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)

(1) PROPOSED ISSUE OF A SHARES; AND (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY, THE RULES OF PROCEDURES AND THE INTERNAL RULES AND ADOPTION OF THE NEW INTERNAL RULES OF THE COMPANY

THE PROPOSED A SHARE ISSUE

The Board is pleased to announce that at a meeting of the Board held on 16 January 2013, the Company proposed to apply to the CSRC and other relevant regulatory authorities for the issue of not more than 98,710,000 A Shares with a nominal value of RMB1.00 per A Share to the target investors on the Shanghai Stock Exchange. The A Share Issue will be subject to the approval by the Shareholders at the EGM and the Class Meetings, as well as the approvals by the CSRC and other relevant regulatory authorities.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY, THE RULES OF PROCEDURES AND THE INTERNAL RULES AND ADOPTION OF THE NEW INTERNAL RULES OF THE COMPANY

To comply with the applicable PRC laws and regulations in relation to the A Share Issue, the Company proposed to amend the Articles of Association, the Rules of Procedures and the Internal Rules and to adopt the New Internal Rules.

Amendments to the Articles of Association, the general meeting rules, board meeting rules, supervisory committee meeting rules and connected transaction system are subject to Shareholders' approval at the EGM, and special resolutions to consider and approve the amendments to the Articles of Association and the said Rules of Procedures will be proposed at the EGM whilst ordinary resolutions to consider and approve the amendments to the connected transaction system will be proposed at the EGM. The proposed amendments to the Articles of Association are subject to the obtaining of any required approval or endorsement from or registration with the relevant regulatory authorities, and shall come into effect upon approval by the CSRC and completion of the A Share Issue. The proposed amendments to all the Rules of Procedures and the Internal Rules shall come into effect upon completion of the A Share Issue.

Adoption of the working system of the independent Directors and the management approach for external security are subject to Shareholders' approval at the EGM, and ordinary resolutions to consider and approve the adoption of the said New Internal Rules will be proposed at the EGM. The proposed adoption of all the New Internal Rules shall come into effect upon completion of the A Share Issue.

Details regard the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules; and the proposed adoption of the New Internal Rules will be set out in the circular to be dispatched to the Shareholders.

General

The Company will convene the EGM for the purpose of, among other things, seeking Shareholders' approval on the proposed A Share Issue, the proposed amendments to the Articles of Association, the relevant Rules of Procedures and the relevant Internal Rules; and the proposed adoption of the relevant New Internal Rules. Respective Class Meetings will also be convened for the purpose of seeking the approvals on the proposed A Share Issue by the Shareholders of the Domestic Shares and H Shares.

A circular containing, among other things, further details of the A Share Issue, the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules; and the proposed adoption of the New Internal Rules will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

There is no assurance that the proposed A Share Issue will proceed to completion. Shareholders and potential investors are advised to exercise caution in dealings in the H Shares. Further details about the proposed A Share Issue will be disclosed by the Company in due course in accordance with the Listing Rules.

THE PROPOSED A SHARE ISSUE

The Board is pleased to announce that at a meeting of the Board held on 16 January 2013, the Company proposed to apply to the CSRC and other relevant regulatory authorities for the issue of not more than 98,710,000 A Shares with a nominal value of RMB1.00 per A Share to the target investors on the Shanghai Stock Exchange. The A Share Issue will be subject to the approval by the Shareholders at the EGM, as well as the approvals by the CSRC and other relevant regulatory authorities.

The details of the A Share Issue are set out as follows:

(i)	Class of shares:	A Shares
(ii)	Nominal value:	RMB1.00 each
(iii)	Number of A Shares proposed to be issued:	Not more than 98,710,000 A Shares. The number of A Shares proposed to be issued shall be subject to the approval by the CSRC, and be confirmed by the Board in accordance with the authorization to be granted at the EGM after considering the market conditions and other factors and consulting the lead underwriter.

