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

DISPOSAL PROPOSAL FOR 33.8% EQUITY INTEREST IN HAINAN CHUANGXIANG

On 13 January 2012, the Board approved the Disposal Proposal in connection with the Disposal of the Target Interest (i.e. 33.8% equity interest in Hainan Chuangxiang) by the Company to Xinhua Publishing at the consideration of RMB3,380,000 (equivalent to approximately HK$4,157,400). In accordance with the relevant provisions on transfer of state-owned property rights under the PRC laws and regulations, the Disposal Proposal for the Disposal of the Target Interest can only be proceeded after obtaining the approval by the Board and the consent from Sichuan SASAC and the agreement in relation to the Disposal can only be entered into thereafter.

As at the date of this announcement, Xinhua Publishing is the controlling shareholder of the Company holding 52.22% equity interest in the Company. Therefore, Xinhua Publishing is a connected person of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profit ratio) for the Disposal are over 0.1% but less than 5%, the Disposal is subject to the reporting and announcement requirements only but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules.

THE DISPOSAL

On 13 January 2012, the Board approved the Disposal Proposal in connection with the Disposal of the 33.8% equity interest in Hainan Chuangxiang, the principal terms of which are set out below.

Details of the transaction

Vendor:	The Company
Purchaser:	Xinhua Publishing, the controlling shareholder of the Company, holding 52.22% equity interest in the Company, and a connected person of the Company

The Company intends to sell and Xinhua Publishing intends to purchase the Target Interest at the consideration of RMB3,380,000 (equivalent to approximately HK$4,157,400).

Consideration and payment terms

The consideration for the Target Interest of RMB3,380,000 (equivalent to approximately HK$4,157,400) was determined by the Company and Xinhua Publishing after arm's length negotiations with reference to the appraised net assets value of Hainan Chuangxiang as at 30 June 2011 and the Company's investment cost in Hainan Chuangxiang. The appraisal was conducted by Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司), a qualified independent professional valuer in the PRC.

The consideration for the Target Interest will be settled by Xinhua Publishing in cash in one time within 30 days after the effective date of the agreement for the Disposal as mentioned below.

Since the consideration for the Target Interest was determined with reference to the appraised net assets value of Hainan Chuangxiang which was provided by a qualified independent professional valuer in the PRC as well as the Company's investment cost in Hainan Chuangxiang, the Directors (including independent non-executive Directors) consider that the consideration for the Target Interest is fair and reasonable and in the interests of the Company and Shareholders taken as a whole.

Conditions precedent

The Disposal is subject to the following conditions precedent:

(a) obtaining the approval(s) for the Disposal from Sichuan SASAC and/or other legally authorized authorities;

(b) obtaining the approval from or registration with Sichuan SASAC with respect to the valuation report on the Target Interest; and

(c) no opposition against the Disposal during its publication period in accordance with the relevant provisions on transfer of state-owned property rights under the PRC laws and regulations.

Entering into the agreement in relation to the Disposal

The Company and Xinhua Publishing agreed that upon obtaining the approvals from Sichuan SASAC and/or other legally authorized authorities for the Disposal, the Company and Xinhua Publishing shall enter into an agreement incorporating the terms of the Disposal Proposal. The Company will comply with the relevant requirements under the Listing Rules and, where necessary, make further disclosure in relation to the Disposal as and when appropriate.

INFORMATION ON HAINAN CHUANGXIANG

Hainan Chuangxiang is a limited liability company incorporated in the PRC and is principally engaged in industrial investment, investments in tourism, media and entertainment businesses, trading and exhibitions, real estate development, hotel investment and management, etc.

As at the date of this announcement, Hainan Chuangxiang is owned as to 33.8%, 32.4% and 33.8% by the Company, Hainan Publishing (a jointly-controlled entity of the Company) and Sichuan Publication Group respectively.

Set out below is the basic financial information of Hainan Chuangxiang prepared based on the PRC accounting standards:

Book value of the net assets as at 30 June 2011	RMB1,539,904
Appraised net assets value as at 30 June 2011	RMB1,454,000
Net profit/(net loss) before taxation and extraordinary items for the year ended 31 December 2010 (audited)	RMB(8,067,318)
Net profit/(net loss) after taxation and extraordinary items for the year ended 31 December 2010 (audited)	RMB(8,313,318)
Net profit/(net loss) before taxation and extraordinary items for the year ended 31 December 2011 (unaudited)	RMB(1,139,427)
Net profit/(net loss) after taxation and extraordinary items for the year ended 31 December 2011 (unaudited)	RMB(1,079,172)

EFFECT OF THE DISPOSAL

Based on the generally accepted accounting standards in the PRC and International Financial Reporting Standards, the Company expects to realize a gain of approximately RMB2,859,500, which is the difference between the consideration of RMB3,380,000 and the book value of the Target Interest of approximately RMB520,500 as at 30 June 2011. The Directors intend to apply the sales proceeds as general working capital of the Company.

