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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)

POTENTIAL CONNECTED TRANSACTION
PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN SICHUAN
MINZU PUBLISHING HOUSE LIMITED

INTRODUCTION

The Board is pleased to announce that on 21 September 2026, the Board considered and passed the “Proposal on the Company’s Acquisition of 100% Equity Interest in Sichuan Minzu Publishing House Limited* (四川民族出版社有限責任公司)”, thereby approving the Potential Acquisition. The Company (as the purchaser) intends to enter into the Equity Transfer Agreement with Sichuan Xinhua Publishing and Distribution Group* (四川新華出版發行集團) (as the seller) in relation to the Potential Acquisition, pursuant to which, Sichuan Xinhua Publishing and Distribution Group agrees to sell and the Company agrees to acquire the Target Interest at a consideration of RMB345,747,000.00.

As at the date of this announcement, the Equity Transfer Agreement has not yet been signed. The Potential Acquisition is still subject to the SASAC Approval, and the Equity Transfer Agreement is expected to be signed after the SASAC Approval is obtained. After the due execution of the Equity Transfer Agreement, the Company will issue a separate announcement in due course according to the requirements of the Listing Rules.

As at the date of this announcement, the Company does not hold any equity interest in the Target Company. Upon completion of the Potential Acquisition, the Company will hold 100% equity interest in the Target Company, which will become a wholly-owned subsidiary of the Company, and its financial statements will be consolidated into the consolidated financial statements of the Group.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are as follows:

(1) Parties

- 1) Sichuan Xinhua Publishing and Distribution Group (as the seller); and
- 2) The Company (as the purchaser).

(2) Target Interest

According to the Equity Transfer Agreement, Sichuan Xinhua Publishing and Distribution Group will sell and the Company will acquire the 100% equity interest in the Target Company held by Sichuan Xinhua Publishing and Distribution Group.

(3) Consideration and Payment

The consideration payable by the Company for the Potential Acquisition is RMB345,747,000.00, which is determined after arm's length negotiation between the Company and Sichuan Xinhua Publishing and Distribution Group based on the appraised value of the Target Interest.

Pursuant to the Appraisal Report issued by Tian Jian Hua Heng, an independent asset appraisal agency, the appraised value of the entire equity interest of shareholders in the Target Company as at the Valuation Benchmark Date (31 March 2026) is RMB345,747,000.00 (using the income approach), and the consideration for the Potential Acquisition is determined based on the appraised value of the entire equity interest of shareholders in the Target Company.

Pursuant to the proposed terms of the Equity Transfer Agreement, the Company shall pay the full consideration in a lump sum within 5 working days from the effective date of the Equity Transfer Agreement. Sichuan Xinhua Publishing and Distribution Group shall, upon receipt of the consideration, assist in all the procedures for registering the Target Interest in the name of the Company in a timely manner. The consideration for the Potential Acquisition will be paid out of the Group's own funds.

As the consideration for the Target Interest is determined with reference to the results of the appraised value of the entire equity interest of shareholders provided by an independent asset appraisal agency, and after having conducted sufficient and appropriate review of the forecasts, assumptions and business plans of the Target Company on which the consideration was determined, and taking into account the factors set out in the section headed "Reasons for and Benefits of Entering into the Equity Transfer Agreement" of this announcement, the Directors (including the independent non-executive Directors) are of the view that the consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole.

(4) Performance Commitment and Compensation Arrangements

Pursuant to the proposed terms of the Equity Transfer Agreement, Sichuan Xinhua Publishing and Distribution Group undertakes with the Company that the Target Company will meet the following profit guarantee during the Performance Commitment Period as follows:

- (i) The committed net profit for the period from 1 April 2026 to 31 December 2026 shall not be less than RMB11,360,100.00;
- (ii) The committed net profit for the year 2027 shall not be less than RMB17,331,700.00;
- (iii) The committed net profit for the year 2028 shall not be less than RMB16,780,600.00;

- (iv) The committed net profit for the year 2029 shall not be less than RMB13,361,600.00; and
- (v) The cumulative committed net profit during the Performance Commitment Period shall not be less than RMB58,834,000.00.