(iv)	Target persons for the issue:	Qualified participants in the price consultation process; the individuals, legal persons and other investors within the PRC which have established A share accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and administrative regulations and other regulatory requirements to which the Company is subject); and other targets persons as approved by the CSRC.
(v)	Price determination method:	The issue price will be determined based on the results of price consultations with qualified participants in the price consultation process and the market conditions; or other price determination method as approved by the CSRC.
(vi)	Issuing method:	By a combination of conducting offline placing inquiry to the participants in the price consultation process and share issue by way of online subscription pricing method, or other ways of issue as approved by the CSRC
(vii)	Proposed stock exchange for listing:	Shanghai Stock Exchange
(viii)	Arrangement for listing of A Shares:	Upon completion of the A Share Issue, all A Shares (including the existing domestic Shares and A Shares to be issued under the A Share Issue) will be applied for listing on the Shanghai Stock Exchange, and such A Shares will comply with the lock-up period requirements under the relevant laws and regulations.
(ix)	Proposed date of listing of A Shares:	Subject to the approvals from the CSRC and Shanghai Stock Exchange, the date of listing shall be determined by the Board after consultation with the lead underwriter and other regulatory authorities
(x)	Plan of distribution of accumulated undistributed profits before the A Share Issue:	The accumulated undistributed profits of the Company prior to the completion of the A Share Issue shall be entitled to all new and existing Shareholders in proportion to their respective shareholdings after the A Share Issue.
(xi)	Rights attaching to the A Shares:	The A Shares, unless otherwise provided by applicable laws, regulations, the Listing Rules and other regulatory documents, shall carry the same rights as the Company's existing domestic Shares and H Shares.

(xii) Transfer of state-owned Shares: According to the "Partial Transfer of State-owned Shares to the National Social Security Fund in the Domestic Securities Market Implementation Measures" (Cai Qi [2009] No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)), the state-owned Shareholders of the Company shall transfer part of their holding of state-owned Shares to the extent of 10% of the actual amount of shares issued under the A Share Issue of the Company to the National Council for Social Security Fund (NCSSF) (全國社會保障基金理事會) in accordance with relevant state regulations.

Use of proceeds

After deducting the expenses incurred in the A Share Issue, the Company intends to apply the proceeds in the following projects with an estimated total investment amount of approximately RMB1,418,000,000:

(a) Service platform of education cloud project (教學雲服務平台項目) with an estimated total investment amount of RMB420,000,000, out of which RMB400,000,000 is intended to be funded by the proceeds from the A Share Issue;

(b) Retail shops upgrading and expansion project (零售門店升級拓展項目) with an estimated total investment amount of RMB200,000,000, out of which RMB180,000,000 is intended to be funded by the proceeds from the A Share Issue;

(c) Logistics network construction project in Western China (西部物流網絡建設項目) with an estimated total investment amount of RMB598,000,000, out of which RMB400,000,000 is intended to be funded by the proceeds from the A Share Issue;

(d) Enterprise resource planning system construction and upgrading project (ERP 建設升級項目) with an estimated total investment amount of RMB150,000,000 which is intended to be funded by the proceeds from the A Share Issue; and

(e) Chinese cultural revival publication project (中華文化復興出版工程項目) with an estimated total investment amount of RMB50,000,000 which is intended to be funded by the proceeds from the A Share Issue.

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

In case that the proceeds from the proposed A Share Issue (after deducting the expenses incurred in the A Share Issue) are insufficient for funding the abovestated projects, the Company shall arrange the use of the proceeds in accordance with the importance and urgency of the abovestated projects, and shall pay the outstanding balance (after deducting the expenses incurred in the A Share Issue) by its own funds or through debt financing. In case there is a surplus after applying the proceeds from the proposed A Share Issue to the abovestated projects and deducting the expenses incurred in the A Share Issue, such surplus shall be use for the current capital of the Company or repayment of the Company's bank loan in accordance with the relevant rules.

Plan of distribution of dividends after completion of the proposed A Share Issue

In accordance with the requirement of the Notice of the matters in related to further implementation of distribution of cash dividends by listed companies (Zheng Jian Fa [2012] No.37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)), the Board proposes to formulate the plan of distribution of dividends after completion of the proposed A Share Issue (the "Dividends Distribution Plan"). Details of the Dividends Distribution Plan are set out as follows:

The Dividends Distribution Plan

(i) Conditions and proportion for cash dividend distribution

Save in exceptional circumstances, the Company should make a cash distribution proposal if the distributable profit for the year is positive. Save in exceptional circumstances, the Company should annually distribute not less than 30% of the distributable profit for the year as cash dividend.

