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WINSHARE

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 — PROVISION OF FINANCIAL ASSISTANCE

On 10 December 2010, the Company has entered into a fixed-assets facility guarantee agreement with Chengdu Bank pursuant to which the Company agreed to provide the Guarantee in favour of Chengdu Bank in respect of the Bank Loan pursuant to the Loan Agreement.

Chengdu Xin Hui is a non-wholly owned subsidiary of the Company and is owned as to 62.5% by the Company and 37.5% by Chengdu Hua Sheng Group respectively. Prior to the transfer of 37.5% equity interest in Chengdu Xin Hui from the Parent Company to Chengdu Hua Sheng Group on 30 August 2010, Chengdu Xin Hui was held as to 62.5% by the Company and 37.5% by the Parent Company respectively. Mr. Wu Qiang, a non-executive Director, as at the date of this announcement currently holds 90% of the equity interests in Chengdu Hua Sheng Group and Chengdu Hua Sheng Group is therefore an associate of Mr. Wu Qiang. On such basis, Chengdu Xin Hui is a connected person of the Company under Chapter 14A of the Listing Rules. The provision of the Guarantee by the Company to a connected person constitutes a connected transaction.

As all applicable Percentage Ratios (other than the profits ratio) in respect of the Guarantee are more than 0.1% but less than 5%, the Guarantee is only subject to the annual review requirements, the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION — PROVISION OF FINANCIAL ASSISTANCE

On 10 December 2010, the Company has entered into a fixed-assets facility guarantee agreement with Chengdu Bank pursuant to which the Company agreed to provide the Guarantee in favour of Chengdu Bank in respect of the Bank Loan pursuant to the Loan Agreement.

Principle terms of the Guarantee are as follows:

Date:	10 December 2010
The Parties:	(a) the Company; and (b) Chengdu Bank
Bank Loan:	The RMB 120,000,000 (equivalent to approximately HK$140,007,000) bank loan to be made available by Chengdu Bank to Chengdu Xin Hui for a period of two years commencing on 3 November 2010 and expiring on 2 November 2012 (both days inclusive) (or any other dates as set out in the relevant drawn down notice) pursuant to the Loan Agreement. The terms of the Loan Agreement in respect of the Bank Loan are on normal commercial terms and the interest rate thereon shall be comparable to the prevailing market rate. The Bank Loan is repayable upon expiry of the term of the Loan Agreement.
Guarantee Amount:	Pursuant to the fixed-assets facility guarantee agreement entered into between the Company and Chengdu Bank, the Company agreed to provide a guarantee of RMB120,000,000 (equivalent to approximately HK$140,007,000) in favor of Chengdu Bank in respect of the Bank Loan. In the circumstances that Chengdu Xin Hui fails to repay the Bank Loan and any interest and expenses thereon, the Company is obligated to repay such amount. The Company will not receive any fees or commission arising from the provision of the Guarantee.

Reasons for providing financial assistance

The purpose of providing the Guarantee is to enable Chengdu Xin Hui, a non-wholly owned subsidiary of the Company, to obtain the Bank Loan so as to pay the relocation costs of Dongda Lighting Plaza for the construction of the Group's cultural city development project which is located in the commercial centre of Chengdu, in accordance with the Group's overall business development strategy.

Generally, banks are more confident in the financial position of listed companies and therefore Chengdu Bank requests the Company, which is the immediate holding company of Chengdu Xin Hui, to provide Guarantee for the Bank Loan.

The terms of the Guarantee was negotiated on an arm's length basis, and the Directors are of the view that the terms of the Guarantees provided by the Company as requested by the Lender are similar to those offered by other banks and are on normal commercial terms. In view of the cooperation between the Company and Chengdu Xin Hui in respect of the Group's cultural city development project, the Directors consider that the Guarantee and their terms are fair and reasonable and are in the interests of the Group and the Company's shareholders as a whole.