Note: The committed net profit is derived from the asset appraisal report. During the commitment period of the asset appraisal report, the net profit showed a declining trend year by year, mainly because the Target Company's textbook and supplementary teaching materials business was affected by changes in the number of school-age students, textbook and supplementary teaching materials management policies and other factors. The decline in the committed net profit for the year 2029 is also affected by corporate income tax. The Target Company enjoys an exemption from corporate income tax until the end of 2028, and will be subject to a 15% corporate income tax rate under the Western Development Program from 2029.

An auditor appointed by the Company shall audit the financial report prepared by the Target Company in accordance with the China Accounting Standards for Business Enterprises for the Performance Commitment Period and issue an audit report after the end of each of the above-mentioned financial years and the Performance Commitment Period, respectively and the audit report shall be final, conclusive and binding on Sichuan Xinhua Publishing and Distribution Group and the Company.

If, upon the foregoing review, the accumulated actual net profit of the Target Company for the entire Performance Commitment Period is lower than the agreed cumulative committed net profit, Sichuan Xinhua Publishing and Distribution Group shall, after the end of the Performance Commitment Period, compensate the Company in full in cash for the difference between the actual cumulative net profit and the cumulative committed net profit of the Target Company for the Performance Commitment Period.

“Actual net profit” and “Committed net profit” both refer to the net profit of the Target Company as audited by an audit institution qualified under the Securities Law of the PRC, after deducting non-recurring gains and losses and the rental income derived during the Performance Commitment Period from investment properties acquired prior to the benchmark date. Non-recurring gains and losses do not include government subsidies relating to book publishing.

The Company will comply with the relevant disclosure requirements (including Rule 14A.63 of the Listing Rules) in the event that the actual performance of the profit guarantee as set out above fails to meet the relevant guarantee.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company incorporated in the PRC and is principally engaged in publications in minority languages such as Tibetan language and Yi language, publications on ethnic culture, compiling ancient ethnic texts, thematic publications, and academic publications on ethnic studies.

As at the date of this announcement, the registered capital of the Target Company is RMB10,000,000.00, which is fully owned by Sichuan Xinhua Publishing and Distribution Group.

In December 2021, the Target Company was transferred gratuitously from Sichuan Party Construction Periodical Press Group to Sichuan Xinhua Publishing and Distribution Group. Details of the free transfer, please refer to the announcements of the Company dated 12 November 2021 and 16 December 2021.

According to the information provided by the Target Company, as at 31 March 2026, the Target Company's total assets as extracted from the latest audited financial statements amounted to RMB433,576,709.82, and its net assets amounted to RMB121,488,588.42.

Pursuant to the Appraisal Report issued by Tian Jian Hua Heng, the appraised value of the entire equity interest of shareholders of the Target Company as at the Valuation Benchmark Date was RMB345,747,000.00.

The net profit before and after tax of the Target Company for the years ended 31 December 2024 and 31 December 2025 as extracted from the latest audited financial statements are set out as follows, respectively:

	Year ended 31 December	
	2024	2025
	<i>RMB0'000</i>	<i>RMB0'000</i>
Net profit (before tax)	2,370.91	2,178.75
Net profit (after tax)	1,897.79	2,178.75

Note: The Target Company is exempt from enterprise income tax from 2024 to 2028. The difference between the net profit before and after tax in 2024 was attributable to the deferred tax assets arising from the tax-accounting differences in respect of impairment provisions for accounts receivable, inventories, fixed assets and other items made in 2023 and prior years being reversed to deferred tax expense upon the commencement of the tax exemption in 2024.

Upon completion of the Potential Acquisition, the Company will hold 100% equity interest in the Target Company, which will become a wholly-owned subsidiary of the Company, and its financial statements will be consolidated into the consolidated financial statements of the Group.

INFORMATION ON THE PARTIES

The Company is principally engaged in the publishing and distribution of publications and related products in the PRC.

Sichuan Xinhua Publishing and Distribution Group is a wholly state-owned company incorporated in the PRC and is principally engaged in the businesses of wholesale and retail of goods, property leasing, real estate, software and hotels.

