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)

DISCLOSEABLE TRANSACTION
TRANSFER OF 48% EQUITY INTEREST IN THE TARGET COMPANY

EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that, on 12 April 2017 (after trading hour), the Company entered into the Equity Transfer Agreement with the Transferee, pursuant to which the Company shall transfer its equity interests in the Target Company and the Transferee shall accept the Target Interest at a consideration of RMB423,529,400.00. Upon Completion, the Company shall no longer hold any interest in the Target Company.

LISTING RULES IMPLICATIONS

As the maximum applicable percentage ratios for the Equity Transfer under the Listing Rules are higher than 5% but less than 25%, the Equity Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement.

INTRODUCTION

References are made to the overseas regulatory announcements of the Company dated 22 August 2016 and 3 March 2017. The Board announced that, on 12 April 2017 (after trading hour), the Company entered into the Equity Transfer Agreement with the Transferee, pursuant to which the Company shall transfer its equity interests in the Target Company and the Transferee shall accept the Target Interest at a consideration of RMB423,529,400.00. Upon Completion, the Company shall no longer hold any interest in the Target Company.

EQUITY TRANSFER AGREEMENT

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

Date : 12 April 2017 (after trading hour)

Parties : (i) The Company, as transferor

(ii) Sichuan Taihe Real Estate Group Co., Ltd.* (四川泰合置業集團有限公司), as Transferee

To the best knowledge, information and belief of the directors having made all reasonable enquiries, the Transferee and its ultimate beneficial owner are third parties independent of the Company and its connected person.

Assets to be Transferred

According to the Equity Transfer Agreement, the Company shall transfer the Target Interest and the Transferee shall accept the Target Interest.

Consideration for the Transfer

The consideration payable for the transfer of the Target Interest is RMB423,529,400.00, which shall be payable by the Transferee to the Company in cash within 5 working days from the date of signing of the Equity Transfer Agreement.

The transfer consideration is determined by the Company and the Transferee after arm's length negotiation and taking into consideration of the valuation of the total audited assets and liabilities of the Target Company as at 30 November 2015 conducted by China Enterprise Appraisal Co., Ltd. Southwestern Branch (北京中企華資產評估有限責任公司西南分公司), and other factors including the current situation of the Company and market condition.

As agreed by the Company and the Transferee, the valuation date of the Target Interest is 30 November 2015. During the period from the valuation date until the date of completion of relevant changes for industrial and commercial registration, the gain or loss and risks attributable to the Target Interest shall be vested to or borne by the Transferee.

The directors consider that the terms of the agreement are determined upon arm's length negotiation base on normal commercial terms, and are fair and reasonable and in the interests of the Company and the shareholders of the Company taken as a whole.

Rights for Use of Brand

Upon the Equity Transfer, the Company will retrieve the rights of the Target Company and its subsidiaries for using the "Winshare/WenXuan (文軒)" brand. The Target Company and its subsidiaries shall stop using any promotional material and product under the name of "Winshare/WenXuan", and stop launching any campaign under the name of "Winshare/WenXuan". Relevant change shall be completed within one year and nine months from the effective date of the Equity Transfer Agreement, and the change of name shall be announced to the public in an effective method. In the event that relevant change cannot be completed on schedule, the Target Company shall pay brand use fee of RMB5 million per year (less than one year shall be deemed as one year) until the aforesaid change has been completed.

Completion

Completion has been processed immediately after the signing of the Equity Transfer Agreement. Upon Completion, the Company shall no longer hold any interest in the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company incorporated on 6 July 2012 in accordance to the PRC laws. It primarily engages in project investment, and its revenue is mainly generated from the equity investment and operation of its three wholly-owned education entities, including Sichuan Winshare Vocational College. Prior to the Equity Transfer, the Company held 48% equity interest in the Target Company.

The audited financial data of the Target Company for the two financial years ended 31 December 2015 and 31 December 2016, which was prepared in accordance with the China Accounting Standards for Business Enterprises, is set out below:

	For the year ended 31 December 2015 *(RMB)*	**For the year ended 31 December 2016** *(RMB)*
Profit/(loss) before tax	18,002,946.44	10,635,632.63
Profit/(loss) after tax	17,993,431.44	10,621,009.62

As at 31 December 2016, the audited net asset of the Target Company amounted to approximately RMB688,845,603.92.

GENERAL INFORMATION ON THE TRANSFEREE

Transferee is an investment holding company. Its operating scope included: hotel management, shopping mall management, storage (excluding hazardous and chemical products), and development and sale of real estate. To the best knowledge, information and belief of the directors having made all reasonable enquiries, the Transferee and its ultimate beneficial owner are third parties independent of the Company and its connected person.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER

The Group primarily engages in the publishing and issuing of publications and relevant products in China.

The transfer of 48% equity interest in the Target Company is conducted base on the governance and control of the Company on the Target Company, the evaluation on current operating condition and overall arrangement for the future strategy and development of the Company. Through disposal of ineffective asset, the asset structure of the Company can be further optimised, and asset quality can be improved with better resource allocation, thus making the business structure of the Company more rational. Upon Completion, the Company shall immediately no longer hold any interest in the Target Company. As the transfer has to be conducted through tendering in accordance with rules in relation to state-owned asset transfer, the target asset is disposed at the base price for tendering. The Company can realise gain of approximately RMB115 million (figure to be disclosed in 2017 annual audit report of the Company shall prevail), which will be used for general working capital of the Group.

After taking into account of the aforesaid reasons for and benefits of the Equity Transfer, the directors consider that the terms of the Equity Transfer Agreement are fair and reasonable, and the Equity Transfer is in the interests of the Company and the shareholders taken as a whole.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratio(s) (as defined under the Listing Rules) for the Equity Transfer is/are higher than 5% but less than 25%, the Equity Transfer constitutes a discloseable transaction of the Company, and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"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), a joint stock limited company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed on the Shanghai Stock Exchange and the Stock Exchange respectively
"Completion"	the completion of Equity Transfer in accordance with the Equity Transfer Agreement
"Equity Transfer"	the transfer of 48% equity interest in the Target Company by the Company to the Transferee
"Equity Transfer Agreement"	the Equity Transfer Agreement dated 12 April 2017 entered into between the Company and the Transferee in relation to the transfer of all equity interest in the Target Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"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
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Sichuan Wenxuan Zhuotai Industrial Co., Ltd.* (四川文軒卓泰投資有限公司), a limited liability company incorporated in the PRC
"Target Interest"	48% equity interest in the Target Company held by the Company
"Transferee"	Sichuan Taihe Real Estate Group Co., Ltd.* (四川泰合置業集團有限公司), a limited liability company incorporated in the PRC
"%"	per cent.

By order of the Board
Xinhua Winshare Publishing and Media Co., Ltd.*
He Zhiyong
Chairman

Sichuan, the PRC, 12 April 2017

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 and Mr. Zhang Peng as non-executive Directors; and (c) Mr. Han Liyan, Mr. Chan Yuk Tong and Ms. Xiao Liping as independent non-executive Directors.

* *For identification purposes only*