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 TRANSACTION AND RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTION

Reference is made to the Company's announcement dated 30 November 2009 (the "**30 November 2009 Announcement**") regarding, amongst others, the various continuing connected transactions.

According to the 30 November 2009 Announcement, the Group has been conducting certain continuing connected transactions with, amongst others, the Ethnic Publishing House pursuant to the Sichuan Publication Group Supply of Publications Agreement.

As the Sichuan Publication Group Supply of Publications Agreement will expire on 31 December 2012, the Company has agreed to enter into the Supply of Publications Agreement with Ethnic Publishing House on 20 December 2012:

(1) Supply of Publications Agreement

On 20 December 2012, the Company has entered into the Supply of Publications Agreement with Ethnic Publishing House. Pursuant to the Supply of Publications Agreement, Ethnic Publishing House shall supply certain publications to the Company for the period from 1 January 2013 to 31 December 2015.

As at the date of this announcement, Ethnic Publishing House is an indirect wholly-owned subsidiary of Sichuan Development (Ethnic Publishing House is a wholly-owned subsidiary of Sichuan Publication Group, which is a wholly-owned subsidiary of Sichuan Development), which is the sole shareholder of the Company's controlling shareholder, Sichuan Xinhua Publishing Group. Accordingly, Ethnic Publishing House is a connected person of the Company and therefore the transaction contemplated under the Supply of Publications Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profit ratio) for the Supply of Publications Agreement is, on an annual basis, over 0.1% but less than 5%, the Supply of Publications Agreement is subject to the reporting, announcement and annual review requirements only but exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules.

RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS

According to the 30 November 2009 Announcement, the Group has also been conducting continuing connected transactions Huang Peng Property and Sichuan Xinhua Publishing Group pursuant to the Previous Property Management Agreement and Previous Lease respectively.

As both Previous Property Management Agreement and Previous Lease will expire on 31 December 2012, the Company has agreed to renew the Previous Property Management Agreement and Previous Lease and entered into the following agreements with Huang Peng Property and Sichuan Xinhua Publishing Group respectively on 20 December 2012:

(2) Property Management Agreement

On 20 December 2012, the Company has entered into the Property Management Agreement with Huang Peng Property in connection with the provision of property management services to the Group by Huang Peng Property for the period from 1 January 2013 to 31 December 2015.

As at the date of this announcement, Huang Peng Property is a wholly-owned subsidiary of Sichuan Xinhua Publishing Group, the controlling shareholder of the Company. Accordingly, Huang Peng Property is a connected person of the Company and therefore the transaction contemplated under the Property Management Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

(3) Lease

On 20 December 2012, the Company has entered into the Lease with Sichuan Xinhua Publishing Group in connection with the leasing of the Premises by the Sichuan Xinhua Publishing Group to the Group for the period from 1 January 2013 to 31 December 2015.

As at the date of this announcement, Sichuan Xinhua Publishing Group is the controlling shareholder of the Company. Accordingly, Sichuan Xinhua Publishing Group is a connected person of the Company and therefore the transaction contemplated under the Lease constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profit ratio) for each of the Property Management Agreement and the Lease is, on an annual basis, over 0.1% but less than 5%, both agreements are subject to the reporting, announcement and annual review requirements only but exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules.

Reference is made to the Company's announcement dated 3 December 2010 (the "**3 December 2010 Announcement**") regarding, amongst others, the continuing connected transaction between the Company and Winshare Online.

According to the 3 December 2010 Announcement, the Group has also been conducting continuing connected transactions with Winshare Online pursuant to the Previous Publications Purchase Agreement which will expire on 31 December 2012.

As the Previous Publications Purchase Agreement will expire on 31 December 2012, the Company has agreed to enter into the Publications Purchase Agreement with Winshare Online on 20 December 2012:

(4) Publications Purchase Agreement

On 20 December 2012, the Company has entered into the Publications Purchase Agreement with Winshare Online. Pursuant to the Publications Purchase Agreement, Winshare Online shall purchase publications from the Company for the period from 1 January 2013 to 31 December 2015.

