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)

CONTINUING CONNECTED TRANSACTIONS

(1) Products Purchase and Cooperation Framework Agreement

Reference is made to the announcement of the Company dated 23 November 2015 in relation to, among others, the renewal of various continuing connected transactions (the "**Announcement**")

According to the Announcement, the Company has been conducting continuing connected transactions with Winshare Online pursuant to the Publications Purchase Agreement.

As the Company and Winshare Online intend to make changes to the nature of transaction and transaction amount under the Publications Purchase Agreement, the Company and Winshare Online unanimously agreed to re-enter into the Products Purchase and Cooperation Framework Agreement with Winshare Online on 26 March 2018. Upon the taking effect of the Products Purchase and Cooperation Framework Agreement, the Publications Purchase Agreement shall be terminated simultaneously. Pursuant to the Products Purchase and Cooperation Framework Agreement, Winshare Online shall purchase the Own Publications and Digital Reading Contents from the Company and its subsidiaries (excluding Winshare Online) and cooperate with the Company and its subsidiaries (excluding Winshare Online) to engage in the sales business of the online bookstore via the e-commerce platform during the period from 30 May 2018 to 31 December 2020.

(2) Publications Purchase Framework Agreement

In addition, on 26 March 2018, the Company has entered into the Publications Purchase Framework Agreement with Winshare Online. Pursuant to the Publications Purchase Framework Agreement, the Company and its subsidiaries (excluding Winshare Online) shall purchase the Publications from Winshare Online for the period from 20 April 2018 to 31 December 2020.

As at the date of this announcement, Winshare Online is a non wholly-owned subsidiary of the Company whilst Sichuan Xinhua Publishing Group, which controls over 25% of the voting power of Winshare Online, is the controlling Shareholder of the Company. Accordingly, Winshare Online is a connected subsidiary of the Company under Rule 14A.07(5) of the Listing Rules and therefore the transactions contemplated under the Products Purchase and Cooperation Framework Agreement and the Publications Purchase Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As various applicable percentage ratios (other than the profits ratio) for the Products Purchase and Cooperation Framework Agreement are, on an annual basis, more than 0.1% but less than 5%, the Products Purchase and Cooperation Framework Agreement is subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

As various applicable percentage ratios (other than the profits ratio) for the Publications Purchase Framework Agreement are, on an annual basis, over 5%, the Publications Purchase Framework Agreement is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Publications Purchase Framework Agreement, the transactions contemplated thereunder, and its annual cap for each of the three years ending 31 December 2020 are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the AGM. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among other things, (i) further details of the Publications Purchase Framework Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee in connection with the Publications Purchase Framework Agreement; (iii) the advice of the independent financial adviser; and (iv) a notice convening the AGM will be despatched to the Shareholders as soon as practicable.

(1) Products Purchase and Cooperation Framework Agreement

Reference is made to the Announcement of the Company dated 23 November 2015.

According to the Announcement, the Company has been conducting continuing connected transactions with Winshare Online pursuant to the Publications Purchase Agreement.

As the Company and Winshare Online intend to make changes to the nature of transaction and transaction amount under the Publications Purchase Agreement, the Company and Winshare Online unanimously agreed to re-enter into the Products Purchase and Cooperation Framework Agreement with Winshare Online on 26 March 2018. Upon the taking effect of the Products Purchase and Cooperation Framework Agreement, the Publications Purchase Agreement shall be terminated simultaneously. Pursuant to the Products Purchase and Cooperation Framework Agreement, Winshare Online shall purchase the Own Publications and Digital Reading Contents from the Company and its subsidiaries (excluding Winshare Online) and cooperate with the Company and its subsidiaries (excluding Winshare Online) to engage in the sales business of the online bookstore via the e-commerce platform during the period from 30 May 2018 to 31 December 2020.

