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
TRANSFER OF 85% EQUITY INTEREST IN THE TARGET COMPANY

EQUITY TRANSFER AGREEMENT

The Board announces that, on 13 September 2017 (after trading hours), the Company entered into the Equity Transfer Agreement with the Transferee, pursuant to which the Company shall transfer its Target Interest and the Transferee shall accept the Target Interest at a transfer consideration of RMB115,803,300.00. Upon Completion, the Target Company shall cease to be a subsidiary of the Company. Therefore, the financial results of the Target Company will no longer be consolidated in the financial statements of the Company after the Completion Date.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Transferee is a controlling shareholder (as defined in the Listing Rules) holding 49.11% equity interest in the Company and is therefore a connected person (as defined in the Listing Rules) of the Company. Accordingly, the Equity Transfer under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios calculated for the transactions under the Equity Transfer Agreement are higher than 0.1% but less than 5%, the Equity Transfer is only subject to the reporting and announcement requirements and exempt from the approval requirement of the independent shareholders of the Company.

INTRODUCTION

The Board announces that, on 13 September 2017 (after trading hours), the Company entered into the Equity Transfer Agreement with the Transferee, pursuant to which the Company shall transfer its Target Interest and the Transferee shall accept the Target Interest at a transfer consideration of RMB115,803,300.00. Upon Completion, the Target Company shall cease to be a subsidiary of the Company. Therefore, the financial results of the Target Company will no longer be consolidated in the financial statements of the Company after the Completion Date.

EQUITY TRANSFER AGREEMENT

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

Date: 13 September 2017 (after trading hours)

Parties: (i) The Company, as transferor

(ii) Xinhua Publishing Group, as Transferee

As at the date of this announcement, the Transferee is a controlling shareholder (as defined in the Listing Rules) holding 49.11% equity interest in the Company and is therefore a connected person (as defined in the Listing Rules) of the Company.

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 RMB115,803,300.00, which shall be payable by the Transferee to the Company in cash within 5 working days from the date of signing the Equity Transfer Agreement.

The transfer consideration is determined by the Company and the Transferee after arm's length negotiation and taking into consideration the valuation of the audited book value of shareholders' equity of the Target Company as at 31 October 2016 conducted by Tian Jian Hua Heng, and other factors including the current situation of the Company and the market conditions.

As agreed by the Company and the Transferee, the valuation date of the Target Interest is 31 October 2016. 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.

VALUATION OF THE TARGET COMPANY

The total shareholders' equity of the Target Company was approximately RMB136,239,200 as at 31 October 2016, the valuation date based on the valuation report dated 27 February 2017 prepared by the Independent Valuer engaged by the Company in relation to the disposal.

The transfer consideration for the Target Interest is RMB115,803,300.00 on the basis of the above valuation results and by reference to various factors such as the current situation of the Company and the market conditions as a whole.

The valuation of the Target Company is deemed to be a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules as the income approach is used in the Target Company Valuation. Accordingly, both Rules 14.60A and 14.62 of the Listing Rules are applicable.

The details of the basis of the valuation assumptions of the Target Company Valuation are set out as follows:

VALUATION ASSUMPTIONS

(I) Pre-assumptions

1. It is assumed that the Target Company will continue operating based on its current operation model.

(II) Special assumptions

1. It is assumed that there will be no material changes in the Target Company's current financial policies, pricing policies.

2. It is assumed that the real estate lease will be successfully renewed upon its expiry, and there will be no material changes in rental levels.

3. Unless otherwise stated, it is assumed that the Target Company will fully comply with all relevant laws and regulations, and it is assumed that the management of the Target Company will fulfill their obligations responsibly as the owner of the assets, and will conduct dutiful and effective management for the relevant assets.

(III) General assumptions

1. It is assumed that there will be no material changes in the current industrial policies, nor will any new laws and regulations be enacted (regardless of whether it is beneficial or adverse).

2. There will be no material changes in the existing relevant laws and regulations policies and macroeconomic conditions of the country; nor will there be any other material adverse impacts arising from unpredictable and force majeure factors.

3. The Independent Valuer fully understands the current macroeconomic conditions, including the fluctuations in interest rates and exchange rates of RMB, but being limited to its professional level and capabilities, it is unable to predict future trends; therefore the Independent Valuer assumed that there will no material changes in the current level of the interest rates and exchange rates of RMB.

4. In terms of the information provided by the principal and other parties on which the conclusion of the valuation is based, the Independent Valuer assumed that the information is credible and has made necessary confirmations according to the valuation procedure, however, the Independent Valuer gives no assurance as to whether the information is truthful, lawful and complete.