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 10% of the voting power of Winshare Online, is the controlling Shareholder of the Company. Accordingly, Winshare Online is a connected person of the Company and therefore the transaction contemplated under the Publications Purchase Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios (other than the profits ratio) for the Publications Purchase Agreement is, on an annual basis, over 5%, the Publications Purchase 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 Agreement, the transactions contemplated thereunder, and the annual cap for the Publications Purchase Agreement for each of the three years ending 31 December 2015 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 EGM. 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 Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee in connection with the Publications Purchase Agreement; (iii) the advice of the independent financial adviser; and (iv) a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

CONTINUING CONNECTED TRANSACTION

(1) SUPPLY OF PUBLICATIONS AGREEMENT

Background

Reference is made to the 30 November 2009 Announcement. On 27 November 2009, the Company and Sichuan Publication Group entered into the Sichuan Publication Group Supply of Publications Agreement. Pursuant to the Sichuan Publication Group Supply of Publications Agreement, Sichuan Publication Group shall supply, or procure its subsidiaries and/or entities managed by Sichuan Publication Group to supply certain publications to the Company.

Since the Company has acquired the entire equity interests in the 15 publishing units owned by Sichuan Publication Group in 2010 (details of the said acquisition was disclosed by the Company in its announcement dated 22 June 2010 and its circular dated 28 June 2010 and the relevant transactions have been approved by the Shareholders at the extraordinary general meeting of the Company held on 20 August 2010), there is only one publishing unit, i.e. Ethnic Publishing House managed by Sichuan Publication Group to supply certain publications to the Company.

As the Sichuan Publication Group Supply of Publications Agreement will expire on 31 December 2012, and Sichuan Publication Group only has one publishing unit, namely Ethnic Publishing House, to supply certain publications to the Company, the Company entered into the Supply of Publications Agreement with Ethnic Publishing House on 20 December 2012.

Principal Terms

Set out below is a summary of the principal terms of the Supply of Publications Agreement:

Date:	20 December 2012
Term:	1 January 2013 to 31 December 2015
Parties:	(1) the Company as purchaser (2) Ethnic Publishing House as supplier
Nature of transaction:	Ethnic Publishing House shall supply textbooks, supplementary materials and other publications to the Company for distribution or retail.
Price:	The purchase price for the publication shall be agreed between the parties having regard to the type and quantity of the publications under each purchase and shall be determined with reference to the market price for the same type of publications and shall not be higher than the price for the same type of publications offered by Independent Third Parties to the Company.

Payment term:	The settlement of payment shall be agreed between the Company and Ethnic Publishing House having regard to the type and quantity of the publications under each purchase.
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 is entitled to renew the Supply of Publications Agreement upon serving a written notice to Ethnic Publishing House and entering into another written agreement prior to the expiry of the Supply of Publications Agreement.

The Connected Relationship between the parties

As at the date of this announcement, Ethnic Publishing House is an indirect wholly-owned subsidiary of Sichuan Development (Ethnic Publishing House is a wholly-owned subsidiary of Sichuan Publication Group, which is a wholly-owned subsidiary of Sichuan Development), which is the sole shareholder of the Company's controlling shareholder, Sichuan Xinhua Publishing Group. Accordingly, Ethnic Publishing House is a connected person of the Company and therefore the transaction contemplated under the Supply of Publications Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Historical caps and transaction amounts

For each of the two years ended 31 December 2011 and the 11 months ended 30 November 2012, the total consideration paid by the Company to Ethnic Publishing House for its supply of textbooks, supplementary materials and other publications are RMB32,954,000, RMB38,570,000 and RMB22,898,000 respectively.

Annual caps and basis for determining the annual caps

In considering the annual caps for the Supply of Publications Agreement, the Directors have considered a number of factors including: (i) the total consideration paid by the Company to Ethnic Publishing House for its supply of textbooks, supplementary materials and other publications for the two years ended 31 December 2011 and the 11 months ended 30 November 2012; (ii) the anticipated increase in the variety of the textbooks supply by Ethnic Publishing House; (iii) the PRC Government's policy on the issuing and pricing standard of textbooks; (iv) the anticipated natural and reasonable growth of market price of publications in light of the increase in commodity price level; and (v) the expected increase of the total consideration paid for the supply of publications at approximately 4% to 6% per year from 2013 to 2015.