Major Terms of the Products Purchase and Cooperation Framework Agreement:

Date:	26 March 2018
Term:	30 May 2018 to 31 December 2020 (both days inclusive)
Parties	(1)the Company (on behalf of the Group (excluding Winshare Online)) as supplier (2)Winshare Online as purchaser
Nature of transaction:	Winshare Online shall purchase the Own Publications and the Digital Reading Contents from the Group (excluding Winshare Online) for wholesale and retail. Winshare Online and the Group (excluding Winshare Online) shall cooperate to engage in the sales business of the online bookstore via the e-commerce platform.
Means of transaction:	(1) The means of transaction for the Own Publications and the Digital Reading Contents is by a combination of wholesale and retail, and the Company shall deliver the Own Publications ordered by Winshare Online to the place as designated by Winshare Online. (2) The means of transaction for the Digital Reading Contents is that the Company and its subsidiaries (excluding Winshare Online) shall delivery the Digital Reading Contents to Winshare Online, which will be produced and uploaded to a platform by Winshare Online for reading by users. At the same time, the Company and its subsidiaries shall issue a written authorisation of authorised works to Winshare Online and obtain a photocopy or scanned copy of the contract regarding the copyrights of the works from Winshare Online. (3) The Company's subsidiaries (excluding Winshare Online) shall establish an online bookstore via the e-commerce platform. Winshare Online shall lease such online bookstore for the sales of relevant publications, and operate and manage the same pursuant to the engagement by the subsidiaries of the Company (excluding Winshare Online).
Price:	(1) Winshare Online shall purchase the Own Publications and the Digital Reading Contents through purchase contracts or orders. Details of which are set out in, among others, the pricing and payment terms of the Own Publications. (2) The means of cooperation, sharing of shop expenses, cooperation fee and means of settlement shall be agreed between Winshare Online and the Company by entering into the cooperation agreement.

Payment term:	(1) The settlement of payment for the Own Publications and the Digital Reading Contents shall be agreed between the Company's subsidiaries (excluding Winshare Online) and Winshare Online having regard to the type and quantity of the Own Publications and the Digital Reading Contents under each purchase contract or order and the actual sales conditions. Unless otherwise agreed by the parties, the settlement of payment for each purchase contract or order shall be made by cash or bank drafts within one month upon actual business engagement between the parties. (2)The settlement of payment for the sales business of the online bookstore shall be agreed between the Company's subsidiaries (excluding Winshare Online) and Winshare Online having regard to the means of cooperation, sharing of shop expenses, cooperation fee and means of settlement.
Option to renew:	Subject to the Listing Rules and the approvals of the Stock Exchange and the Board, the Company may separately enter into a written Products Purchase and Cooperation Framework Agreement upon serving a written notice to Winshare Online prior to the expiry of the Products Purchase and Cooperation Framework Agreement.

Pricing policy

The pricing of the Own Publications shall be determined by the parties through arm's length negotiation and on normal commercial terms with reference to the Group's integrated processing cost ratios and the integrated purchase costs of the Own Publications, which shall be basically the same as that of the transactions entered into between the parties and the market players who are Independent Third Parties.

Under the industry market practices, publications suppliers generally determine the selling price of a publication based on the list price of a publication (being the "**Retail Price**") (which is printed at the back of a publication) at a specified discount (the "**Discount**") offered to the distributors. In determining the Discount, the publishers will take into account the integrated production costs of the books (including compilation costs, printing costs, copyrights licensing fees etc.) and the reasonable profits. The selling price of the relevant publications (i.e. the "**purchase cost ratio of distributors**") is determined with reference to the formula: (Retail Price – Discount)/Retail Price x 100%. The integrated purchase costs of a book category refer to the overall average purchase cost ratio of the relevant publications during a particular financial year, which is calculated at (Total retail price of a book category – Total discount of a book category)/Total retail price of a book category x 100%. The Discount of the Own Publications is arrived at with reference to the integrated production cost ratios, reasonable profits and the prevailing market price of the Own Publications of the publishing house of the Group, and the prevailing market price shall be the price offered to the Independent Third Parties in respect of the Own Publications of the publishing house of the Group.