As at the date of this announcement, Sichuan Xinhua Publishing and Distribution Group is a subsidiary of Sichuan Development (the ultimate de facto controller of Sichuan Development is the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government), and is the controlling shareholder of the Company, holding approximately 39.84% equity interest in the Company and is therefore a connected person of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

In recent years, the Group has focused on the development of the mainline business of publishing and distribution under its strategic plan. The Target Company holds an authoritative position and boasts scale advantages in fields, such as Tibetan language, Yi language, and academic ethnic studies. The Target Company has collected a lot of ancient ethnic literature and academic resources, and has a strong team of authors and significant brand influence. The Potential Acquisition will enable the Company to further improve its position in ethnic publications, enrich its content supply system, and enhance industry resilience and core competitiveness, thereby facilitating the high-quality development of its main business. Meanwhile, the Potential Acquisition can help solve the potential horizontal competition issue with the controlling shareholder and further guarantee corporate governance compliance.

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement and the Potential Acquisition are determined after arm's length negotiations between the parties, which are fair and reasonable and entered into on normal commercial terms or better in the Group's ordinary course of business and are in the interests of the Company and its shareholders as a whole.

PROFIT FORECAST IN RELATION TO THE VALUATION METHOD OF THE TARGET COMPANY

The consideration of the Potential Acquisition is determined based on the asset valuation result of the entire equity interest of shareholders in the Target Company. According to the Appraisal Report, the market value of the entire equity interest of shareholders in the Target Company on the Valuation Benchmark Date is RMB345,747,000.00.

Tian Jian Hua Heng considered the asset-based approach and the income approach for the valuation. The asset-based approach assesses the fair market value of assets from the perspective of asset replacement while the income approach is to evaluate the value of the enterprise by discounting expected income, which can reflect the overall profitability of an enterprise. There are differences in the calculation results between the two methods. The Target Company has transitioned from the growth stage to the maturity stage with the market size reaching a certain benchmark. Future earnings are forecasted based on the current scale considering reasonable increments, with a certain supporting basis for the forecast of future earnings. Having conducted an investigation into the financial status of the Target Company and analyzed its operating status, combined with the subject of the asset valuation, purpose of the valuation, and applicable value types, upon comparative analysis, Tian Jian Hua Heng is of the view that the valuation conclusion from the income approach can more comprehensively and reasonably reflect the embedded value of the Target Company and therefore, the income approach appraisal results are adopted as the final appraisal conclusion of the Appraisal Report.

Given that the Appraisal Report has adopted the income approach in valuing the entire equity value in the Target Company, the calculation of the entire equity value in the Target Company as set out in the Appraisal Report shall be regarded as a profit forecast under Rule 14.61 of the Listing Rules. This announcement discloses, in compliance with the requirements under Rule 14.60A of the Listing Rules regarding profit forecasts, the principal assumptions (including commercial assumptions) on which the Appraisal Report is based as follows:

(I) Premises and Assumptions

1. Trading assumption: Assuming that all the assets to be valued have already been in the transaction process, the appraiser conducts the valuation based on the simulated market conditions such as the transaction conditions of the assets to be valued.
2. Open market assumption: Assuming that both parties to an asset transaction or a proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the assets. The open market assumption is based on the fact that assets can be publicly traded in the market.
3. Enterprise going concern assumption: Assuming that the Target Company will maintain its current business model as a going concern.

