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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)

VOLUNTARY ANNOUNCEMENT THE RENEWAL OF MANDATE TO ACQUIRE WEALTH MANAGEMENT PRODUCTS WITH IDLE SELF-OWNED FUNDS

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

The board (the **“Board”**) of directors (the **“Directors”**) of the Company, at the seventh meeting of the fourth session of the Board for 2019 held on 29 October 2019, considered and approved the ‘Resolution Regarding the Renewal of Mandate to Acquire Wealth Management Products with Idle Self-owned Funds’, pursuant to which, the Board resolved that the Group shall continue acquiring wealth management products (the **“Wealth Management Products”**) with idle self-owned funds not exceeding RMB1.3 billion, taking into account the actual situation and needs of the Company and its subsidiaries, with details as follows:

I. DETAILS OF THE ACQUISITION OF WEALTH MANAGEMENT PRODUCTS

(1) Purposes of the acquisition of the Wealth Management Products

To more efficiently make use of the idle self-owned funds of the Group, the Group intends to acquire the low-risk Wealth Management Products with temporarily idle self-owned funds to enhance the Group’s gains on investment, on the premise that the ordinary operations of the Company and its subsidiaries shall not be affected.

(2) The limit of mandate for the acquisition of the Wealth Management Products

The limit of the mandate to acquire the Wealth Management Products by the Group with idle self-owned funds shall not exceed RMB1.3 billion, which shall be jointly utilised by the Company and its subsidiaries on a rolling basis.

(3) The term of mandate for the acquisition of the Wealth Management Products

The mandate shall be effective from the date of consideration and approval by the Board to 31 October 2020, pursuant to which, the management of the Company is authorised to handle specific matters in relation to the organisation and implementation of the acquisition, including but not limited to designation of personnel for market research, arrangement and implementation of proposals regarding the acquisition of the Wealth Management Products in light of the situation of the working capital of the Group from time to time and selection of product types to be acquired as well as signing of relevant contracts.

(4) Product life of the Wealth Management Products

The Wealth Management Products are intended to be mainly in short and medium terms, the longest of which shall be under one year.

(5) Source of funds for the acquisition of the Wealth Management Products

The Group shall acquire the Wealth Management Products with self-owned funds of the Group.

(6) Types of the Wealth Management Products

For the purpose of investment risk control, the Wealth Management Products with high security, high liquidity and low risks shall be acquired.

(7) The procedure of approval for carrying out entrusted wealth management

At the seventh meeting of the fourth session of the Board for 2019 of the Company, the ‘Resolution Regarding the Renewal of Mandate to Acquire Wealth Management Products with Idle Self-owned Funds’ has been considered and approved. Pursuant to the Articles of Association and relevant regulatory requirements, approval by shareholders at general meeting in respect of the limit of mandate for acquiring the Wealth Management Products shall not be required.

(8) Disclosure of information on the acquisition of the Wealth Management Products

The Company shall make timely disclosure on the status of the acquisition of the Wealth Management Products by the Group in accordance with relevant laws, regulations and regulatory requirements.

II. IMPACTS ON DAILY OPERATIONS

The Company, having made sufficient estimations and assessments on risks and gains arising from the acquisition of the Wealth Management Products and future demand for funds, believes that such use of funds will not have any impact on the daily capital turnover requirements and the development of business operations and principal businesses of the Company and its subsidiaries. Through proper wealth management, the Group will be able to make use of its idle funds more efficiently to obtain gains on investments and bring higher returns on investments for its shareholders.

III. RISK CONTROL MEASURES

The Wealth Management Products to be acquired by the Group will be of low risks. However, the Wealth Management Products may involve market risks, liquidity risks, credit risks and other risks. Being exposed to various risks, the yields of the Wealth Management Products are subject to fluctuation and the gains of wealth management are uncertain. The Company intends to implement the following measures in respect of the potential investment risks:

1. The Board will authorise the management to exercise the relevant decision-making right and sign relevant contracts within the limit of mandate. The finance management centre of the Company will impose strict supervision over the Wealth Management Products acquired in order to maximise the gains insofar as the fund security is not affected. If any risk factors that may affect the Company's fund security are identified in relevant assessment, the Company will adopt corresponding measures in a timely manner to control the investment risks.
2. During the term of mandate, the independent non-executive Directors and the supervisory committee of the Company can monitor and inspect the status of the acquisition of the Wealth Management Products at any time and appoint professional institutions to conduct audit when necessary. The Company will carry out the relevant internal management system effectively and control the risks strictly.
3. The Company will establish approval and execution procedures in relation to the sound utilisation of funds to ensure the effective and standard funds operation.

IV. THE OPINION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The necessary approval procedures for the authorised acquisition of the Wealth Management Products of the Company have been completed and the voting procedures are in compliance with the laws and regulations. It is considered that the funds for acquisition of the Wealth Management Products will be used by the Group for acquiring the Wealth Management Products with controllable and low risks and stable gains. The utilisation of idle self-owned funds for acquisition of the Wealth Management Products by the Group is conducive to enhancing utilisation efficiency of idle self-owned funds of the Group and would not affect the daily operation and the development of principal business of the Group.

Investors should note that the Company or its subsidiaries will acquire the Wealth Management Products within the limit of mandate from the Board and enter into legally binding contracts with relevant financial institutions upon actual acquisition. The Company shall make further disclosure and/or seek approval from the shareholders of the Company (if applicable) as required under the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when appropriate.

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

Sichuan, the PRC, 29 October 2019

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

* For identification purposes only