The settlement price of the Digital Reading Contents shall be determined by the parties on normal commercial terms through arm's length negotiation based on the proportion of reading revenue or the formula of fixed unit price times actual quantity on shelf. The proportion of the agreed revenue-sharing and the revenue-sharing between the parties and the market players who are Independent Third Parties shall be basically the same.

In respect of the Digital Reading Contents, the revenue arising therefrom is shared among Winshare Online and the Group pursuant to the digital reading contents product purchase agreement. In general, there are two mechanisms in determining the settlement price of the Digital Reading Contents:

(i) Based on the total revenue arising from purchases and/or rental of the Digital Reading Contents made by end users of the online sales platform according to a specified revenue-sharing ratio between Winshare Online and the Group; or

(ii) Based on the types of Digital Reading Contents made available on the online sales platform, calculated according to: the actual quantity of the types of Digital Reading Contents made available x the agreed fixed unit price.

The selection of either settlement mechanism with respect to the Digital Reading Contents shall be determined after negotiation between the parties with reference to the prevailing market demands, and the settlement mechanism which is estimated to be more favourable to the Group shall be selected. Generally, (i) the revenue-sharing ratio between Winshare Online and the Group lies between 30%:70% to 40%:60%; and (ii) the fixed unit lies between RMB30 – RMB100 per unit, which are in line with the prevailing market practice.

The pricing offered by the Group to Winshare Online in respect of the provision of the Own Publications and the Digital Reading Contents shall be no less favourable to the average pricing offered to no less than two Independent Third Parties who are engaged in similar business to ensure that the final pricing for the Own Publications and the Digital Reading Contents is fair and reasonable.

With respect to the sales business of the online bookstore, the Company shall determine the cooperation fee based on the integrated market price of the services provided to the Independent Third Parties with respect to the cooperation in accordance with the principle of market pricing for online shop operations. The transaction price agreed under the cooperation agreement and the transaction price between the parties and the market players who are Independent Third Parties shall be basically the same.

Historical caps and transaction amounts

The following table summarises the historical cap amounts and their relevant historical transaction amounts for the Publications Purchase Agreement for each of the two years ended 31 December 2017 and the two months ended 28 February 2018:

	For the year ended 31 December 2016 *(RMB'000)*	**For the year ended 31 December 2017** *(RMB'000)*	**For the two months ended 28 February 2018** *(RMB'000)*
Annual cap[(1)]	1,086,000	1,368,000	1,680,000
Historical transaction amount	924,628	1,031,565	127,116

Note 1:

The online bookstore cooperation business is a new category of transaction contemplated under the Products Purchase and Cooperation Framework Agreement, which is not covered under the Publications Purchase Agreement. Accordingly, there are no past transaction figures with respect to such transaction.

Annual caps and basis for determining the annual caps

In considering the annual caps under the Products Purchase and Cooperation Framework Agreement, the Directors have considered a number of factors including:

(i) the historical transaction amounts of the Own Publications and the Digital Reading Contents to be purchased under the Products Purchase and Cooperation Framework Agreement;

(ii) the growth rate of the historical transaction amounts of the Own Publications and the Digital Reading Contents to be purchased under the Products Purchase and Cooperation Framework Agreement;

(iii) the significant progress of the Group's efforts to revitalise publishing in recent years and the increasing market influence and market share of the Own Publications, which are expected to continue the good growth momentum;

(iv) the rapid growth of Winshare Online's business since its establishment and its strategic plans for future business development;

(v) the expected additional demand for the publications in anticipation of Winshare Online's business development benefited from the rapid growth trend in the PRC e-commerce market and the favourable policies introduced by the PRC government on the cultural and publication industries in recent years;

(vi) the possible growth of market price and processing costs of the publications from time to time as a result of the increase in the cost of paper, commodity price level and inflation;

(vii) the estimated online bookstore openings and the increase in future openings; and

(viii) the annual fee standards set by each online bookstore.