(II) Special Assumptions

4. The Target Company is subject to the tax policy under “I. (I) an operational cultural institution that is converted into an enterprise shall be exempt from enterprise income tax for five years from the date of registration upon conversion” of the Announcement on Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises for Continuous Implementation of Cultural System Reform (Announcement of the Ministry of Finance, the State Taxation Administration and Publicity Department No. 71 of 2023). Accordingly, the Target Company may enjoy such enterprise income tax exemption treatment until the end of 2028. Prior to the completion of the Target Company’s conversion in 2023, its principal business belonged to the category of encouraged industries in the western territories and was applicable to the policy set forth in the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Extension of Income Tax Policy for Enterprises Involved in Western China Development (Announcement of the Ministry of Finance No. 23 of 2020). Therefore, the Target Company is entitled to a preferential enterprise income tax rate of 15%. This appraisal is based on the following assumptions: upon the expiration of the Target Company’s enterprise income tax exemption in 2028, it will continue to be entitled to the preferential enterprise income tax rate of 15% for enterprises involved in the Western Development from 2029; and upon the expiration of the preferential enterprise income tax rate of 15% for enterprises involved in the Western Development in 2030, that preferential enterprise income tax rate will be extended in 2031 and beyond.
5. Pursuant to the Announcement on Continuously Promoting Cultural Value-added Tax Preferential Policies (Announcement of the Ministry of Finance and the State Taxation Administration No. 60 of 2023), publications in minority languages are applicable to the policy of 100% refund upon levy of VAT at the time of publishing. All categories of books, periodicals, audio and video products and electronic publications (excluding those publications that are applicable to 100% refund upon levy of VAT as specified in this Announcement) are applicable to the policy of 50% refund upon levy of VAT at the time of publishing. Given that the policy of tax preference has been extended multiple times and has been implemented for many years, this appraisal assumes that the aforementioned publications of the Target Company, during the forecast period, will continue to be applicable to the policy of refund upon levy of VAT at the time of publishing.
6. The Target Company has received relatively stable subsidies for textbooks in minority languages in each of the historical years. Given the special circumstances of the Target Company, this appraisal assumes that the Target Company will continue to receive fixed subsidies for textbooks in minority languages during the definite forecast period, and the amount of the subsidies will be adjusted in proportion to the income derived from textbooks and supplementary materials on the basis of the fixed amount of subsidies for 2025.
7. In each of the historical years, the Target Company applied for relevant national publishing funds and special funds for publications in minority languages, and received subsidies from the corresponding special book publishing funds. This appraisal assumes that the Target Company has businesses that can continuously obtain support from book publishing funds during the definite forecast period and forecasts that it will receive a certain amount of subsidies from the special book publishing funds.

8. Unless otherwise stated, assuming that the Target Company is in full compliance with all relevant laws and regulations and that the management of the Target Company is responsible for fulfilling the obligations of the asset owners and that the relevant assets are properly and effectively managed.

(III) General Assumptions

9. Assuming that there will be no material changes in the current industrial policies and no new laws and regulations (whether favorable or unfavorable) will be promulgated.
10. There will be no material changes in the relevant prevailing laws, regulations and policies of the PRC and the macroeconomic situation of the PRC, no material changes in the political, economic and social environment of the regions where the parties to the transaction are located, and no material adverse impact caused by other unpredictable and force majeure factors.
11. The appraiser fully understands the current macroeconomic situation, and the fluctuations in the interest rate and exchange rate of RMB, but limited to their professional level and ability, the appraiser cannot predict its future trend. Therefore, the appraiser assumes that the interest rate and exchange rate of RMB will not change significantly at the current level.
12. For the information and data provided by the client and other parties on which the valuation conclusion is based, the appraiser assumes that it is credible and have conducted necessary verification in accordance with the valuation procedures, but the appraiser does not guarantee the authenticity, legality and completeness of such information and data.
13. Assuming that all licenses, use permits, consent letters or other legal or administrative authorization documents issued by relevant local, national government agencies, private organizations or groups necessary for the use of the assets on which the value estimate is based have been or can be updated at any time.

Appraisal Model

This appraisal selects the cash flow discount method, which takes the enterprise free cash flow as the quantitative indicator of the enterprise's expected income, and uses the matching weighted average capital cost model (WACC) to calculate the discount rate.

$$E = V - D \quad \text{Formula 1}$$

$$V = P + C_1 + C_2 \quad \text{Formula 2}$$

where:

E: value of the entire equity interest of shareholders;

V: enterprise value;

D: appraised value of the interest-bearing debts;

P: appraised value of operating assets;

C₁: appraised value of surplus assets;

C₂: appraised value of non-operating assets;

Among them, the appraised value P of operating assets in Formula 2 is calculated through the following formula:

$$P = \sum_{t=1}^n \left[R_t \times (1 + r)^{-t} \right] + \frac{R_{n+1}}{(r-g)} \times (1 + r)^{-n} \quad \text{Formula 3}$$

The first half of the above equation represents the value during the definite forecast period, while the second half represents the value during the perpetual period (final value).

