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)

PROPOSED ADOPTION OF BUSINESS STRATEGIES

Proposed Adoption of Business Strategies

Existing business strategies of the Company

Reference is made to the announcement of Xinhua Winshare Publishing and Media Co., Ltd. (the "**Company**", together with its subsidiaries, collectively the "**Group**") dated 16 June 2009 and the circular dated 22 June 2009 in relation to, amongst others, the adjustment to business strategies of the Company.

Currently, the major business strategies of the Company are to expand the Company's current principal business of publication and distribution in order to capture the opportunities associated with the change of the news and publication system in the PRC, unify the operation of the Company's publication and distribution chains, actively develop related businesses including but not limited to mass media and cultural education, and develop the Company into a leading cultural and mass media conglomerate in the PRC.

Business strategies proposed to be adopted by the Company

In connection with the overall business strategies of the Company from 2014 to 2018 (the "**Proposed Adoption of Business Strategies**"), the Board (the "**Board**") of Directors (the "**Directors**") of the Company proposes the following:

(I) MISSION

To provide quality cultural products and services to society to promote civilisation and development of society.

(II) VISION

To become an internationally influential first-class cultural media conglomerate in the PRC.

(III) STRATEGIC OBJECTIVES

To form a growth pattern of balanced development between industrial operation and capital operation for the Company's culture, media and other related cultural industries in five years with effort; achieve continuous revenue growth; continuously expand market share; and maintain a leading position among its publishing and media peers in the PRC in terms of comprehensive strength.

To develop the resource integration capabilities of the Company internally and externally; and to acquire the ability to capture market opportunities, the ability of operational and management innovation and the ability of operational risk management.

(IV) PRINCIPLE FOR STRATEGIC DEVELOPMENT

Persist to develop with innovation, adhere to the overall development principle of "principal business prominence and breakthrough".

As for industrial operations, we will transform the operating concept from product-oriented to customer-oriented. Leverage on the innovative operating concept, we strive to capture the new opportunities arising from the internet economy. We also endeavour to enrich our business development modes which not only enhance our own development capabilities but also strengthen our operating capabilities through capital means.

As for capital operations, we attempt to develop operating models for the equity investment, asset management, financial investment and other various types of businesses; to establish the rational pattern among short, medium and long term investment projects and the revenue structure; and to gradually establish a comprehensive investment and financing system.

As for international expansion, we will fully utilise the resources locally and abroad to expand both the domestic and overseas markets as well as strengthen the international exchange and cooperation with a view to enhancing our international influence.

Reasons for and benefits of the Proposed Adoption of Business Strategies

While stepping up its efforts on cultural system reforms, the PRC government endeavours to develop the cultural industry into one of the pillar industries that drives the domestic economy. As favourable policies for the development of the cultural industry continue to be promulgated, there are tremendous market opportunities unleashed to the publication media sector. Driven by technology development, the cultural consumption market and the publication media industry are experiencing significant changes, resulting in the shifting of focus of the industry value chain, restructuring of industry pattern and continuous upgrading and transforming of traditional publication media enterprises. The external environment that the Group faces is subject to profound and material changes.

At the same time, after years of implementation of the existing business strategies of the Company, the strategic objectives have been substantially accomplished, establishing a solid foundation for the future development of the Company, where (i) the Company has initially formed a new industry pattern; (ii) the Company has achieved satisfactory growth in its traditional businesses amid severe market conditions; (iii) the Company has made considerable achievements in the upgrade and transform of its traditional businesses; and (iv) the capital operations of the Company has made effective contributions in the areas of business development and revenue growth.

Based on the foregoing reasons, the Board considers that, in connection with the current resources and actual operating needs of the Company, it is high time for the Company to organise and carry out profound strategic consideration in respect of the future direction and business structure and to adopt the business strategies of the Company from 2014 to 2018.

The Board considers that, the Proposed Adoption of Business Strategies is in the interest of the Group and the shareholders (the "**Shareholders**") of the Company as a whole.

AGM

The Proposed Adoption of Business Strategies is subject to approval from the Shareholders at the annual general meeting (the "**AGM**") by way of ordinary resolution.

No Shareholders will be required to abstain from voting in respect of the resolution relating to the proposed adoption of business strategies at the AGM.

CIRCULAR TO THE SHAREHOLDERS

A circular containing details of the Proposed Adoption of Business Strategies and the notice of the AGM will be sent to the Shareholders as soon as practicable.

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

Sichuan, the PRC, 7 March 2014

As at the date of this announcement, the Board of the Company comprises (a) Mr. Gong Cimin and Mr. Luo Yong as executive Directors; (b) Mr. Zhang Chengxing, Mr. Luo Jun, Mr. Zhang Peng and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Han Liyan, Mr. Mo Shixing and Mr. Mak Wai Ho as independent non-executive Directors.

* *For identification purposes only*