5. It is assumed that all licenses, permits, letters of consent or other legal or administrative authorization documents in respect of the way in which the assets were used that were employed as basis of value estimation issued by the relevant local, national government agencies, private or collective organisations or bodies have been or can be renewed at any time.

The Board discussed with the Independent Valuer about different aspects including the bases and assumptions upon which the Target Company Valuation was prepared, and reviewed the Target Company Valuation for which the Independent Valuer was responsible. The Board also considered the report to the Company from DTT, the auditor of the Company, dated 13 September 2017 regarding whether the discounted future estimated cash flows used in the Target Company Valuation, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the assumptions set out in this announcement (the "**DTT Report**"). The Board is of the opinion that the Target Company Valuation and the bases and assumptions of the Target Company Valuation, for which the Independent Valuer and the Directors are solely responsible, have been made after due and careful enquiry.

A letter from the Board issued in accordance with Rule 14.62(3) and the DTT Report dated 13 September 2017 issued in accordance with Rule 14.62(2) were delivered to the Stock Exchange. The text of both the letter from the Board and the DTT Report is set out in Appendix I and Appendix II of this announcement, respectively. A letter in relation to report on the Profit Forecast from the Board and a comfort letter from DTT are included in the appendices of this announcement for the purpose of Rules 14.60A and 14.62 of the Listing Rules.

EXPERTS AND CONSENTS

The qualifications of the experts who have given their opinion and advice in this announcement are as follows:

Name	**Qualifications**
Tian Jian Hua Heng	an independent professional asset valuer appointed by the Company for the Equity Transfer, which is a firm established upon approval of the Ministry of Finance of the PRC to provide asset valuation services in the PRC
DTT	Certified Public Accountants

To the best knowledge, information and belief of the directors having made all reasonable enquiries, the Independent Valuer and DTT are third parties independent of the Group and its connected persons.

As at the date of this announcement, none of the Independent Valuer and DTT has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Independent Valuer and DTT has given and has not withdrawn its 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.

INFORMATION ON THE COMPANY

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

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited company established under the laws of the PRC on 1 December 2008. Its business scope includes organising culture and arts exchange events (not including performance), films and teleplay planning, technology promotion services, sports project operations (not including chess services), advertisement design and production, exhibition services, computer system services and business economics consultancy. (Items that require pre-approvals according to laws and regulations can only be operated after obtaining approvals from the relevant authorities). Prior to the Equity Transfer, the Company held the entire 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	(25,686,947.94)	**(1,655,851.99)**
Profit/(loss) after tax	(25,686,947.94)	**(1,783,056.15)**

As at 31 December 2016, the audited net asset of the Target Company amounted to approximately RMB106,000,000.

INFORMATION ON THE TRANSFEREE

The Transferee is a limited company established under the laws of the PRC on 20 December 2000. Its business scope includes wholesale and retail of goods, leasing of properties, real estate, project investment (engagement in financial activities such as illegal fund-raising and absorption of public funds is prohibited), software business, hotels (operated by branch companies only). (The items above (not including the aforesaid permitted items) are subject to the approval of licences and shall be operated according to the licences). (Items that require pre-approvals according to laws and regulations can only be operated after obtaining approvals from the relevant authorities).

As at the date of this announcement, the Transferee is a controlling shareholder (as defined in the Listing Rules) holding 49.11% equity interest in the Company and is therefore a connected person (as defined in the Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER

The transfer of 85% equity interest in the Target Company is a breakthrough from the main publishing and media business to fully streamline its existing developments in the great cultural industry. Meanwhile, Xinhua Publishing Group, a shareholder of the Company, holds substantial resources in the films and teleplay industry.Transfer of the Target Interest will result in a more reasonable business structure for the Company. In light of the above, the Company intends to transfer its Target Interest to Xinhua Publishing Group. Upon Completion, the Company will no longer be engaged in the same or similar businesses as that of the Target Company.

The Company can expect to realise a gain of approximately RMB25 million (figure to be disclosed in 2017 annual audit report of the Company shall prevail) through the Equity Transfer, which will be used for general working capital of the Group.