In Formula 3:

R_t : the enterprise free cash flow in t period during the definite forecast period;

t : the number of the definite forecast periods, 1, 2, 3, ..., n ;

r : discount rate;

R_{n+1} : the enterprise free cash flow during the perpetual period;

g : the growth rate of the perpetual period, determined comprehensively in this appraisal and analysis;

n : the last year during the definite forecast period.

Determination of Key Parameters in the Model

1. Determination of Income Period

The income period in the appraisal of enterprise value usually refers to the number of years for an enterprise to receive future income. The income period of the enterprise can be divided into limited and unlimited periods based on the characteristics of production and operation, as well as relevant laws, regulations, agreements and contracts to reasonably predict the future income of the enterprise.

As the appraised enterprise was operating normally on the Valuation Benchmark Date, there was no limitation on the useful life of the core assets affecting its going concern, no limitation on the term of its production and operation, and no limitation on the term of ownership of investors, and the enterprise could be operated perpetually by way of continuation. Therefore, this Appraisal Report assumes that the appraised enterprise operates as a going concern after the Valuation Benchmark Date, and the corresponding income period is indefinite. Recent income of the enterprise can be reasonably forecasted relatively and forecast of long-term income is of a lower rationality, therefore, according to general evaluation practice, appraisers have divided the income period of the enterprise into definite forecast period and post-definite forecast period. That is: Value of operating business = value during the definite forecast period + value after the definite forecast period (final value).

After a comprehensive analysis, appraisers determined that the period from the Valuation Benchmark Date to 2031 constitutes the definite forecast period, and the period beginning in 2032 constitutes the perpetual period.

2. Determination of Expected Income

The free cash flow of the enterprise will be used as a quantitative indicator of the expected income of the enterprise.

The free cash flow of the enterprise refers to the total cash flow before cash is paid to the claimants of the company after operating expenses and income tax are paid. The calculation formula:

The free cash flow of the enterprise = net profit after tax + depreciation and amortization + interest expenses $\times$ (1-tax rate T) – capital expenditures – changes in working capital.

3. Determination of Discount Rate

There are various methods and ways to determine discount rate. Based on the principle of consistency between income amount and discount rate, the income amount is valued using the free cash flow of the enterprise in this valuation; thus, the weighted average cost of capital (WACC) is selected to determine the discount rate.

(1) Capital structure (D/E)

The Target Company has no interest-bearing liabilities as at the benchmark date and during the forecast period, therefore its capital structure was determined to be 0.

(2) Cost of equity capital (Ke)

The cost of equity capital is determined using the Capital Asset Pricing Model (CAPM), as follows:

- (i) Risk-free rate of return (Rf). The yield to maturity of 10-year government bonds as at the Valuation Benchmark Date, being 1.82%, is adopted as the risk-free rate of return.
- (ii) Market risk premium (Mrp). The market risk premium is the difference between the average market rate of return and the risk-free rate over a certain period. The CSI 300 Index is adopted to measure the market risk premium. The market risk premium of China as at the Valuation Benchmark Date is 6.12%.
- (iii) Beta coefficient (β). Based on the industry in which the Target Company operates and its capital structure D/E, the beta coefficient β_L of the Target Company is calculated as 0.8578 by reference to the weighted unlevered adjusted β_U of comparable listed companies in the industry.
- (iv) Company-specific risk factor (Rc). The company-specific risk (unsystematic risk) factor is determined to be 3.00% by considering the uncertainties in the Target Company's future operations from the perspectives of financial risk, market competition risk, risk of dependence on major customers and suppliers, and risk of changes in the business model.

(3) Pre-tax cost of debt (K_d)

The Target Company has no interest-bearing liabilities as at the benchmark date and during the forecast period, therefore the cost of debt is 0.

(4) Discount rate

Based on the calculations, the discount rate adopted in this valuation is 10.07%.

4. Determination of the Value of Interest-bearing Debts

The Target Company has no interest-bearing debts as at the benchmark date and during the forecast period, therefore the cost of debt is 0.

5. Terminal value (TV)

The terminal value of the unlevered free cash flow (UFCF) is determined using the Gordon perpetual growth model, assuming that the UFCF grows in perpetuity at a stable growth rate (g). On the basis of prudence, the perpetual growth rate is taken as $g = 0$.

