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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
ACQUISITION OF 97.95% EQUITY INTEREST IN SICHUAN CULTURE COMMUNICATION

ACQUISITION

The Board announces that, on 10 November 2015, the Company entered into the Equity Transfer Agreement with Sichuan Xinhua Publishing Group, pursuant to which the Company conditionally agreed to purchase and Sichuan Xinhua Publishing Group conditionally agreed to sell 97.95% equity interest in Sichuan Culture Communication at the Consideration of RMB44,615,600.

As at the date of this announcement, Sichuan Xinhua Publishing Group is the controlling shareholder of the Company, holding 52.22% equity interest in the Company. Therefore, Sichuan Xinhua Publishing Group is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Rule 14A.07(1) of the Listing Rules.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Acquisition are over 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements only, but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

EQUITY TRANSFER AGREEMENT

Date: 10 November 2015

Parties: Sichuan Xinhua Publishing Group, as vendor; and

The Company, as purchaser

Target Interest

Pursuant to the Equity Transfer Agreement, the Company conditionally agreed to purchase and Sichuan Xinhua Publishing Group conditionally agreed to sell 97.95% equity interest in Sichuan Culture Communication.

Consideration and Terms of Payment

The Consideration for the Target Interest is RMB44,615,600, which was determined between the Company and Sichuan Xinhua Publishing Group after arm's length negotiations with reference to the appraised value of shareholders' equity interest of Sichuan Culture Communication as at the Valuation Date as set out in the Valuation Report. The Valuation Report was prepared by the Independent Valuer, Tian Jian Huaheng, based on the asset-based approach as well as the income approach, and has been approved by and filed with the Sichuan SASAC.

By adopting the asset-based approach, as at the Valuation Date, the carrying value of assets of Sichuan Culture Communication was RMB33,004,000 which was 27.20% less than its appraised value of RMB49,791,400; the carrying value of its liabilities was RMB6,448,900 which was 7.17% more than its appraised value of RMB5,986,800; the carrying value of its total shareholders' equity interest was RMB33,004,000, which was 32.73% less than its appraised value of RMB43,804,600.

By adopting the income approach, the carrying value of Sichuan Culture Communication's total shareholders' equity interest was RMB33,004,000, which was 38.01% less than its appraised value of RMB45,549,400.

Since the Independent Valuer considers that the valuation results based on the income approach and asset-based approach are similar, while the income approach can better reflect the intrinsic market value of Sichuan Culture Communication, hence the Independent Valuer adopted the valuation results based on the income approach as the final conclusion for the Valuation Report. As at the Valuation Date, the market value of the total shareholders' equity interest of Sichuan Culture Communication was concluded to be RMB45,549,400. Without taking into account the lack of liquidity in the equity of Sichuan Culture Communication and the effects of controlling rights premium on the valuation conclusion, the value of shareholders' equity interest in respect of 97.95% equity interest in Sichuan Culture Communication is RMB44,615,600, which is also the Consideration of this transaction.

The Consideration will be paid to Sichuan Xinhua Publishing Group by the Company within 5 business days upon the effective date of the Equity Transfer Agreement. The Consideration will be funded by internal resources of the Group.

Since the consideration of the Target Interest has been determined with reference to the valuation results of shareholders' equity interest provided by the Independent Valuer, the Directors (including the independent non-executive Directors) consider that the Consideration was fair and reasonable and in the interests of the Company and Shareholders as a whole.

In view of the fact that the income approach was adopted in the valuation of Sichuan Culture Communication, accordingly, the valuation of Sichuan Culture Communication is regarded as a profit forecast under Rule 14.61 of the Listing Rules. The Company has fully complied with the requirements under Rules 14.60A and 14.62 of the Listing Rules.

Assumptions of valuation

The principal assumptions, including commercial assumptions, upon which the Valuation Report was based, are as follows:

(1) after the Valuation Date, Sichuan Culture Communication maintains its existing operating scale and business model, without taking into account the effect of future new advertising platforms on its operation.

(2) there will not be any material changes or fluctuations in the business direction, business structure, pricing policy and operating costs of Sichuan Culture Communication in the operating period after the Valuation Date.

(3) all the cooperative advertising agreements or contracts of Sichuan Culture Communication as at the Valuation Date can be renewed upon their expiry, while the consideration to be paid will not change significantly.

(4) the management of Sichuan Culture Communication (or its future management) will fulfill their obligations responsibly as the assets owner, and manage competently and effectively these related assets.

(5) there will not be any material changes in the industrial policies as at the Valuation Date, nor will there be new laws and regulations (regardless whether beneficial or detrimental) enacted.

(6) there will not be any material changes in existing laws and regulations, policies or macroeconomic conditions of the PRC, or the political, economical or social environment of the regions in which Sichuan Culture Communication is situated; nor will there be any other significant adverse impacts caused by unpredictable and force majeure factors.

(7) there will not be any material changes in the interest rates and exchange rates of RMB after the Valuation Date.

(8) the information provided by Sichuan Xinhua Publishing Group and other parties (upon which the valuation conclusions were relied) are true and valid, and necessary verification procedures have been carried out on these information, while there is no assurance as to the authenticity, legality and integrity of these information materials.

(9) all licenses, permits, letters of consent or other legal or administrative authorisation documents in respect of utilising assets relied on in the process of valuation issued by the relevant local, national government agencies, private or collective organisations or bodies have been or can be renewed at any time.

Confirmations

The Directors confirm that the valuation of the shareholders' equity interest in Sichuan Culture Communication has been made after due and careful enquiry.

