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**winshare** 文軒

**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)**

## **INSIDE INFORMATION**

### **RECEIPT OF THE LETTER FROM THE CONTROLLING SHAREHOLDER ON ACCEPTANCE OF THE FREE TRANSFER OF STATE-OWNED EQUITY INTEREST AND THE UNDERTAKING MADE BY THE CONTROLLING SHAREHOLDER IN RESPECT OF THE RESOLUTION AND AVOIDANCE OF HORIZONTAL COMPETITION**

This announcement is made by Xinhua Winshare Publishing and Media Co., Ltd\* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

On 12 November 2021, the Company received the Letter on Acceptance of the Free Transfer of State-Owned Equity Interest (the “**Letter**”) from Sichuan Xinhua Publishing and Distribution Group Company Limited\* (四川新華出版發行集團有限公司) (“**Sichuan Xinhua Publishing and Distribution Group**”), the controlling shareholder of the Company. Pursuant to the Letter, the Sichuan Provincial Party Committee and the People's Government of Sichuan Province intend to transfer Sichuan Minzu Publishing House\* (四川民族出版社), an enterprise owned by the whole people (全民所有制企業) established in the PRC, to Sichuan Xinhua Publishing and Distribution Group at nil consideration (the “**Free Transfer**”). Sichuan Minzu Publishing House is principally engaged in the publishing and distribution business, which is similar to that of the Group to some extent. After completion of the Free Transfer, there is a certain degree of competition between the principal business of Sichuan Minzu Publishing House and the Group.

In order to protect the legal interests of the Group and all shareholders of the Company, Sichuan Xinhua Publishing and Distribution Group undertakes to resolve and avoid competition in the following ways:

1. Apart from the Free Transfer, Sichuan Xinhua Publishing and Distribution Group undertakes that itself and its subsidiaries will not compete with the Group in other aspects.

2. Sichuan Xinhua Publishing and Distribution Group will complete the restructuring of Sichuan Minzu Publishing House as soon as possible, and facilitate the injection of the competing business and assets into the Group as soon as practicable and at the right time within five years upon the completion of the industrial and commercial registration and the registration of changes in state-owned property rights of Sichuan Minzu Publishing House, subject to the requirements of the relevant laws and regulations, normative documents and decision-making procedures and based on the principle of safeguarding the interests of all shareholders of the Company, so as to completely eliminate any possible horizontal competition between Sichuan Xinhua Publishing and Distribution Group and the Group.
3. Sichuan Xinhua Publishing and Distribution Group will continue to be bound by and to perform its obligations under the relative undertaking letters in relation to avoiding horizontal competition issued to the Company on 26 June 2006 and 14 June 2013 respectively. If Sichuan Xinhua Publishing and Distribution Group breaches the provisions under the relative undertaking letters, it will compensate for the damages suffered by the Group due to such breach.
4. Sichuan Xinhua Publishing and Distribution Group undertakes that it will not restrict the normal business opportunities of the Group by taking advantage of its controlling position and will not engage in any activities that may harm the interests of the Group.

Taking into account of the undertakings as mentioned above, it is expected that the Free Transfer will not have a material impact on the business of the Group.

The Company will continuously pay attention to and procure Sichuan Xinhua Publishing and Distribution Group to resolve the potential competition issue as soon as possible. The Company will make further announcement according to the development of the said matter as and when appropriate.

**Holders of the shares and securities and potential investors of the Company should exercise caution when dealing in the shares and securities of the Company.**

By order of the Board  
**Xinhua Winshare Publishing and Media Co., Ltd.\***  
**Luo Yong**  
*Chairman*

Sichuan, the PRC, 12 November 2021

*As at the date of this announcement, the Board comprises (a) Mr. Luo Yong and Mr. Liu Longzhang as executive Directors; (b) Mr. Dai Weidong, 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*