January to 30 June 2016, such investment gains were RMB3,093,012.13 and RMB1,070,270.38 respectively.

5. Key financial indicators

Key financial indicators	Reporting Period (January-June)	Corresponding period of last year	Change (%)
Basic earnings per share (RMB/share)	0.31	0.30	3.33
Diluted earnings per share (RMB/share)	0.31	0.30	3.33
Basic earnings per share after deduction of exceptional items (RMB/share)	0.29	0.27	7.41
Weighted average return on equity (%)	4.90	5.28	Decrease of 0.38 percentage points
Weighted average return on equity after deduction of exceptional items (%)	4.67	4.76	Decrease of 0.09 percentage points

6. Return on equity and earnings per share

Earnings During the Reporting Period	Weighted average return on equity (%)	Earnings Per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the Company	4.90	0.31	0.31
Net profit attributable to shareholders of the Company's ordinary shares after deduction of exceptional items	4.67	0.29	0.29

(B) DIFFERENCES BETWEEN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP PREPARED IN ACCORDANCE WITH IFRS AND THE PRC CHINESE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The major differences between the consolidated financial statements for the six months ended 30 June 2016 according to Chinese Accounting Standards for Business Enterprises and the consolidated financial statements for the six months ended 30 June 2016 according to the IFRS prepared by the Company are: upon transformation into a joint stock company in 2005, the Company valued the operational assets invested in the Company by Sichuan Xinhua Publishing Group under the relevant regulations, and recognised the deemed cost of relevant assets under the PRC accounting standards on the basis of appraisal value, which was still reflected continuously based on the carrying amount of relevant assets before the transformation under the H share consolidated financial statements prepared according to IFRS, thus causing the difference in accounting data between A Share and H Share financial statements.

Differences between the net profits and net assets attributable to the listed company shareholders in accordance with IFRS and Chinese Accounting Standards for Business Enterprises are as follows:

Unit: RMB

	Profits attributable to the shareholders of the listed Company		Net assets attributable to the shareholder of the listed Company	
	This period	Last period	Closing balance	Opening balance
Under PRC accounting standards	350,023,356.00	340,998,488.16	7,024,699,391.17	7,270,670,929.89
Adjustment items and amounts made under IFRS:				
1. Difference caused by different cost basis of fixed assets at home and abroad	2,590,591.27	2,590,591.27	-104,402,422.07	-106,993,013.34
2. Others	459,418.51	459,418.51		
Under IFRS	352,613,947.27	343,589,079.43	6,920,756,387.61	7,164,137,335.06

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 audited 2016 interim report which was published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 30 August 2016.

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

Sichuan, the PRC, 31 August 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*