After taking into account the aforesaid reasons for and benefits of the Equity Transfer, the directors (including all the independent non-executive directors) consider that the Equity Transfer Agreement was arrived after arm's length negotiation and made on normal commercial terms, which are fair and reasonable and in the interests of the Company and the shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Transferee is a controlling shareholder (as defined in the Listing Rules) holding 49.11% equity interest in the Company and is therefore a connected person (as defined in the Listing Rules) of the Company. Accordingly, the Equity Transfer under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios calculated for transactions under the Equity Transfer Agreement are higher than 0.1% but less than 5%, the Equity Transfer is only subject to the reporting and announcement requirements and exempt from the approval requirement of the independent shareholders of the Company.

As the directors He Zhiyong, Luo Jun, Han Xiaoming, Luo Yong and Zhang Peng have a material interest in the transactions contemplated under the Equity Transfer Agreement, they have abstained from voting on the board resolution in respect of approving the Equity Transfer Agreement. Save for the directors He Zhiyong, Luo Jun, Han Xiaoming, Luo Yong and Zhang Peng, none of the other directors have a material interest in the Equity Transfer Agreement and are required to abstain from voting on the board resolution in respect of approving entering the Equity Transfer Agreement.

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 the Equity Transfer in accordance with the Equity Transfer Agreement
"Completion Date"	the date of completion of the Equity Transfer in accordance with the Equity Transfer Agreement
"DTT"	Deloitte Touche Tohmatsu Certified Public Accountants LLP
"Equity Transfer"	the transfer of 85% equity interest in the Target Company by the Company to the Transferee

"Equity Transfer Agreement"	the Equity Transfer Agreement dated 13 September 2017 entered into between the Company and the Transferee in relation to the transfer of the 85% equity interest in the Target Company
"Group"	the Company and its subsidiaries
"Independent Valuer" or "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 professional asset valuer appointed by the Company for the Equity Transfer, which is a firm established upon approval of the Ministry of Finance of the PRC to provide asset valuation services in the PRC
"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"	Beijing Huaying Winshare Movie & TV Culture Co., Ltd.* (北京華影文軒影視文化有限公司), a limited liability company incorporated in the PRC. The Target Company is a wholly-owned subsidiary of the Company before the Completion
"Target Interest"	85% equity interest in the Target Company held by the Company
"Xinhua Publishing Group" or "Transferee"	Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司), a limited liability company incorporated in the PRC, being the controlling shareholder (as defined in the Listing Rules) holding 49.11% equity interest in the Company
"%"	per cent

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

Sichuan, the PRC, 13 September 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, Mr. Zhang Peng and Mr. Han Xiaoming 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*

The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Sir or Madam,

CONNECTED TRANSACTION – TRANSFER OF 85% EQUITY INTEREST IN THE TARGET COMPANY

The Company hereby refers to the valuation of the market value of 85% equity interest in Beijing Huaying Winshare Movie & TV Culture Co., Ltd.* (北京華影文軒影視文化有限公司) as at 31 October 2016, the valuation base date, 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 "**Independent Valuer**") on 27 February 2017 (the "**Valuation**"). As the income approach is adopted for the Valuation, the Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and, accordingly, both Rules 14.60A and 14.62 of the Listing Rules are applicable.

The Company discussed with the Independent Valuer about different aspects including the bases and assumptions upon which the Valuation was prepared, and reviewed the Valuation for which the Independent Valuer was responsible.

The Company also considered the report from the reporting accountant of the Company in respect of the Equity Transfer, Deloitte Touche Tohmatsu Certified Public Accountants LLP, regarding whether the Valuation was compiled properly so far as the calculations are concerned.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the Board of the Company confirms that the Valuation prepared by the Independent Valuer has been made after due and careful enquiry.

Yours faithfully,
On behalf of the Board
Xinhua Winshare Publishing and Media Co., Ltd.*
He Zhiyong
Chairman

13 September 2017

* *For identification purposes only*

Deloitte. 德勤

INDEPENDENT ASSURANCE REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF EQUITY INTEREST IN BEIJING HUAYING WINSHARE MOVIE & TV CULTURE CO., LTD.

DTT(17)LS00004

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

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Sichuan Tian Jian Hua Heng Assets Appraisal Co., Ltd. dated 27 February 2017, of the 100% equity interest in Beijing Huaying Winshare Movie & TV Culture Co., Ltd. (the "**Target Company**") as at 31 October 2016 (the "**Valuation**") is based. The Target Company is a company registered in the People's Republic of China. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will be included in an announcement dated 13 September 2017 to be issued by Xinhua Winshare Publishing and Media Co., Ltd. (the "**Company**") in connection with the announcement on connected transaction in relation to the transfer of 85% equity interest in the Target Company (the "**Announcement**").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu
Certified Public Accountants LLP
Shanghai, China

13 September 2017