Having considered the above factors, the Directors propose that the annual cap for the Supply of Publications Agreement for each of the three years ending 31 December 2015 shall be as follows:

	Unit: RMB'000
For the year ending 31 December 2013	47,000
For the year ending 31 December 2014	50,000
For the year ending 31 December 2015	52,000

Reasons for and benefits of the Supply of Publications Agreement

Ethnic Publishing House is the largest publisher of minority publications in southwest China, and possesses certain categories of the exclusive publication right for the minorities' textbooks for secondary and primary schools in Sichuan Province. To carry out the duties as the sole distributor of such textbooks, the Company must continuously purchase textbooks from Ethnic Publishing House.

As one of the subsidiary of Sichuan Publication Group, Ethnic Publishing House has been providing publications to the Company under the Sichuan Publication Group Supply of Publications Agreement. The transactions between the Company and Ethnic Publishing House have been relatively continuously stable in the past. The parties have built up good cooperation foundation and reliance. The Supply of Publications Agreement will be beneficial for maintaining the stability of the Company's supplier system and continuous business growth.

In addition, the publications of Ethnic Publishing House have been widely recognised by the minorities' markets. As such, the Supply of Publications Agreement will bring good sale results and continuous profits for the Company's business.

The Directors (including the independent non-executive Directors) consider that the Supply of Publications Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the proposed annual caps, the terms of the Supply of Publications Agreement, which were arrived at after arm's length negotiations between the parties are fair and reasonable and in the interests of the Group and the Shareholders taken as a whole.

RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS

(2) PROPERTY MANAGEMENT AGREEMENT

Background

Reference is made to the 30 November 2009 Announcement. On 27 November 2009, the Company and Huang Peng Property entered into the Previous Property Management Agreement which will expire on 31 December 2012. Pursuant to the Previous Property Management Agreement, Huang Peng Property shall provide property management services to the Group.

As the Previous Property Management Agreement will expire on 31 December 2012, the Company renewed and entered into the Property Management Agreement with Huang Peng Property on 20 December 2012.

Principal Terms

Set out below is a summary of the principal terms of the Property Management Agreement:

Date:	20 December 2012
Term:	1 January 2013 to 31 December 2015
Parties:	(1) the Company (and on behalf of the Group) as recipient of services (2) Huang Peng Property as service provider
Nature of transaction:	Huang Peng Property shall provide property management services to the Group.
Service fees:	The service fees for the property management services shall be agreed between the parties having regard to the type of property owned or rented by the Group and the type of services provided by Huang Peng Property under each service agreement. The service fees shall be determined by the parties in a fair and reasonable manner through arm's length negotiation, agreed between the parties having regard to the common commercial clauses and conditions and referring to the market price for the same type of property management services and shall not be higher than the fees for the same type of property management services offered by Independent Third Parties to the Company.
Payment term:	Unless otherwise agreed between the Company and Huang Peng Property, the fees for the property management services shall be settled by the Company every 3 months by way of bank transfer.
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 renew the Property Management Agreement upon serving a written notice to Huang Peng Property and entering into another written agreement prior to the expiry of the Property Management Agreement.

