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)

CONNECTED TRANSACTION ESTABLISHMENT OF A JOINT VENTURE

THE INVESTMENT AGREEMENT

On 10 May 2017 (after trading hours), Wenchuan Logistics, a wholly-owned subsidiary of the Company, entered into the Investment Agreement with BLOGIS Holdings and Chengdu Longchuang, to jointly establish Winshare BLOGIS Company (name subject to approval by Chengdu Administration for Industry and Commerce). Pursuant to the Investment Agreement, Wenchuan Logistics agreed to contribute approximately RMB45,000,000 in total, including (i) RMB6,853,100 in cash and (ii) the land use rights and the projects under construction of Wenchuan Logistics located at plot no. 7, Chengdu International Container Logistics Park, Qingbaijiang District, Chengdu (priced at RMB38,146,900). BLOGIS Holdings and Chengdu Longchuang agreed to contribute RMB40,000,000 and RMB15,000,000 respectively. After the establishment of Winshare BLOGIS Company, Wenchuan Logistics, BLOGIS Holdings and Chengdu Longchuang will hold 45%, 40% and 15% equity interest in Winshare BLOGIS Company respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zhao Junhuai, a former non-executive Director of the Company who resigned less than 12 months ago, served as the executive partner of Chengdu Longchuang, and Mr. Zhao Junhuai is also a general partner of Chengdu Longchuang holding 53.33% equity interests. Therefore, Chengdu Longchuang is an associate of Mr. Zhao Junhuai. The transaction contemplated under the Investment Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, as the applicable percentage ratios calculated for transactions contemplated under the Investment Agreement is more than 0.1% but less than 5%, therefore entering into the Investment Agreement is only subject to the reporting and announcement requirements but exempt from the requirement of approval from the independent shareholders of the Company.

Introduction

The Board announces that, on 10 May 2017 (after trading hours), Wenchuan Logistics, a wholly-owned subsidiary of the Company, entered into the Investment Agreement with BLOGIS Holdings and Chengdu Longchuang, to jointly establish Winshare BLOGIS Company.

Investment Agreement

The principal terms of the Investment Agreement are set forth as follows:

1. Date

10 May 2017 (after trading hours)

2. Parties

(i) Wenchuan Logistics, a wholly-owned subsidiary of the Company
(ii) BLOGIS Holdings
(iii) Chengdu Longchuang

Mr. Zhao Junhuai, a former non-executive Director of the Company who resigned less than 12 months ago, served as the executive partner of Chengdu Longchuang, and Mr. Zhao Junhuai is also a general partner of Chengdu Longchuang holding 53.33% equity interests. Therefore, Chengdu Longchuang is an associate of Mr. Zhao Junhuai, and thus a connected person of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, both BLOGIS Holdings and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

3. Objective and Scope of Business

Winshare BLOGIS Company is planned to be established in Jinjiang District, Chengdu, China (tentatively), which aims to deepen the development and utilisation of the existing logistic land resources of the Company, explore the supply chain management services and related business and actively cultivate and form the profit drivers for the Company's diversified business through the cooperation between Wenchuan Logistics and BLOGIS Holdings and leveraging the experience of BLOGIS Holdings in the development and operation of logistics parks.

(i) Intended scope of business: supply chain finance; international freight forwarding services; customs declaration agency services; dedicated cargo transport (container and cold storage); transportation of large scale goods; transportation of ordinary goods; warehousing, transportation (excluding hazardous goods) and related information services; loading and unloading services; logistic processing (excluding restricted categories); logistic equipment and facilities leasing and related property management; logistic business agency services; logistic consultancy and planning (for the above items subject to approval by laws, the business of which can only be carried out upon approval by relevant authorities); domestic trade; international trade; import and export agency, cargo transport agency, and shipping agency services; container disassembling, assembling, distribution, storage and repair; import and export of goods and technologies (except for items prohibited by the laws and administrative regulations, and for items restricted by the laws and administrative regulations, approval must be obtained before the business activities can be carried out); provision of domestic labour services (excluding labour dispatch); international freight transport; e-commerce supply chain systems, e-commerce application systems, technological development, consultancy, technical service, transfer of R&D achievements in intelligent warehousing and transportation system; management, consultancy and training on e-commerce supply chain.