LISTING RULES IMPLICATIONS

Chengdu Xin Hui is a non-wholly owned subsidiary of the Company and is owned as to 62.5% by the Company and 37.5% by Chengdu Hua Sheng Group respectively. Prior to the transfer of 37.5% equity interest in Chengdu Xin Hui from the Parent Company to Chengdu Hua Sheng Group on 30 August 2010, Chengdu Xin Hui was held as to 62.5% by the Company and 37.5% by the Parent Company respectively. Mr. Wu Qiang, a non-executive Director, as at the date of this announcement currently holds 90% of the equity interests in Chengdu Hua Sheng Group and Chengdu Hua Sheng Group is therefore an associate of Mr. Wu Qiang. On such basis, Chengdu Xin Hui is a connected person of the Company under Chapter 14A of the Listing Rules. The provision of the Guarantee by the Company to a connected person constitutes a connected transaction. To the best knowledge of the Company, Chengdu Bank is a joint stock limited company of which the Company owns 2.467% of its equity interest and is not a connected person to the Company.

As all applicable Percentage Ratios (other than the profits ratio) in respect of the Guarantee are more than 0.1% but less than 5%, the Guarantee is only subject to the annual review requirements, the reporting and announcement requirements and is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, each of Mr. Wu Qiang, a non-executive Director, and Mr. Zhao Junhuai, a non-executive Director, current holds 90% and 4% of the equity interests in Chengdu Hua Sheng Group respectively, each of them has therefore abstained from voting on the relevant board resolution approving the fixed-assets facility guarantee agreement. Save as disclosed above, none of the Directors has a material interest in the fixed-assets facility guarantee agreement.

INFORMATION ON THE GROUP AND THE COUNTERPARTIES

The Group is principally engaged in the business of retailing of publications and electronic publications, wholesaling of audio-visual products, production of electronic publications and audio-visual products, distribution and publication of educational materials, investment and asset management in relation to publications industry, leasing of properties, business services, retailing and wholesaling and import and export of various commodities.

Chengdu Xin Hui is primarily engaged in real estate development and property management.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"Bank Loan"	the RMB120,000,000 (equivalent to approximately HK$140,007,000) bank loan to be made available by Chengdu Bank to Chengdu Xin Hui for a period of two years commencing on 3 November 2010 and expiring on 2 November 2012 (both days inclusive) (or any other dates as set out in the relevant drawn down notice) pursuant to the terms and conditions set out in the Loan Agreement

"Board"	the board of Directors of the Company
"Chengdu Bank"	Bank of Chengdu Co., Ltd., Gao Xin Branch
"Chengdu Hua Sheng Group"	成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng Group Industrial Company Limited*) a limited liability company which was incorporated in the PRC and is a promoter of the Company
"Chengdu Xin Hui"	成都鑫匯實業有限公司 (Chengdu Xin Hui Industrial Co., Ltd.*), a company established in the PRC and a non-wholly owned subsidiary of the Company
"Company"	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 PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange
"connected person"	has the same meaning as ascribed to it under the Listing Rules
"Directors"	the directors of the Company, including the independent non-executive directors
"Group"	the Company and its subsidiaries
"Guarantee"	the guarantee granted by the Company in favor of Chengdu Bank in respect of to the Bank Loan pursuant to the fixed-assets facility guarantee agreement dated 10 December 2010
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Lender"	Bank of Chengdu Co., Ltd. Gao Xin Branch
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreement"	the loan agreement entered into between Chengdu Xin Hui, as the borrower, and Chengdu Bank, as the Lender, dated 29 October 2010 in relation to the Bank Loan

“Parent Company”	四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), a wholly State-owned company established in the PRC, which is the controlling Shareholder of the Company
“Percentage Ratios”	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“%”	per cent

For the purpose of this announcement, the exchange rate is HK$1.00 = RMB0.8571.

By Order of the Board
XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD. *
Gong Cimin
Chairman

Sichuan, PRC, 10 December 2010

As at the date of this announcement, the Board comprises (a) Mr. Gong Cimin and Mr. Zhang Bangkai as executive Directors; (b) Ms. Wang Jianping, Mr. Yu Changjiu, Mr. Li Jiawei, Mr. Luo Jun, Mr. Wu Qiang, Mr. Zhang Chengxing, Mr. Zhao Junhuai and Mr. Zhao Miao as non-executive Directors; and (c) Mr. Han Xiaoming, Mr. Cheng Sanguo and Mr. Chan Yuk Tong as independent non-executive Directors. R2.14

* *For identification purposes only*