6. Calculation of the value of operating assets (P)

The unlevered free cash flows are discounted to the Valuation Benchmark Date using the weighted average cost of capital (WACC) to arrive at the enterprise value.

Appraised value of operating assets: $P = \text{RMB}135,446,300.00$.

7. Determination of the Value of Surplus Assets and Non-Operating Assets

Surplus assets represent surplus monetary funds, with a book value and appraised value of $\text{RMB}28,393,000.00$, and the appraised value is determined based on the verified book value.

Non-operating assets represent assets and liabilities unrelated to the operation of the core business, including other receivables, other current assets, investment properties, fixed assets unrelated to operating businesses, development expenditures, other non-current assets and other payables. Their appraised value is determined using appropriate appraisal methods, which is $\text{RMB}181,907,700.00$.

CONFIRMATION

KPMG Huazhen, the auditors of the Company, has reviewed and reported to the Directors of the calculations on the discounted future cash flows on which the Appraisal Report is based. The Directors confirmed that the appraised value of the entire equity interest in the Target Company has been made after due and careful enquiries. The report from KPMG Huazhen and the letter from the Board are set out in Appendix I and Appendix II to this announcement, respectively.

PROFESSIONAL INSTITUTIONS AND CONSENTS

The qualifications of Tian Jian Hua Heng and KPMG Huazhen are as follows:

Name	Qualification
Sichuan Tian Jian Hua Heng Assets Appraisal Co., Ltd.* (四川天健華衡資產評估有限公司)	An independent qualified asset appraisal institution in the PRC
KPMG Huazhen LLP	Chinese Certified Public Accountant

To the best knowledge, information and belief of the Board after having made all reasonable enquiries, Tian Jian Hua Heng and KPMG Huazhen are independent third parties of the Company and its connected persons. As at the date of this announcement, none of Tian Jian Hua Heng and KPMG Huazhen has any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for securities in any member of the Group. Each of Tian Jian Hua Heng and KPMG Huazhen has given and has not withdrawn its written consent to the publication of this announcement with the inclusion of its opinion and advice and all references to its name in the form and context in which they are included.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Sichuan Xinhua Publishing and Distribution Group is the controlling shareholder of the Company, which holds approximately 39.84% equity interest in the Company. Accordingly, Sichuan Xinhua Publishing and Distribution Group is a connected person of the Company under Chapter 14A of the Listing Rules and the Potential Acquisition constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios for the Potential Acquisition are higher than 0.1% but all are less than 5%, the Potential Acquisition is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.68 of the Listing Rules and the articles of association of the Company, Mr. Zhou Qing, Mr. Li Kun, Mr. Liu Longzhang and Mr. Ke Jiming, all being Directors, may be deemed to have a material interest in the Potential Acquisition. Therefore, they have abstained from voting on the Board resolution in relation to the approval of the Potential Acquisition. Save for the Directors mentioned above, none of the Directors has a material interest in the Potential Acquisition and is required to abstain from voting.

As at the date of this announcement, the Company and Sichuan Xinhua Publishing and Distribution Group have not entered into a formal agreement in relation to the Potential Acquisition. The formal agreement in relation to the Potential Acquisition shall not be signed until the SASAC Approval has been received. Upon the execution of the Equity Transfer Agreement, the Company will issue a separate announcement in due course according to the requirements of the Listing Rules.

Given that the Potential Acquisition is subject to the satisfaction of certain conditions (including the SASAC Approval), the Potential Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Appraisal Report”	the appraisal report on the entire equity interest of shareholders in the Target Company, which is issued by Tian Jian Hua Heng
“Board”	the board of directors of the Company
“Company”	Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement in relation to the Potential Acquisition to be entered into by the Company and Sichuan Xinhua Publishing and Distribution Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“KPMG Huazhen”	KPMG Huazhen LLP, the auditors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Performance Commitment Period”	from 1 April to 31 December 2026, 2027, 2028, and 2029
“Potential Acquisition”	the proposed acquisition of the Target Interest from Sichuan Xinhua Publishing and Distribution Group by the Company pursuant to the proposed terms and conditions of the Equity Transfer Agreement
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC Approval”	approval from the State-owned Assets Supervision and Administration Commission
“Shareholder(s)”	the shareholder(s) of the Company

