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)

DISCLOSEABLE TRANSACTION COST ESTIMATE FOR THE CONSTRUCTION OF CREATIVITY CENTRE

SUMMARY

On 31 October 2012, the Board conditionally approved the cost estimate for the construction of Creativity Centre at approximately RMB736,000,000 (equivalent to approximately HK$905,280,000), within ±10% fluctuation (the "**Cost Estimate**").

Based on the Cost Estimate, as the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the contemplated series of transactions relating to the construction of Creativity Centre are more than 5% but less than 25%, they constitute a discloseable transaction on an aggregated basis for the Company under Rules 14.06, 14.22 and 14.23 of the Listing Rules, which is subject to notification and publication of an announcement requirements. Pursuant to the articles of association of the Company, the Cost Estimate is subject to the approval of Shareholders by way of ordinary resolution at a general meeting of the Company, the notice of which is expected to be despatched to the Shareholders on or around 5 November 2012.

Attention: Shareholders and potential investors should note that the construction of Creativity Centre is subject to the fulfillment of certain conditions precedent and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that it has conditionally approved the cost estimate for the construction of Creativity Centre at approximately RMB736,000,000 (equivalent to approximately HK$905,280,000), within ±10% fluctuation (the "**Cost Estimate**"). The construction costs incurred therefrom will be settled with independent third-party contractors. More detailed information of the construction of Creativity Centre and the Cost Estimate is described below.

CONSTRUCTION OF CREATIVITY CENTRE AND THE COST ESTIMATE

Reference is made to the announcement of the Company dated 8 September 2009 in relation to the Transfer Agreement (as defined therein), pursuant to which the Company obtained the land use right from the Parent in respect of the land parcel situated at 四川省成都市錦江區柳江街道辦事處麻柳灣村四、五組 (Regions 4 and 5, Maliuwan Village, Liujiang Street, Jinjiang District, Chengdu City, Sichuan Province, the PRC) with a total gross site area of 10,150.11 m^2 (the "**Land Parcel**"). To better utilize the Land Parcel acquired and further implement the business development strategies of the Company, the Company intends to implement its plan of the construction of Creativity Centre and has filed the requisite reporting documents relating to the construction of Creativity Centre with the relevant government authorities, which has been subsequently approved.

Creativity Centre is designed as a 176.9-metre-high 45-floor building (with 41 levels above the ground) with a gross construction area of 116,000 m^2, the construction period of which is projected into 48 months. The Cost Estimate has been preliminarily assessed at approximately RMB736,000,000 (equivalent to approximately HK$905,280,000), within ±10% fluctuation, which has been determined with reference to quantitative construction valuation and benchmark cost consultations, taking into account a number of factors including, among other things, the basic construction conditions, the construction scale, the benchmark cost and pre-quotation of construction items, as well as the cost management. The Cost Estimate will be financed by the internal resources of the Company.

Implementation of the construction of Creativity Centre is conditional upon all necessary consents and approvals being obtained from the relevant parties (including governmental or regulatory authorities), including, but not limited to, the approval of the Cost Estimate by Shareholders by way of ordinary resolution at a general meeting of the Company, and no statute or regulation which would restrict or materially adversely affect construction of Creativity Centre having been proposed, enacted or taken by governmental or regulatory authorities.

As the Land Parcel is adjacent to the piece of land used by the Parent, pursuant to the relevant PRC regulations and requirements of the local government authorities, the two pieces of land should be developed on a unified-planning basis. Nevertheless, the Company shall prepare its own budget and bear its own costs for the construction works on the Land Parcel and is entitled to the proprietary interests over Creativity Centre situated thereon. As to the connected transaction between the Company and the Parent relating to the construction of Creativity Centre due to the requirement of unified planning and development, the Board will make appropriate disclosures in a separate announcement (if applicable). Pursuant to the applicable requirements under the Listing Rules, articles of association of the Company, and other applicable laws and regulations, the Company will make further announcement (if applicable) in relation to the construction of Creativity Centre where necessary.

INFORMATION ON THE COMPANY

The Company is principally engaged in the 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.

REASONS FOR AND BENEFITS FROM THE CONSTRUCTION OF CREATIVITY CENTRE

The Directors believe that the construction of Creativity Centre is a key step for the Company to achieve its strategic objectives and business expansion plan while strengthening its core business. The construction of Creativity Centre will favorably facilitate the consolidation of the Company's publication resources, the development of the Company's creative media business, and the accumulation of the Company's quality assets.

Since the Company obtained the land use right in respect of the Land Parcel for construction of Creativity Centre, the State Council has promulgated the "Revitalization Plan for the Cultural Industry (《文化產業振興規劃》)" as well as the "the Outline of China's Cultural Reform and Development in the 12th Five-Year Plan Period (《國家「十二五」時期文化改革發展規劃綱要》)" and Sichuan Province has promulgated "the Great Achievement of Building Sichuan into a Strong Cultural Province Matching the Highland of Economic Development in Western China (加快建設與西部經濟發展高地相適應的文化強省的目標)", all policies favoring the implementation of the construction of Creativity Centre. In addition, the Company will benefit from "Chengdu Industrial Development Plan (2003-2020) (《成都市工業發展布局規劃(2003-2020)》)" as issued by the Chengdu Municipal Government to enjoy favorable recruitment and tax allowance policies as Creativity Centre is located in Sichuan Chengdu Jinjiang Industrial Park.

Upon completion, Creativity Centre will become the Company's headquarters office, facilitating the Company's internal communication and reducing the Company's management and operation costs. It is also believed that the synergy effect from the shared resources of space, technology, personnel and management of Creativity Centre and the Company's current research and creative institute will lead to optimized development of the Company's business.

Taking into account of the above-mentioned factors and all relevant facts and circumstances, the Directors (including the independent non-executive Directors) are of the view that the construction of Creativity Centre and the Cost Estimate therein are fair and reasonable and are on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole.

Pursuant to the articles of association of the Company, the Cost Estimate is subject to the approval of Shareholders by way of ordinary resolution at a general meeting of the Company, the notice of which is expected to be despatched to the Shareholders on or around 5 November 2012.

IMPLICATION UNDER THE LISTING RULES

Based on the Cost Estimate, as the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the contemplated series of transactions relating to the construction of Creativity Centre are more than 5% but less than 25%, they constitute a discloseable transaction on an aggregated basis for the Company under Rules 14.06, 14.22 and 14.23 of the Listing Rules, which is subject to notification and publication of an announcement requirements.

Attention: Shareholders and potential investors should note that the construction of Creativity Centre is subject to the fulfillment of certain conditions precedent and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

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

"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, whose H Shares are listed on the Main Board of the Stock Exchange
"Creativity Centre"	新華文軒出版傳媒創意中心 (Xinhua Winshare Publishing and Media Creativity Centre (temporary name))
"Directors"	the directors of the Company
"Domestic Shares"	ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and credited as fully paid up in RMB by PRC nationals and/or PRC incorporated entities
"H Shares"	overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Parent"	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, and a controlling shareholder of the Company as at the date of this announcement
"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)
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising both Domestic Shares and H Shares
"Shareholder(s)"	the holders of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

For the purpose of this announcement, conversion of RMB into HK$ is calculated at the exchange rate of RMB1.00 to HK$1.23.

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

Chengdu, the PRC, 31 October 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. Luo Jun, Mr. Zhang Chengxing and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Chan Yuk Tong, Mr. Han Xiaoming and Mr. Han Liyan as independent non-executive Directors.

* *For identification purposes only*