Upon completion of the Disposal, the Company will no longer hold any direct equity interest in Hainan Chuangxiang. Both before and after the Disposal, the accounts of Hainan Chuangxiang have not been consolidated into that of the Group.

REASONS FOR THE DISPOSAL

The Group is primarily engaged in the businesses of publishing and distribution of publications whilst the principal businesses of Hainan Chuangxiang are industrial investment and real estate development, etc. With a view to integrating the Group's business resources and focusing on its principal business, the Company proposed to sell the Target Interest. The Directors consider that by disposing of the non-principal businesses of the Group, the Group can concentrate on its principal business, which is conducive to the implementation of the Group's planned strategy on principal business development and will encourage sustainable development of the Group.

The terms of the Disposal Proposal have been determined between the Company and Xinhua Publishing after arm's length negotiations. The Directors (including the independent non-executive Directors) consider that the Disposal was entered into in the ordinary course of business of the Company and on normal commercial terms as well as fair and reasonable and in the interest of the Company and Shareholders taken as a whole.

INFORMATION ON THE COMPANY AND XINHUA PUBLISHING

The Company is principally engaged in sales of publications and electronic publications, wholesale of audio and visual products, production and distribution of electronic publications and audio and visual products, publications, etc.

Xinhua Publishing is a state-owned company established in the PRC and is principally engaged in the businesses of wholesale and retail of goods, property leasing, real estate, software and hotel, etc.

RELATIONSHIP BETWEEN PARTIES AND LISTING RULES IMPLICATIONS

As at the date of this announcement, Xinhua Publishing is the controlling shareholder of the Company holding 52.22% equity interest in the Company. Therefore, Xinhua Publishing is a connected person of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profit ratio) for the Disposal are over 0.1% but less than 5%, the Disposal is subject to the reporting and announcement requirements only but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules.

To avoid any conflicts of interest, the Directors who are connected to Xinhua Publishing and its associates, namely Mr. Gong Cimin, Mr. Zhao Miao, Mr. Zhang Chengxing and Mr. Luo Jun, have abstained from voting on the Board resolutions for approving the Disposal and the Disposal Proposal.

As the Disposal is subject to a number of conditions precedent which may or may not proceed to completion, Shareholders and investors of the Company are advised to exercise caution in dealing in the shares of the Company.

DEFINITIONS

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

"associates"	has the same meaning as ascribed to this term under the Listing Rules
"Board"	the board of Directors
"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 H shares of which are listed on the Main Board of the Stock Exchange

"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
"Directors"	the directors of the Company
"Disposal"	the disposal of the Target Interest by the Company to Xinhua Publishing at the consideration of RMB3,380,000
"Disposal Proposal"	the proposal in connection with the Disposal
"Group"	the Company and its subsidiaries
"Hainan Chuangxiang"	Hainan Chuangxiang Cultural Development Co., Ltd.* (海南創享文化發展有限公司), a limited liability company incorporated in the PRC which is owned as to 33.8%, 32.4% and 33.8% by the Company, Hainan Publishing (a jointly-controlled entity of the Company) and Sichuan Publication Group respectively
"Hainan Publishing"	Hainan Publishing House Co., Ltd.* (海南出版社有限公司), a limited liability company incorporated in the PRC and a jointly-controlled entity of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratios"	has the same meaning as ascribed to this term under the Listing Rules
"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)
"Shareholder(s)"	shareholder(s) of the Company
"Sichuan Development"	Sichuan Development Holding Co., Ltd.* (四川發展(控股)有限責任公司), a state-owned entity established in the PRC and the ultimate controlling shareholder of the Company
"Sichuan Publication Group"	Sichuan Publication Group Co., Ltd.* (四川出版集團有限責任公司), a state-owned company established in the PRC and wholly-owned subsidiary of Sichuan Development
"Sichuan SASAC"	State-owned Assets Supervision and Administration Commission of Sichuan Provincial Government of the PRC (四川省政府國有資產監督管理委員會)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Interest"	33.8% equity interest in Hainan Chuangxiang
"Xinhua Publishing"	Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司), a state-owned company established in the PRC, as well as the controlling shareholder of the Company and a wholly-owned subsidiary of Sichuan Development
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

For the purpose of this announcement only, the exchange rate of RMB1.00 = HK$1.23 was used.

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

Sichuan, PRC, 13 January 2012

As at the date of this announcement, the Board comprises (a) Mr. Gong Cimin, Mr. Zhao Miao and Mr. Luo Yong as executive Directors; (b) Mr. Zhang Chengxing, Mr. Luo Jun and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Han Xiaoming, Mr. Han Liyan and Mr. Chan Yuk Tong as independent non-executive Directors.

* *For identification purposes only*