Having considered the above factors, the Directors propose that the annual cap for the Products Purchase and Cooperation Framework Agreement for each of the three years ending 31 December 2020 shall be as follows:

Annual cap	**For the year ending 31 December 2018** *(RMB'000)*	**For the year ending 31 December 2019** *(RMB'000)*	**For the year ending 31 December 2020** *(RMB'000)*
Own Publications and Digital Reading Contents	138,500	168,200	267,600
Online bookstore cooperation business	1,500	1,800	2,400
Total	140,000	170,000	270,000

(2) Publications Purchase Framework Agreement

On 26 March 2018, the Company has entered into the Publications Purchase Framework Agreement with Winshare Online. Pursuant to the Publications Purchase Framework Agreement, the Company (excluding Winshare Online) shall purchase the Publications from Winshare Online for the period from 20 April 2018 to 31 December 2020.

Major Terms of the Publications Purchase Framework Agreement:

Date:	26 March 2018
Term:	20 April 2018 to 31 December 2020
Parties:	(1) the Company (on behalf of the Group (excluding Winshare Online)) as purchaser (2) Winshare Online as supplier
Nature of transaction:	The Company and its subsidiaries (excluding Winshare Online) shall purchase the Publications sold via the physical retail channel of the Company from Winshare Online.
Means of transaction:	The means of transaction of the Publications is by wholesale where Winshare Online shall deliver the Publications ordered by the Company and its subsidiaries (excluding Winshare Online) to the place as designated by the Company and its subsidiaries (excluding Winshare Online).
Price:	The Company and its subsidiaries (excluding Winshare Online) shall purchase the Publications through purchase contracts or orders. Details of which are set out in, among others, the pricing and payment terms of the Publications.

Payment term:	The settlement of payment shall be agreed between the Company and its subsidiaries (excluding Winshare Online) and Winshare Online having regard to the type and quantity of the Publications under each purchase contract or order and the actual sales conditions. Unless otherwise agreed by the parties, the settlement of payment for each purchase contract or order shall be made by cash or bank drafts within one month upon actual business engagement between the parties.
Option to renew:	Subject to the Listing Rules and the approvals of the Stock Exchange, the Board and/or the Independent Shareholders (if required), the Company may separately enter into a written publications purchase framework agreement upon serving a written notice to Winshare Online prior to the expiry of the Publications Purchase Framework Agreement.
Conditions precedent:	The Publications Purchase Framework Agreement is conditional upon, among others, the Company having obtained its Independent Shareholders' approval of the Publications Purchase Framework Agreement and the transactions contemplated thereunder.

Pricing policy

Under the industry market practices, publications suppliers generally determine the selling price of a publication based on the list price of a publication (being the "**Retail Price**") (which is printed at the back of a publication) at a specified discount (the "**Discount**") offered to the distributors. The relevant cost ratio of such publications is calculated according to: (Retail Price – Discount)/Retail Price x 100% (the "**purchase cost ratio**"). The integrated cost ratio of a book category refers to the overall average purchase cost ratio of the relevant publications during a particular financial year, which is calculated at (Total retail price of a book category – Total discount of a book category)/ Total retail price of a book category x 100%.

With respect to the publications purchased by Winshare Online from external suppliers, the transaction price of the Publications shall be determined by the parties through arm's length negotiation and on normal commercial terms with reference to Winshare Online's integrated purchase costs during the relevant financial year and the integrated market price at which the same type of products are offered to the Independent Third Parties by Winshare Online with respect to the Publications on the same conditions, which shall be basically the same as that of the transactions entered into between the parties and the market players who are Independent Third Parties. Upon satisfaction of the conditions above, Winshare Online may increase 1.5 to 3.5 percentage points in addition to its purchase cost ratio with respect to the transaction price at which the single publications are sold to the Company (other than special products).