The Connected Relationship between the parties

As at the date of this announcement, Huang Peng Property is a wholly-owned subsidiary of Sichuan Xinhua Publishing Group, the controlling shareholder of the Company. Accordingly, Huang Peng Property is a connected person of the Company and therefore the transaction contemplated under the Property Management Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Historical caps and transaction amounts

The following table summarizes the historical cap amounts and their relevant historical transaction amounts for the Previous Property Management Agreement for each of the two years ended 31 December 2011 and the 11 months ended 30 November 2012:

	For the year ended 31 December 2010 *RMB'000*	**For the year ended 31 December 2011** *RMB'000*	**For 11 months ended 30 November 2012** *RMB'000*
Cap amount	6,000	6,600	7,200
Historical transaction amount	3,195	4,452	3,485

Annual caps and basis for determining the annual caps

In considering the annual caps for the Property Management Agreement, the Directors have considered a number of factors including: (i) the total amount of fees paid by the Group to Huang Peng Property for the provision of property management services for the two years ended 31 December 2011 and the 11 months ended 30 November 2012; (ii) the growth in demand for property management services following the anticipated increase in both the total area of property and the scope of property management services to be covered by the Property Management Services Arrangements; (iii) natural rise of general market price owing to factors such as cost and commodity price level; and (iv) the estimated increase in the fees for the provision of property management services under the Property Management Agreement of approximately 6% to 7% yearly from 2013 to 2015.

Having considered the above factors, the Directors propose that the annual cap for the Property Management Agreement for each of the three years ending 31 December 2015 shall be as follows:

	Unit: RMB'000
For the year ending 31 December 2013	6,600
For the year ending 31 December 2014	7,000
For the year ending 31 December 2015	7,500

Reasons for and benefits of the Property Management Agreement

Huang Peng Property concentrates on providing property management services to various business units and management departments of the Group, which can improve the efficiency in the Group's administration and reduce the fees for property management.

At the same time, Huang Peng Property has continuously provided the Group with thorough, efficient and convenient property management services in the past, and is very familiar with the property services projects and the needs of the Group. The Directors believe that Huang Peng Property could provide better services support to the Group to meet its office and operational needs.

The Directors (including the independent non-executive Directors) consider that the Property Management Agreement is entered into in the ordinary and usual course of business of the Group and the terms as contained in the Property Management 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 Property Management Agreement are fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

(3) LEASE

Background

Reference is made to the 30 November 2009 Announcement. On 27 November 2009, the Company and Sichuan Xinhua Publishing Group entered into the Previous Lease which will expire on 31 December 2012. Pursuant to the Previous Lease, Sichuan Xinhua Publishing Group shall lease certain buildings and units in Sichuan Province to the Group for the period from 1 January 2010 to 31 December 2012.

As the Previous Lease will expire on 31 December 2012, the Company entered into the Lease with Sichuan Xinhua Publishing Group on 20 December 2012.

Principal Terms

Set out below is a summary of the principal terms of the Lease:

Date:	20 December 2012
Term:	1 January 2013 to 31 December 2015
Parties:	(1) the Company (and on behalf of the Group) as lessee (2) Sichuan Xinhua Publishing Group as lessor
Nature of transaction:	Sichuan Xinhua Publishing Group shall lease the Premises to the Group.
Rental:	Regarding the Premises to be leased by the Company from Sichuan Xinhua Publishing Group, the annual rental for the lease of the Premises shall be RMB35,515,550 for the three years ending 31 December 2015 (exclusive of electricity expense, water expense, management expense, etc., unless otherwise stated). The rental shall be determined with reference to the market rates and the valuation results prepared by a qualified property valuer which is an Independent Third Party to the Company and Sichuan Xinhua Publishing Group. If the area of the Premises leased by the Company from Sichuan Xinhua Publishing Group changed, the parties may make an adjustment to the abovementioned total amount of rent, which should be confirmed by the parties through otherwise entering into a supplemental agreement. The parties should determine the rent for the three years ending 31 December 2015 in a fair and reasonable manner with reference to the market rent for comparable properties and the rent of each Premise shall not be higher than the rent for the comparable properties offered by Independent Third Parties to the Company.

	Regarding the Premises to be leased by the Company's subsidiaries from Sichuan Xinhua Publishing Group, the rental for each of the three years ended 31 December 2015 shall be determined in a fair and reasonable manner with reference to the market rent for comparable properties and the rent of each Premise shall not be higher than the rent for the comparable properties offered by Independent Third Parties to the Company.
Payment term:	Unless otherwise agreed between the Company and Sichuan Xinhua Publishing Group, the rentals in respect of the lease of each Premise shall be paid by the Group to Sichuan Xinhua Publishing Group yearly by way of bank transfer or bill.
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 renew the Lease upon serving a written notice to Sichuan Xinhua Publishing Group and entering into another written agreement prior to the expiry of the Lease.