(ii) The basic information of Winshare BLOGIS Company is subject to the final approval of and registration with the industrial and commercial administrative authorities.

4. Registered Capital

The registered capital of the Winshare BLOGIS Company will be RMB100,000,000, which will be contributed by Wenchuan Logistics (i) in cash of RMB6,853,100 and (ii) fair market value of the land use rights and the projects under construction of Plot no.7 of Chengdu International Container Logistic Park located at Qingbaijiang District, Chengdu, which is equivalent to RMB38,146,900, totalling RMB45,000,000 and accounting for 45% of the total equity interests; by BLOGIS Holdings in cash of RMB40,000,000, accounting for 40% of the total equity interests; and by Chengdu Longchuang in cash of RMB15,000,000, accounting for 15% of the total equity interests of Winshare BLOGIS Company.

The Parties shall complete their respective contributions in full within three months upon the incorporation of Winshare BLOGIS Company.

If Winshare BLOGIS Company proposes to increase its registered capital, the Parties shall be entitled to contribute to the increased share capital in proportion of their actual capital contribution.

Contributions under the Investment Agreement were determined by the Parties through arm's length negotiations with reference to the estimated capital needs under the Investment Agreement. The contribution of Wenchuan Logistics, a wholly-owned subsidiary of the Company, will be financed by internal resources.

5. Term

The term of joint venture of Winshare BLOGIS Company will be fifty (50) years, commencing from the date on which its business license is issued.

6. Composition of the Board of Directors, Supervisory Committee and Senior Management

The board of directors of Winshare BLOGIS Company comprises five directors, two of which will be appointed by Wenchuan Logistics, two by BLOGIS Holdings and one by Chengdu Longchuang. The chairman of the board of directors shall be one of the directors appointed by Wenchuan Logistics, who will also be the legal representative of Winshare BLOGIS Company; the vice chairman shall be one of the directors appointed by BLOGIS Holdings, and the directors will serve for a term of three years. The supervisory committee of Winshare BLOGIS Company comprises three supervisors, with the chairman to be recommended by BLOGIS Holdings and one supervisor recommended by Wenchuan Logistics. An employee supervisor shall be appointed from the recommended candidates after appraisal at the shareholders' meeting, to form the supervisory committee with the other two supervisors. The supervisors will serve for a term of three years. A financial controller will be appointed to Winshare BLOGIS Company, which shall be recommended by BLOGIS Holdings and appointed by the board of directors. The general manager, vice general manager and financial controller shall be appointed by the board of directors for a term of three years.

7. **Sharing of profits/losses**

According to the Investment Agreement, shareholders shall assume the debts of Winshare BLOGIS Company based on their respective subscribed capital contribution, with dividends distributed to them in proportion to their respective actual capital contribution.

8. **Equity Transfers**

Upon unanimous agreement from the Parties, shareholders can transfer their equity interests, whether in whole or in part, amongst themselves. When shareholders other than Chengdu Longchuang transfer his or her equity interests to a party who is not a shareholder, approval of more than a half of other shareholders shall be obtained. Notwithstanding any other agreements set out in the Investment Agreement, the transferor shall not transfer its equity interests to the entity that may compete with the principal business of Winshare BLOGIS Company without the prior written consent of the non-transferor.

Shareholders of Winshare BLOGIS Company shall be informed 10 working days in advance in respect of the joining, withdrawal and transfer of capital contribution among themselves of Chengdu Longchuang.

Information on the Company

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

Information on Wenchuan Logistics

Wenchuan Logistics is a wholly owned subsidiary of the Company established under the laws of the PRC with limited liability on 18 April 2011. The business scope of the Company includes international freight forwarding services; customs declaration agency services; dedicated cargo transport (container and cold storage); transportation of large scale goods; transportation of ordinary goods; warehousing; transportation (excluding hazardous goods) and related information services; loading and unloading services; logistics processing (excluding restricted categories); logistics equipment and facilities leasing and related property management; logistics business agency services; logistics consultancy and planning.