With respect to the Own Publications purchased by Winshare Online from the Company and its publishing house, the transaction price of the Own Publications shall be the purchase price of Winshare Online, i.e. its selling price = its purchase price.

Winshare Online undertakes that the integrated price of the Publications offered by the Company shall, under no circumstances, be higher than the price of any similar type of publications offered to the Independent Third Parties of the Company with the same type of sales channels and sales size. In the event the integrated purchase price offered by such Independent Third Parties for the same type of publications is more favourable than the integrated price offered to the Company for the same type of publications or is unable to satisfy the selling requirements for the publications of the Company, the Company has the right to purchase such type of publications from another third party. In addition, the Company's relevant professional departments will regularly review the integrated purchase costs of the Company to ensure that the integrated purchase costs of the Publications purchased from Winshare Online are not higher than the external the integrated purchase costs.

Annual caps and basis for determining the annual caps

In considering the annual caps under the Publications Purchase Framework Agreement, the Directors have considered a number of factors including:

(i) the historical purchase amounts of the Publications to be purchased from Winshare Online;

(ii) the growth rate of the historical purchase amounts of the Publications to be purchased from Winshare Online;

(iii) the estimated average growth rate of approximately 5%-10% per annum in the coming three years based on the strategic plans of the Company for future business development after taking into account the above factors; and

(iv) the possible growth of market price of the publications from time to time as a result of the increase in the costs of production, commodity price level and inflation.

Having considered the above factors, the Directors propose that the annual cap for the Publications Purchase Framework Agreement for each of the three years ending 31 December 2020 shall be as follows:

	For the year ending 31 December 2018 *(RMB'000)*	**For the year ending 31 December 2019** *(RMB'000)*	**For the year ending 31 December 2020** *(RMB'000)*
Annual cap	610,000	760,000	860,000

Internal Control Policy

The Company's relevant professional departments will regularly review the integrated processing costs of the Own Publications and the Digital Reading Contents of the publishing house of the Group to ensure that the pricing of the Own Publications and the Digital Reading Contents is not lower than its integrated production costs.

The price at which the Publications are purchased by the Company from Winshare Online shall be determined by Winshare Online and the Company's physical sales channels, further discussed and reviewed by the relevant functional administrative department the Company, and the integrated pricing proposals will be made with reference to the prevailing market price upon entering into the proposed transaction, which will be further submitted to the management of the Company for approval and confirmation. During the review of the price offered by other independent third parties, the relevant administrative departments of the Company shall generally request quotation from no less than two publications suppliers who are Independent Third Parties to determine the market price. The relevant administrative departments of the Company shall regularly review the market price at the end of the financial year to ensure the publications transaction is executed in accordance with the pricing policy, including but not limited to requesting from Winshare Online the integrated purchase price offered to the Independent Third Parties for similar type of publications.

The Company has in place a system for the management of connected transactions which clearly states that the relevant administrative departments shall trace, monitor and evaluate the payment arrangements and transaction amounts under the agreement on connected transactions on a monthly basis, to ensure that the annual caps for the connected transactions will not be exceeded.

The Group shall engage the Company's auditor to conduct annual review on the continuing connected transactions (including but not limited to the pricing policy and annual cap) every year pursuant to Rule 14A.56 of the Listing Rules.

The Group shall disclose in the annual report and accounts the transactions with Winshare Online under the Products Purchase and Cooperation Framework Agreement and the Publications Purchase Agreement for each financial period, together with the conclusions drawn by the independent non-executive Directors as to whether the transactions are on normal commercial terms, fair and reasonable, and in line with the interest of the Company and shareholders as a whole.

The Board of the Company will ensure that the transaction amounts of the Publications Purchase Framework Agreement during its validity period shall not exceed the estimated cap amounts approved under the authorisation of the Board prior to the taking effect of the independent shareholders' approval, and the transactions are entered into in accordance with the relevant principles under the Publications Purchase Framework Agreement.