The Connected Relationship between the parties

As at the date of this announcement, Sichuan Xinhua Publishing Group is the controlling shareholder of the Company. Accordingly, Sichuan Xinhua Publishing Group is a connected person of the Company and therefore the transaction contemplated under the Lease constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Historical caps and transaction amounts

The following table summarizes the historical cap amounts and their relevant historical transaction amounts for the Previous Lease for each of the two years ended 31 December 2011 and the 11 months ended 30 November 2012:

	For the year ended 31 December 2010 *RMB'000*	**For the year ended 31 December 2011** *RMB'000*	**For 11 months ended 30 November 2012** *RMB'000*
Cap amount	38,500	40,000	42,000
Historical transaction amount	37,770	37,770	34,724

Annual caps and basis for determining the annual caps

In considering the annual caps for the Lease, the Directors have considered a number of factors including: (i) the total amount of rent paid by the Group to Sichuan Xinhua Publishing Group for leasing the property under the Previous Lease for the two years ended 31 December 2011 and the 11 months ended 30 November 2012; (ii) the market rates and the rental valuation in respect of the Premises prepared by a qualified property valuer which is an Independent Third Party to the Company and Sichuan Xinhua Publishing Group; (iii) the anticipated demand for leasing property for offices, warehouses and retail outlets of the Group for the three years ending 31 December 2015; and (iv) the anticipated natural and reasonable growth of the rental market.

Having considered the above factors, the Directors propose that the annual cap for the Lease for each of the three years ending 31 December 2015 shall be as follows:

	Unit: RMB'000
For the year ending 31 December 2013	38,000
For the year ending 31 December 2014	40,000
For the year ending 31 December 2015	42,000

Reasons for and benefits of the Lease

Currently, most of the Premises used by the Company and some of its subsidiaries are leased by Sichuan Xinhua Publishing Group to the Group and are mainly used as offices, warehouses and retail outlets of the Group. During the term of the Lease, the Premises will mainly be used as offices, warehouses and retail outlets of the Group to satisfy administration needs, the inventory storage and circulation needs as well as the retail business needs of the Group. The locations and area of the Premises are considered favourable and appropriate, respectively, by the Group for the functions discussed above. The arrangements under the Lease can continuously provide the Premises to the Company to meet its needs.

The Directors (including the independent non-executive Directors) consider that the Lease is entered into in the ordinary and usual course of business of the Group and the terms as contained in the Lease 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 Lease are fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

(4) PUBLICATIONS PURCHASE AGREEMENT

Background

Reference is made to the 3 December 2010 Announcement. On 3 December 2010, the Company and Winshare Online entered into the Previous Publications Purchase Agreement which commenced on 1 October 2010 and will expire on 31 December 2012. Pursuant to the Previous Publications Purchase Agreement, Winshare Online shall purchase and the Company shall provide publications to Winshare Online.

As the Previous Publications Purchase Agreement will expire on 31 December 2012, the Company renewed and entered into the Publications Purchase Agreement with Winshare Online on 20 December 2012.

Principal Terms

Set out below is a summary of the principal terms of the Publications Purchase Agreement:

Date:	20 December 2012
Term:	1 January 2013 to 31 December 2015
Parties:	(1) the Company as supplier
	(2) Winshare Online as purchaser

Nature of transaction:	Winshare Online shall purchase publications from the Company for wholesale and retail at Winshare Online's e-commerce platform, www.winxuan.com.
Price:	The selling price for the publications shall be determined between the parties after arm's length negotiations in a fair and reasonable manner and should be comparable to the price offered by Independent Third Parties for similar types of publications.
Payment term:	The settlement of payment shall be agreed between the Company and Winshare Online having regard to the type and quantity of the publications under each purchase and the actual sales conditions. Unless otherwise agreed by the parties, the settlement of payment for each purchase shall be made by cash or bank drafts within 6 months upon the receipt of the publications by Winshare online.
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 renew the Publications Purchase Agreement upon serving a written notice to Winshare Online and entering into another written agreement prior to the expiry of the Publications Purchase Agreement.
Conditions precedent:	The Publications Purchase Agreement is conditional upon, among others, the Company having obtained its Independent Shareholders' approval of the Publications Purchase Agreement and the transactions contemplated thereunder.