“Sichuan Development”	Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限公司), a company incorporated in the PRC with limited liability, which indirectly controls the Company through Sichuan Xinhua Publishing and Distribution Group
“Sichuan Xinhua Publishing and Distribution Group”	Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司), a company incorporated in the PRC with limited liability, which is the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Sichuan Minzu Publishing House Limited* (四川民族出版社有限公司), a company incorporated in the PRC with limited liability
“Target Interest”	the 100% equity interest in the Target Company held by Sichuan Xinhua Publishing and Distribution Group
“Tian Jian Hua Heng”	Sichuan Tian Jian Hua Heng Assets Appraisal Co., Ltd.* (四川天健華衡資產評估有限公司), an independent qualified asset appraisal institution in the PRC
“Valuation Benchmark Date”	31 March 2026
“%”	per cent

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

Sichuan, the PRC, 21 September 2026

As at the date of this announcement, the Board comprises (a) Mr. Zhou Qing, Mr. Liu Longzhang and Mr. Li Kun as executive Directors; (b) Mr. Ke Jiming and Ms. Tan Ao as non-executive Directors; and (c) Mr. Lau Tsz Bun, Mr. Deng Fumin and Mr. Han Wenlong as independent non-executive Directors.

* *For identification purposes only*

APPENDIX I REPORT FROM KPMG HUAZHEN LLP IN RELATION TO DISCOUNTED FUTURE CASH FLOWS

The following is the text of a report received from the Company's Reporting Accountants, KPMG Huazhen, for inclusion in this announcement

REPORT ON THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE APPRAISAL OF THE 100% EQUITY INTEREST IN SICHUAN MINZU PUBLISHING HOUSE LIMITED*

TO THE BOARD OF DIRECTORS OF XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.

We refer to the discounted future cash flows on which the appraisal report (the "Appraisal") dated 21 July 2026 prepared by Sichuan Tian Jian Hua Heng Assets Appraisal Co., Ltd.* (四川天健華衡資產評估有限公司) in respect of the appraisal of the appraisal value of the 100% equity interest of Sichuan Minzu Publishing House Limited* (四川民族出版社有限責任公司) (the "Target Company") as at 31 March 2026 is based. The Appraisal is prepared using the income approach, which evaluates the value of the enterprise using discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' Responsibilities

The directors of Xinhua Winshare Publishing and Media Co., Ltd. (the "Directors") are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Appraisal. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Appraisal and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by paragraph 14.60A(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Appraisal. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of Opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Appraisal. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Appraisal.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Company or an expression of an audit or review opinion on the Appraisal.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

KPMG Huazhen LLP

Beijing, China

21 September 2026

* *For identification purposes only*

APPENDIX II LETTER FROM THE BOARD IN RELATION TO PROFIT FORECAST

Set out below is the full text of the letter from the Board in relation to profit forecast for the purpose of inclusion in this announcement. This letter is prepared in Chinese and translated into English. In case there is any inconsistency, the Chinese version shall prevail.

To: Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square,
8 Connaught Place, Central, Hong Kong

Dear Sir or Madam,

Company: Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司)
(the “**Company**”)

Re: Profit Forecast – Letter of Confirmation as required under Rule 14.60A(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)

Reference is made to the appraisal report (the “**Appraisal Report**”) dated 21 July 2026 prepared by Sichuan Tian Jian Hua Heng Assets Appraisal Co., Ltd.* (四川天健華衡資產評估有限公司) (the “**Appraiser**”) on the value of the entire equity interest in Sichuan Minzu Publishing House Limited* (四川民族出版社有限責任公司) using the income approach.

The board of directors (the “**Board**”) of the Company has reviewed and discussed with the Appraiser the bases and assumptions of the appraisal. The Board has also considered the report dated 21 September 2026 issued by KPMG Huazhen LLP, the auditors of the Company, on the calculations of the discounted future cash flows used in the Appraisal Report.

Pursuant to the requirements under Rule 14.60A(3) of the Listing Rules, the Board confirms that the profit forecast used in the above-mentioned Valuation Report has been made after due and careful enquiry.

On Behalf of the Board
XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*
Chairman
Zhou Qing

21 September 2026

* For identification purpose only