Exceptional circumstances refer to the Company's participation in any project which involves significant investment or cash expenditures that requires to obtain approval in the Shareholders' meeting according to relevant laws and the Articles of Association (except for fund-raising projects).

(ii) Conditions for stock dividend distribution

Subject to the relevant laws and regulations and the Articles of Association, the Company may make a stock dividend distribution proposal if (a) the Company is operating in good condition; (b) the Board is in the opinion that price of the Share does not match with the scale of Company's capital and the distribution of stock dividend is in the interest of the Shareholders as a whole and the abovesaid conditions for cash dividend distribution are fulfilled. The independent non-executive Directors shall express independent opinions on the stock dividend distribution proposal raised by the Board.

(iii) The formulation of the profit distribution proposal

The profit distribution proposal shall be formulated and considered by the Board and approved in the Shareholders' meeting. During the course of formulating the profit distribution policy and dividends distribution proposal, the Board should consider the opinions of the independent Directors, the supervisory committee and the Shareholders (especially minority Shareholders) by communicating with such Shareholders through various channels (including but not limited to telephone, fax, email, face-to-face communication and inviting the minority Shareholders to participate in the meetings, etc.).

If the conditions for cash dividend distribution are fulfilled and the Company has not distributed cash dividend for any exceptional circumstances, the Board shall explain the reasons of non-distribution, the actual use of the retained profit and the expected profit from any investment. After the independent non-executive Directors have expressed their opinions and being approved in the Shareholders' meeting, the Board shall disclose such explanation in designated media.

(iv) The Dividends Distribution Plan for the next 3 years

The next 3 years are an important period for the Company to implement its objectives of striding development. Save in exceptional circumstances, the Company shall distribute cash dividends of not less than 30% of the distributable profit for the year to the Shareholders annually. Provided that there is sufficient cash for dividend distribution, the Company may otherwise propose stock dividend distribution.

Adjustment to the Dividends Distribution Plan

The Company shall review the Dividends Distribution Plan at least every three years, make appropriate and necessary amendments to the existing dividend distribution policy and confirm the Shareholders' return plan for the relevant period.

The Dividends Distribution Plan shall be proposed by the Board and approved in the Shareholders' meeting. The independent non-executive Directors shall review the Dividends Distribution Plan and express independent opinions. The supervisory committee of the Company shall review the Dividends Distribution Plan and express review opinions.

Effectiveness of the Dividends Distribution Plan

The effectiveness of the Dividends Distribution Plan is subject to the approval by the Shareholders at the EGM and the completion of the proposed A Share Issue.

AUTHORIZATION BY THE SHAREHOLDERS

The EGM will be held to consider and approve, among other things, the granting of the authorization to the Board to take all necessary actions and/or sign any documents in connection with the A Share Issue and all related matters in accordance with the relevant requirements of the CSRC, Hong Kong Stock Exchange and Shanghai Stock Exchange. The authorization proposed to be granted to the Board shall include but not limited to the followings:

(i) To adjust and determine the matters relating to the listing of the A Shares in accordance with the relevant rules and the actual conditions of the securities market within the ambit granted by the Shareholders at the EGM, which include but not limited to the number of A Shares to be issued, target person for the issue, issuing method, issuing price and the timing of commencing and terminating the issue;

(ii) Subject to the actual situation of the investment projects before the listing of the A Shares and the approvals from the competent authorities, to carry out necessary and appropriate adjustments to the projects which intended to be invested by the proceeds from the A Share Issue and approved by the Shareholders at the EGM, which include but not limited to the projects proposed to be invested, the investment amount, implementation plans and implementation methods;

(iii) To implement all procedures relating to the listing of the A Shares, which include the application of the A Share Issue to CSRC and other competent authorities, the signing of the relevant documents which include but not limited to the prospectus of the A Shares and other relevant documents;

(iv) To engage the listing intermediates and other professional parties, determine their respective engagement fees and entered into the agreements relating to the A Share Issue on behalf of the Company which include the underwriting agreement and sponsor agreement;

(v) To amend the Articles of Association, the Rules of Procedures, the Internal Rules and the New Internal Rules of the Company subject to the completion of the A Share Issue, the results of the A Share Issue and the requirements of the relevant competent government authorities and to deal with the relevant procedures for registration of changes and filing of the Articles of Association, the registered capital and other issues with relevant authorities;

(vi) To apply and deal with the procedures for registration of changes with the registration authority and deal with the procedures for registration, settlement and lock-up with the share registration and clearing authority of the Company subject to the results of the A Share Issue;

(vii) Other matters relating to the A Share Issue; and

(viii) To delegate the above authorizations to authorised Director(s).