Information in BLOGIS Holdings

BLOGIS Holdings is company established under the laws of the PRC with limited liability on 28 July 2011. It is a high-end logistics facility investment platform jointly invested and established by China Nanshan Development (Group) Inc. and Shenzhen Chiwan Petroleum Supply Base Company Limited. The business scope of BLOGIS Holdings includes investment in logistics industry, trading business and related investment consultancy, warehousing agency, leasing of machinery and equipment, domestic freight forwarding, cargo handling, sorting business, logistics information, business information consultancy and domestic trade (except for those items prohibited by laws, administrative regulations and the State Council of the PRC, approval must be obtained for prohibited items before business activities can be carried out).

Information on Chengdu Longchuang

Chengdu Longchuang is a limited partnership established under the laws of the PRC on 5 May 2017. The business scope of Chengdu Longchuang includes investment management, business management services, investment consultancy (engagement in financial activities such as illegal fund-raising and absorption of public funds is prohibited) and business management consultancy (for the items subject to approval by laws, the business of which can only be carried out upon approval by relevant authorities). Chengdu Longchuang's executive partner is Mr. Zhao Junhuai, a general partner holding 53.33% equity interests. Mr. Zhao Junhuai served as a non-executive Director of the Company from 16 October 2007 to 30 March 2017.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF WINSHARE BLOGIS COMPANY

The establishment of Winshare BLOGIS Company is to cater to the rapid business growth and strategic development needs of the Company, which will allow the Company to give full play to and utilise its existing logistics resources in Sichuan Province upon satisfying the logistics needs of its principal activities, and explore and actively carry out various kinds of storage and logistic services through cooperation with third party entities, business retailers, e-commerce enterprises and manufacturing enterprises, thus enhancing the operational efficiency of the logistics base and resources of the Company. The entering into of the Investment Agreement will allow the Parties to cooperate and operate in logistic service, logistic operation experience, e-commerce activities, supply chain financial resources and relevant business, seeking common development with well-complemented resources and strengths among the Parties.

After taking into account of the aforesaid reasons for and benefits of the establishment of Winshare BLOGIS Company, the Directors (including independent non-executive Directors) consider that the terms of the Investment Agreement are on normal commercial terms and are fair and reasonable, and the establishment of Winshare BLOGIS Company is in the interests of the Company and the shareholders taken as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Zhao Junhuai, a former non-executive director of the Company who resigned less than 12 months ago, served as the Executive Partner of Chengdu Longchuang, and Mr. Zhao Junhuai is also a general partner of Chengdu Longchuang holding 53.33% equity interests in it. Therefore, Chengdu Longchuang is an associate of Mr. Zhao Junhuai. The transaction contemplated under the Investment Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, as applicable percentage ratios calculated for transactions contemplated under the Investment Agreement is more than 0.1% but less than 5%, therefore entering into the Investment Agreement is only subject to the reporting and announcement requirements but exempt from the requirement of approval from the independent shareholders of the Company.

None of the Directors has material interest in the transactions contemplated under the Investment Agreement and they are not required to abstain from voting on the board resolution approving the Investment Agreement.

DEFINITIONS

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

"BLOGIS Holdings"	BLOGIS Holdings Limited, a limited liability company incorporated in the PRC
"Board"	the board of Directors of the Company
"Chengdu Longchuang"	Chengdu Longchuang Investment Management Centre LLP* (成都龍創投資管理中心(有限合夥)), a limited liability partnership incorporated in the PRC
"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
"Director(s)"	the director(s) of the Company
"Investment Agreement"	the investment agreement dated 10 May 2017 entered into among the Parties in relation to the establishment of Winshare BLOGIS Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Parties"	Wenchuan Logistics, BLOGIS Holdings and Chengdu Longchuang
"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
"Wenchuan Logistics"	Sichuan Wenchuan Logistics Co., Ltd.* (四川文傳物流有限公司), a limited liability company incorporated in the PRC which is a wholly-owned subsidiary of the Company as at the date of this announcement

"Winshare BLOGIS Company"	Sichuan Winshare BLOGIS Supply Chain Company Limited* (四川文軒寶灣供應鏈有限公司) (name subject to the final approval of Chengdu Administration for Industry and Commerce), a limited liability company incorporated in the PRC pursuant to the Investment Agreement
"%"	per cent.

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

Sichuan, the PRC, 10 May 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*