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 OF 33.8% EQUITY INTEREST IN HAINAN CHUANGXIANG

THE DISPOSAL

The Board is pleased to announce that on 10 July 2013, the Company and Hainan Publishing entered into the Equity Transfer Agreement pursuant to which the Company agreed to dispose the Target Interest to Hainan Publishing at the consideration of RMB3,380,000. The Disposal has been approved by Sichuan SASAC and/or other relevant authorized statutory authorities and made by way of public tender auction listing procedure conducted in accordance with the relevant PRC laws and regulations with respect to transfer of state-owned assets. Hainan Publishing has won the option to buy the Target Interest at the bidding price of RMB3,380,000 through such procedures.

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 and Sichuan Publication Group respectively. Sichuan Publication Group is held as to 100% by Sichuan Development, our indirect controlling Shareholder and a controller of the Company. Therefore, Sichuan Publication Group (a substantial shareholder of Hainan Chuangxiang) is an associate of a controller of our Company; and the Disposal constitutes a connected transaction pursuant to Rule 14A.13(1)(b)(i) of the Listing Rules.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (other than the profits ratio) for the Disposal is 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 under Rule 14A.32 of the Listing Rules.

INTRODUCTION

On 10 July 2013, the Company and Hainan Publishing entered into the Equity Transfer Agreement pursuant to which the Company agreed to dispose the Target Interest to Hainan Publishing at the consideration of RMB3,380,000. The Disposal has been approved by Sichuan SASAC and/or other relevant statutory authorities and made by way of public tender auction listing procedure conducted in accordance with the relevant PRC laws and regulations with respect to transfer of state-owned assets. Hainan Publishing has won the option to buy the Target Interest at the bidding price of RMB3,380,000 through such procedures.

EQUITY TRANSFER AGREEMENT

Set out below is a summary of the principal terms of the Equity Transfer Agreement.

Date:	10 July 2013
Parties:	(1) the Company as vendor; and
	(2) Hainan Publishing as purchaser
Nature of the Disposal:	The Company shall dispose and Hainan Publishing shall acquire the Target Interest (i.e. 33.8% equity interest in Hainan Chuangxiang)
Consideration:	RMB3,380,000, which will be settled by cash.

Basis of the Consideration

The consideration represents the best price offered under the public bidding process effected through the trading authority appointed by the relevant governmental authorities in accordance with applicable PRC laws and regulations.

The above consideration of RMB3,380,000 was determined by the appraised net assets value of Hainan Chuangxiang as at 28 February 2013, the Company's investment cost in Hainan Chuangxiang and the bidding price offered by Hainan Publishing. The appraisal (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 valuation institution in the PRC, by using the Asset-based methods and has been approved by and/or registered with Sichuan SASAC and/or other statutory authorities.

Reasons for and benefits of the Disposal

In order to fulfill the consideration of the proposed issue of A shares by the Company and to integrate the Group's resources, the Company would like to divest its non-core businesses and to focus on the Group main business. As such, the Company entered into the Equity Transfer Agreement and carry out the Disposal.

In accordance with the Chinese Generally Accepted Accounting Principles and the International Financial Reporting Standards, it is expected that the Company will make a gain of approximately RMB3,380,000 from the Disposal. The Company intends to apply the sales proceeds as its general working capital.

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

INFORMATION ON THE GROUP, HAINAN PUBLISHING AND HAINAN CHUANGXIANG

The Group is principally engaged in the retails of publications and electronic publications, wholesale of audio and visual products, production and distribution of electronic publications and audio and visual products, publications, assets management, commercial service as well as imports and exports of products for retail and wholesale use.

Hainan Publishing is a joint venture company established in the PRC and is owned as to 50% by the Company. It is principally engaged in publication of books and investment in cultural industry.

Hainan Chuangxiang is a limited liability company established in the PRC and is principally engaged in industrial investment and real estate development.

According to the Appraisal, as at the valuation reference date (i.e. 28 February 2013), the appraisal result of the net asset of Hainan Chuangxiang is net liabilities (i.e. liabilities exceed assets) of RMB8,386,500; and the appraised value of the 33.8% equity interest held by the Company in Hainan Chuangxiang amounts to net liabilities of RMB2,834,600.

The following table contains the financial information of Hainan Chuangxiang for the two years ended 31 December 2012:

	For the year ended 31 December 2012 *(RMB)*	**For the year ended 31 December 2011** *(RMB)*
Net loss before tax	(8,185,216)	(2,686,458)
Net loss after tax	(8,185,216)	(2,686,458)

RELATIONSHIP BETWEEN PARTIES AND LISTING RULES IMPLICATIONS

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 and Sichuan Publication Group respectively. Sichuan Publication Group is held as to 100% by Sichuan Development, our indirect controlling Shareholder and a controller of the Company. Therefore, Sichuan Publication Group (a substantial shareholder of Hainan Chuangxiang) is an associate of a controller of our Company; and the Disposal constitutes a connected transaction pursuant to Rule 14A.13(1)(b)(i) of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the Disposal is 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 under Rule 14A.32 of the Listing Rules.

To avoid any conflicts of interest, Mr. Gong Cimin, Mr. Zhang Chengxing, Mr. Luo Jun and Mr. Zhang Peng, who are associates of Sichuan Development, have abstained from voting on the Board resolution for approving the Agreement and the transaction contemplated thereunder. Save for the aforementioned Directors, none of the Directors has any material interests in the Disposal.

DEFINITIONS

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

"associate(s)"	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
"controller"	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 33.8% equity interest in Hainan Chuangxiang by the Company pursuant to the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement dated 10 July 2013 entered into between the Company and Hainan Publishing 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 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)
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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 indirect 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 (中國四川省政府國有資產監督管理委員會)
"substantial shareholder"	has the meaning as ascribed to this term under the Listing Rules
"Target Interest"	33.8% equity interest in Hainan Chuangxiang, which is held by the Company 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, 10 July 2013

As at the date of this announcement, the Board comprises (a) Mr. Gong Cimin and Mr. Luo Yong as executive Directors; (b) Mr. Zhang Chengxing, Mr. Luo Jun, Mr. Zhang Peng and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Han Liyan, Mr. Mo Shixing and Mr. Mak Wai Ho as independent non-executive Directors.

* *For identification purposes only*