The abovesaid authorization, if approved and granted by the Shareholders at the EGM, shall be effective for a period of 12 months from the date of approval by the EGM.

APPLICATION TO THE CSRC AND THE SHANGHAI STOCK EXCHANGE

Application to the CSRC for the A Share Issue will be made as soon as practicable after the approval of the proposed A Share Issue by the Shareholders at the EGM and the Class Meetings has been obtained. Upon obtaining the approval of the CSRC, the Company will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the Shanghai Stock Exchange.

COMPLETION OF THE A SHARE ISSUE

The Company intends to complete the A Share Issue as soon as practicable. Nonetheless, the exact timing and structure in regards the completion of the A Share Issue are conditional upon, among other things, (i) the passing of the special resolutions in regards the A Share Issue at the EGM and the Class Meetings; (ii) the approval of the A Share Issue by the CSRC and other relevant regulatory authorities; and (iii) the then market conditions.

REASONS FOR AND THE BENEFITS OF THE A SHARE ISSUE

The A Share Issue, if completed, will open new financing channel for the business development of the Company, and provide financial resources for the Company to implement the projects as stated under paragraph “Use of proceeds” above, which will enhance the continuous development and the core competitive power of the Company.

The Directors consider that the A Share Issue is in the interests of the Company and the Shareholders as a whole.

EFFECTS OF THE A SHARE ISSUE ON THE COMPANY'S SHAREHOLDING STRUCTURE

Set out below is a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of A Share Issue (assuming no other H Shares, Domestic Shares or A Shares are to be issued by the Company from the date of this announcement up to and including the date of issue of the A Shares):

	As at the date of this announcement			Immediately after completion of the A Share Issue		
Shareholder	**Types of Shares**	**Number of Shares**	**percentage of the total issued share capital of the Company**	**Types of Shares**	**Number of Shares**	**percentage of the total issued share capital of the Company**
Sichuan Xinhua Publishing Group Co., Ltd.*	State-owned Shares	592,809,525	52.22%	A Shares	583,664,334	47.30%
Sichuan Publication Group Co., Ltd.*	State-owned Shares	31,051,927	2.74%	A Shares	30,572,893	2.48%
Sichuan Daily Newspaper Group*	State-owned Shares	9,409,675	0.83%	A Shares	9,264,513	0.75%
Liaoning Publication Group Co., Ltd*	State-owned Shares	6,586,773	0.58%	A Shares	6,485,160	0.53%
Chengdu Hua Sheng (Group) Industry Co., Ltd.*	Social Legal Person Shares	53,336,000	4.70%	A Shares	53,336,000	4.32%
National Council for the Social Security Fund				A Shares	9,871,000	0.80%
Others	H Shares	441,937,100	38.93%	H Shares	441,937,100	35.82%
Others				A Shares	98,710,000	8.00%
Total		**1,135,131,000**	**100%**		**1,233,841,000**	**100%**

The Company has not conducted any fund raising activities in the past twelve months immediately prior to the date of this announcement.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY, THE RULES OF PROCEDURES AND THE INTERNAL RULES AND ADOPTION OF THE NEW INTERNAL RULES OF THE COMPANY

Pursuant to the "Guidelines on Articles of Association of Listed Companies" (《上市公司章程指引》) dated 16 March 2006 issued by the CSRC and others applicable laws and regulations and regulatory requirements in the PRC, the Company proposed to make certain amendments to the Articles of Association, the Rules of Procedures and the Internal Rules and to adopt the New Internal Rules pursuant to the requirements of the applicable PRC laws and regulations.