The 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 control over 10% of the voting power of Winshare Online, is the controlling Shareholder of the Company. Accordingly, Winshare Online is a connected person of the Company and therefore the transaction contemplated under the Publications Purchase Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Historical caps and transaction amounts

The following table summarizes the historical cap amounts and their relevant historical transaction amounts for the Previous Publications Purchase Agreement for the 3 months ended 31 December 2010, the year ended 31 December 2011 and the 11 months ended 30 November 2012:

	For 3 months ended 31 December 2010 *RMB'000*	**For the year ended 31 December 2011** *RMB'000*	**For 11 months ended 30 November 2012** *RMB'000*
Cap amount	20,000	130,000	150,000
Historical transaction amount	14,964	66,472	118,958

Annual caps and basis for determining the annual caps

In considering the annual caps under the Publications Purchase Agreement, the Directors have considered a number of factors including: (i) the historical transaction amounts under the Previous Publications Purchase Agreement; (ii) the growth rate of the historical transaction amounts under the Previous Publications Purchase Agreement; (iii) the rapid growth of Winshare Online's business since its establishment; (iv) the expected additional demand for the publications in anticipation of Winshine 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; and (v) the possible growth of market price of publications from time to time as a result of the increase in the cost of paper, commodity price level and inflation.

Having considered the above factors, the Directors propose that the annual cap for the Publications Purchase Agreement for each of the three years ending 31 December 2015 shall be as follows:

	Unit: RMB'000
For the year ending 31 December 2013	450,000
For the year ending 31 December 2014	600,000
For the year ending 31 December 2015	900,000

Reasons for and benefits of the Publications Purchase 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 publications suppliers in the region, the Company is capable of and competitive in the supply of publications and related businesses of which should be considered as one of the best available suppliers of publications to 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 e-commerce, and forms a part of the Group's business chain. The Publications Purchase Agreement can promote the development of the Group's publications e-commerce business model and improve the Company's sustainability for long term development.

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 Publications Purchase Agreement is entered into in the ordinary and usual course of business of the Group and the terms as contained in the Publications Purchase 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 Publications Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

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.

Ethnic Publishing House is principally engaged in the publication, distribution and export of Tibetan (藏族), Yi (彝族) and Han (漢族) text publications.

Huang Peng Property is principally engaged in the business of property management and services, maintenance and cleaning services and construction and renovation services etc.

Sichuan Xinhua Publishing Group is principally engaged in the business of wholesaling and retailing, leasing of properties, real estate, project investment, computer software and hotel services.

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

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios (other than the profit ratio) for each of the Property Management Agreement, Supply of Publications Agreement and Lease is, on an annual basis, over 0.1% but less than 5%, the said three agreements are subject to the reporting, announcement and annual review requirements only but exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules.

As certain applicable percentage ratios (other than the profits ratio) for the Publications Purchase Agreement is, on an annual basis, over 5%, the Publications Purchase 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.56 of the Listing Rules and the articles of association of the Company, Mr. Gong Cimin, Mr. Zhao Miao, Mr. Zhang Chengxing and Mr. Luo Jun may be regarded as having relevant interests in all the Supply of Publications Agreement, the Property Management Agreement, the Lease and the Publications Purchase Agreement. As such, they have abstained from voting on the Board resolution for approving the said 4 agreements and their respective proposed annual cap amount for each of the three years ending 31 December 2015. Save for the aforementioned Directors, none of the Directors has any material interests in the said 4 agreements.