REASONS FOR AND BENEFITS OF THE PRODUCTS PURCHASE AND COOPERATION FRAMEWORK AGREEMENT AND THE PUBLICATIONS PURCHASE FRAMEWORK AGREEMENT

The integration of the Group's operation on its publishing and distribution chain has been realised with the business supporting platform. As one of the largest publishers in the region, the Company is considered the best supplier of Own Publications and Digital Reading Contents of Winshare Online.

Winshare Online is a joint venture company established for the purposes of carrying out the Group's development strategies, in particular for the expansion of the Group's publications business, and forms a part of the Group's publishing and distribution chain. The Products Purchase and Cooperation Framework Agreement can capitalise on the experience of Winshare Online in online sales to further promote the development of the Group's publications e-commerce business model and improve the Company's sustainability for long term development.

In addition, Winshare Online has grown substantially in terms of sales size in the recent five years and is positioned to set up a product mix model that is more suitable for e-commerce development. In the book industry, as the product mix and logistics such as genre requirements and delivery requirements for the e-commerce business are quite different from traditional physical bookstores (physical channel), the suppliers have implemented two different pricing systems for the e-commerce channel and the physical channel where the purchase discounts for the e-commerce channel are far less than that for the physical channel. Based on its current sales size, Winshare Online has a strong independent bargaining power and can obtain a more favourable product purchase price via the e-commerce channel than the traditional channel to achieve independent purchase. Moreover, the other sales channels of the Company rely on Winshare Online to carry out synergistic purchase, which is conducive to lowering the overall product purchase costs of the Group. Under the Publications Purchase Framework Agreement between the Company and Winshare Online, the Company enjoys cost advantages from Winshare Online's lower purchase costs through Winshare Online's synergistic purchase and obtain a more favourable purchase price than Xinhua's traditional channels. As a result, the overall profitability of the Group is enhanced, which is in line with the interest of the Company, including shareholders, as a whole.

The Directors (excluding the independent non-executive Directors whose views will be set out in the circular to be despatched to the Shareholders) consider that the Products Purchase and Cooperation Framework Agreement and the Publications Purchase Framework Agreement are entered into in the ordinary and usual course of business of the Group and the terms as contained in the Products Purchase and Cooperation Framework Agreement and the Publications Purchase Framework Agreement are normal commercial terms, which are arrived at after arm's length negotiations between the parties, the annual caps stated above in this announcement and the terms of the Products Purchase and Cooperation Framework Agreement and the Publications Purchase Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

Connected relationship between the parties

As at the date of this announcement, Winshare Online is a non wholly-owned subsidiary of the Company whilst Sichuan Xinhua Publishing Group, which controls over 25% of the voting power of Winshare Online, is the controlling Shareholder of the Company. Accordingly, Winshare Online is a connected subsidiary of the Company under Rule 14A.07(5) of the Listing Rules and therefore the transactions contemplated under the Products Purchase and Cooperation Framework Agreement and the Publications Purchase Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

INFORMATION OF THE GROUP AND THE COUNTERPARTIES

The Group is principally engaged in the wholesale and retails of publications and electronic publications, wholesale of audio and visual products, production and distribution of electronic publications and audio and visual products and publication business, etc.

Winshare Online is primarily engaged in the provision of online transactions and related services in relation to the publications and cultural products.

LISTING RULES IMPLICATIONS

As various applicable percentage ratios (other than the profits ratio) for the Products Purchase and Cooperation Framework Agreement are, on an annual basis, more than 0.1% but less than 5%, the Products Purchase and Cooperation Framework Agreement is subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

As various applicable percentage ratios (other than the profits ratio) for the Publications Purchase Framework Agreement are, on an annual basis, over 5%, the Publications Purchase Framework Agreement is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.70(11) of the Listing Rules and the articles of association of the Company, Mr. He Zhiyong, Mr. Chen Yunhua, Mr. Luo Jun and Mr. Zhang Peng may be regarded as having relevant interests in the Products Purchase and Cooperation Framework Agreement and the Publications Purchase Framework Agreement. As such, they have abstained from voting on the Board resolution for approving the said two agreements and their respective proposed annual cap amount for each of the three years ending 31 December 2020. Save for the aforementioned Directors, none of the Directors has any material interests in the said two agreements.