Amendments to the Articles of Association, the general meeting rules, board meeting rules, supervisory committee meeting rules and connected transaction system are subject to Shareholders' approval at the EGM, and special resolutions to consider and approve the amendments to the Articles of Association and the said Rules of Procedures will be proposed at the EGM, whilst ordinary resolutions to consider and approve the amendments to the connected transaction system will be proposed at the EGM. The proposed amendments to the Articles of Association are subject to the obtaining of the approval or endorsement from or registration with the relevant regulatory authorities, and shall come into effect upon approval by the CSRC and completion of the A Share Issue. The proposed amendments to all the Rules of Procedures and the Internal Rules shall come into effect upon completion of the A Share Issue.

Adoption of working system of the independent Directors and the management approach for external security are subject to Shareholders' approval at the EGM, and ordinary resolutions to consider and approve the adoption of the said New Internal Rules will be proposed at the EGM. The proposed adoption of all the New Internal Rules shall come into effect upon completion of the A Share Issue.

Details regarding the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules and the proposed adoption of the New Internal Rules will be set out in the circular to be despatched to the Shareholders.

GENERAL

The Company will convene the EGM for the purpose of, among other things, seeking Shareholders' approval on the proposed A Share Issue, the proposed amendments to the Articles of Association, the general meeting rules, board meeting rules, supervisory committee meeting rules and connected transaction system and the proposed adoption of the working system of the independent Directors and the management approach for external security. Respective Class Meetings will also be convened for the purpose of seeking the approvals on the proposed A Share Issue by the Shareholders of the Domestic Shares and H Shares. It should be noted that apart from the approval by the Shareholders, the proposed A Share Issue is still subject to the approvals by the CSRC and other relevant regulatory authorities.

A circular containing, among other things, further details of the A Share Issue, the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules and the proposed adoption of the New Internal Rules will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

There is no assurance that the proposed A Share Issue will proceed to completion. Shareholders and potential investors are advised to exercise caution in dealings in the H Shares. Further details about the proposed A Share Issue will be disclosed by the Company in due course in accordance with the Listing Rules.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below, unless the context otherwise requires:

"A Share Issue"	the proposed issue of not more than 98,710,000 A Shares to qualified strategic investors, participants in the price consultation process as approved by the CSRC and the individuals, legal entities and other investors within the PRC which have established A share accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and regulations and other regulatory requirements to which the Company is subject); and other targets persons as approved by the CSRC
"A Shares"	domestic ordinary share(s) of the Company of RMB1.00 each in the share capital of the Company proposed to be issued, which are proposed to be listed on the Shanghai Stock Exchange
"Articles of Association"	the articles of association of the Company as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Class Meetings"	the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the EGM and the class meeting for holders of H Shares to be held immediately after the conclusion of the said class meeting for holders of Domestic Shares, or any adjournment thereof respectively
"Company"	Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange
"controlling shareholder"	has the same meaning as ascribed to this term under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Directors"	the directors of the Company
"Dividends Distribution Plan"	the plan of distribution of dividends after completion of the proposed A Share Issue, details of which are set out under the section headed "The Proposed A Share Issue" in this announcement
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve, among other things, the proposed A Share Issue, the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules; and the proposed adoption of the New Internal Rules

"Group"	the Company and its subsidiaries
"H Shares"	The overseas listed foreign shares of the Company of RMB1.00 each which are listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Internal Rules"	the internal rules proposed to be amended by the Company, which include the connected transaction system, foreign investment management system, the information disclosure system and the investors' relation management system
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Internal Rules"	the new internal rules proposed to be adopted by the Company, which include the working system of the independent Directors, management approach for external security, application and management approach for the proceeds from A Shares, working system of the Board secretary, management system for registration of insider information and working rules for general manager
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
"Rules of Procedures"	the Rules of Procedure proposed to be amended by the Company, which include the general meeting rules, board meeting rules, supervisory committee meeting rules and the terms of reference of the audit committee, the terms of reference of the remuneration and review committee, the terms of reference of the nomination committee, the terms of reference of the strategy and investment planning committee and the terms of reference of the editorial and publication committee
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

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

Sichuan, PRC, 16 January 2013

As at the date of this announcement, the Board comprises (a) Mr. Gong Cimin and Mr. Luo Yong as executive Directors; (b) Mr. Zhang Chengxing, Mr. Luo Jun and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Chan Yuk Tong, Mr. Han Xiaoming and Mr. Han Liyan as independent non-executive Directors.

* *For identification purposes only*