An EGM will be convened to obtain the Independent Shareholders' approval regarding Publications Purchase Agreement.

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Publications Purchase Agreement, the transactions contemplated thereunder, and the annual cap for the Publications Purchase Agreement for each of the three years ending 31 December 2015 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 EGM. 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 Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee in connection with the Publications Purchase Agreement; (iii) the advice of the independent financial adviser; and (iv) a notice convening the EGM 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:

"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
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to approve the Publications Purchase Agreement
"Ethnic Publishing House"	Sichuan Ethnic Publishing House (四川民族出版社), a state-owned enterprise established in the PRC and a entity managed by Sichuan Publication Group as at the date of this announcement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huang Peng Property"	Chengdu Huang Peng Property Co., Ltd.* (成都皇鵬物業有限責任公司), a limited liability established in the PRC and a wholly-owned subsidiary of Sichuan Xinhua Publishing Group, the controlling shareholder of the Company as at the date of this announcement
"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
"Lease"	an agreement dated 20 December 2012 entered into between the Company and Sichuan Xinhua Publishing Group in connection with the leasing of the Premises by Sichuan Xinhua Publishing Group to the Group for the period from 1 January 2013 to 31 December 2015
"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 Chapter 14 of the Listing Rules
"Premises"	Certain buildings and units owned by Sichuan Xinhua Publishing Group with a total area of approximately 73,378 square metres
"Previous Lease"	an agreement dated 27 November 2009 entered into between the Company and Sichuan Xinhua Publishing Group in connection with the leasing of certain buildings in Sichuan Province by Sichuan Xinhua Publishing Group to the Group for the period from 1 January 2010 to 31 December 2012
"Previous Property Management Agreement"	an agreement dated 27 November 2009 entered into between the Company and Huang Peng Property in connection with provision of property management service by Huang Peng Property to the Group for the period from 1 January 2010 to 31 December 2012
"Previous Publications Purchase Agreement"	an agreement dated 3 December 2010 entered into between the Company and Winshare Online in connection with the purchase of publications by Winshare Online from the Company for the period from 1 October 2010 to 31 December 2012
"Property Management Agreement"	an agreement dated 20 December 2012 entered into between the Company and Huang Peng Property in connection with provision of property management service (including maintenance and renovation services) by Huang Peng Property to the Group for the period from 1 January 2013 to 31 December 2015
"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)
"Publications Purchase Agreement"	an agreement dated 20 December 2012 entered into between the Company and Winshare Online in connection with the purchase of publications by Winshare Online from the Company for the period from 1 January 2013 to 31 December 2015
"RMB"	Renminbi, the lawful currency of the PRC
"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), the sole shareholder of Sichuan Xinhua Publishing Group and Sichuan Publication Group and the ultimate controlling shareholder of the Company and Ethnic Publishing House
"Sichuan Publication Group"	Sichuan Publication Group Limited Liability Company * (四川出版集團有限責任公司), a public interest entity established in the PRC which is a wholly-owned subsidiary of Sichuan Development
"Sichuan Publication Group Supply of Publications Agreement"	an agreement dated 27 November 2009 entered into between the Company and Sichuan Publication Group pursuant to which Sichuan Publication Group, its subsidiaries and/or entities managed by Sichuan Publication Group shall supply certain publications to the Company for the period from 1 January 2010 to 31 December 2012
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning as ascribed to this term under the Listing Rules
"Supply of Publications Agreement"	an agreement dated 20 December 2012 entered into between the Company and Ethnic Publishing House pursuant to which Ethnic Publishing House shall supply certain publications to the Company for the period from 1 January 2013 to 31 December 2015
"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
"Sichuan Xinhua Publishing Group"	Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司), a limited liability established in the PRC which is the controlling shareholder of the Company and a wholly-owned subsidiary of Sichuan Development as at the date of this announcement
"%"	per cent.

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

Sichuan, PRC, 20 December 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. Chan Yuk Tong, Mr. Han Xiaoming and Mr. Han Liyan as independent non-executive Directors.

* *For identification purposes only*