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Publications Purchase Framework Agreement, the transactions contemplated thereunder, and its annual cap for each of the three years ending 31 December 2020 are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the AGM. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

An AGM will be convened to obtain the Independent Shareholders' approval regarding Publications Purchase Framework Agreement. A circular containing, among other things, (i) further details of the Publications Purchase Framework Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee in connection with the Publications Purchase Framework Agreement; (iii) the advice of the independent financial adviser; and (iv) a notice convening the AGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

"AGM"	the annual general meeting of the Company to be convened and held for the Independent Shareholders to approve the Publications Purchase Framework Agreement (including its annual cap)
"articles of association"	the articles of association of the Company (as revised from time to time)
"associate(s)"	has the meaning as ascribed to this term under the Listing Rules
"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
"connected person(s)"	has the same meaning as ascribed to this term under the Listing Rules
"controlling shareholder"	has the same meaning as ascribed to this term under the Listing Rules
"Digital Reading Contents"	copyright works produced and uploaded by Winshare Online to a platform for end users to read via PCs, ebook readers or mobile phones, which are based on the ebook contents and the online novels with legitimate rights that are delivered to Winshare Online by the Company and its subsidiaries (excluding Winshare Online) under the Products Purchase and Cooperation Framework Agreement
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board composed of all independent non-executive Directors
"Independent Shareholders"	has the meaning ascribed to it under Chapter 14A of the Listing Rules
"Independent Third Party(ies)"	persons(s) or company(ies) which is(are) independent of the Directors, supervisors, substantial shareholders and chief executive (as defined under the Listing Rules) of the Group
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Own Publications"	publications published by the publishing house of the Company
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
"Products Purchase and Cooperation Framework Agreement"	a framework agreement dated 26 March 2018 entered into between the Company and Winshare Online in connection with the purchase of the Own Publications and Digital Reading Contents by Winshare Online from the Company and its subsidiaries (excluding Winshare Online) and the joint operation of the sales business of the online bookstore via the e-commerce platform with the subsidiaries of the Company (excluding Winshare Online) for the period from 30 May 2018 to 31 December 2020
"Publications"	publications purchased by the Company and its subsidiaries (excluding Winshare Online) from Winshare Online under the Publications Purchase Framework Agreement
"Publications Purchase Agreement"	an agreement dated 23 November 2015 entered into between the Company and Winshare Online in connection with the purchase of publications and digital reading contents by Winshare Online from the Company and its subsidiaries (Winshare Online) for the period from 1 January 2016 to 31 December 2018
"Publications Purchase Framework Agreement"	a framework agreement dated 26 March 2018 to be entered into between the Company and Winshare Online in connection with the purchase of the Publications by the Company and its subsidiaries (excluding Winshare Online) from Winshare Online for the period from 20 April 2018 to 31 December 2020
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Sichuan Xinhua Publishing Group"	Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司), a state-owned entity established in the PRC which is the controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Winshare Online"	Sichuan Winshare Online E-commerce Co., Ltd.* (四川文軒在線電子商務有限公司), a limited liability company established in the PRC and a subsidiary of the Company which is owned as to 75% and 25% by the Company and Sichuan Xinhua Publishing Group as at the date of this announcement
%	per cent

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

Sichuan, the PRC, 26 March 2018

As at the date of this announcement, the Board comprises (a) Mr. He Zhiyong, Mr. Chen Yunhua 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. Chan Yuk Tong, Ms. Xiao Liping and Mr. Fang Bingxi as independent non-executive directors.

* *For identification purposes only*