Deloitte, acting as the Company's auditor, has reported to the Directors in respect of the compilation, in accordance with the assumptions described above, of the discounted future estimated cash flows in connection with the valuation of 100% equity interest in Sichuan Culture Communication prepared by the Independent Valuer as set out in the Valuation Report. The Directors are solely responsible for the assumptions described above and the work performed by Deloitte did not include any assessment of the reasonableness or validity of the assumptions.

A report from Deloitte dated 10 November 2015 in compliance with Rule 14.62(2) of the Listing Rules and a letter from the Board in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Conditions precedent

The Equity Transfer Agreement will become effective upon the fulfillment of all the conditions precedent, which include, among others:

(a) the parties having obtained the approval on the transfer of the Target Interest and the related matters from their respective competent authorities;

(b) the shareholders of Sichuan Culture Communication having approved the resolution on the transfer of the Target Interest; and

(c) the valuation results of the Target Interest having been approved by or filed with the regulatory authorities of state-owned assets.

Arrangement of Sichuan Culture Communication during the Transition Period

Unless otherwise agreed by the parties, the profit and loss of Sichuan Culture Communication during the period from the Valuation Date to the completion date of the Equity Transfer Agreement (the "**Transition Period**") shall be borne by or vested to the Company.

Completion

The Equity Transfer Agreement shall be completed on the date of the completion of all registration procedures of changes. After the completion of the Equity Transfer Agreement, Sichuan Culture Communication will become a wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is primarily engaged in the businesses of publishing and distribution of publications, and has involvement in related advertising businesses. At the same time, there exists certain needs for corporate image planning, advertising business and convention and exhibition services in the daily operation of the Group. With a view to integrating the internal media advertising resources of the Group, enriching the advertising business structure of the Company, improving and expanding the advertising business of the Group, the Company is determined to acquire related business resources through equity acquisition.

The principal scope of business of Sichuan Culture Communication is media advertising, corporate image planning services, convention and exhibition services, etc. Over years of development, the operation conditions and business resources of Sichuan Culture Communication are relatively mature and stable; it possesses more high-quality advertising platforms and certain customer resources, and has certain core competitiveness in terms of integrating resources of advertising media industry, convention and exhibition services, etc.

After the completion of the Acquisition, Sichuan Culture Communication will become a wholly-owned subsidiary of the Company. The Group will reorganise and integrate the internal resources of the advertising business and related assets, to promote and expand the advertising business of the Group overall. At the same time, the connected transactions of the Company and the peer competition between the Company and Sichuan Xinhua Publishing Group shall also be reduced.

The terms of the Acquisition have been determined between the Company and Sichuan Xinhua Publishing Group after arm's length negotiations. The Directors (including the independent non-executive Directors) consider that the Acquisition has been entered into in the ordinary course of business of the Company and on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and Shareholders as a whole.

Information on the Company, Sichuan Xinhua Publishing Group and Sichuan Culture Communication

The Company is primarily engaged in the businesses of retail selling of publications and electronic publications, wholesale of audio and video products, and production and distribution of electronic publications and audio and visual products and publishing publications, etc.

Sichuan Xinhua Publishing Group is a wholly state-owned company incorporated in the PRC, which is mainly engaged in businesses of wholesale and retails of goods, property leasing, real estate, software and hotel, etc.

Sichuan Culture Communication is a limited liability company incorporated in the PRC, which is mainly engaged in the advertising, corporate image planning services, convention and exhibition services and business consulting services, etc. Sichuan Culture Communication is owned as to 97.95% and 2.05% by Sichuan Xinhua Publishing Group and the Company respectively as at the date of this announcement.

The table below sets out the financial information of Sichuan Culture Communication for the two years prior to the execution of the Equity Transfer Agreement, which was prepared in accordance with the PRC accounting standards:

	As at 30 June 2015 *RMB('000)* **(unaudited)**	As at 31 December 2014 *RMB('000)* (audited)
Total assets (book value)	**41,266**	38,920
Net assets (book value)	**32,855**	33,004
	Year ended on 31 December 2014 *RMB('000)* **(audited)**	Year ended on 31 December 2013 *RMB('000)* (audited)
Net profit (before tax)	**3,404**	4,649
Net profit (after tax)	**3,404**	4,649

LISTING RULES IMPLICATIONS

As at the date of this announcement, Sichuan Xinhua Publishing Group is the controlling shareholder of the Company, holding 52.22% equity interest in the Company. Therefore, Sichuan Xinhua Publishing Group is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Rule 14A.07(1) of the Listing Rules.

As the applicable percentage ratios for the Acquisition are over 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements under Rule 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

None of the Directors has any material interest in the Acquisition. However, to avoid any potential conflicts of interest, these Directors (Mr. Gong Cimin, Mr. Luo Yong, Mr. Luo Jun and Mr. Zhang Peng) who are related to Sichuan Xinhua Publishing Group and its associates, have abstained from voting on the Board resolution for approving the Acquisition.

Professional Institutions and Consents

The qualifications of the Professional Institutions who have given their statements in this announcement are as follows:

Name	**Qualification**
Tian Jian Huaheng	Qualified independent valuation institution in the PRC
Deloitte	Certified Public Accountants

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of Tian Jian Huaheng and Deloitte is a third party independent of the Group and is not a connected person of the Group. As at the date of this announcement, neither Tian Jian Huaheng nor Deloitte has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Tian Jian Huaheng and Deloitte have given and have not withdrawn their respective written consent to the issue of this announcement with inclusion of their name, statements and all references to their name (including its qualification) in the form and context in which they are included.

DEFINITIONS

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

"Acquisition"	the acquisition of the Target Interest by the Company from Sichuan Xinhua Publishing Group pursuant to the Equity Transfer Agreement
"associate(s)"	has the meaning as ascribed to this term under the Listing Rules
"Board"	the board of Directors of the Company
"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 meaning as ascribed to this term under the Listing Rules
"controlling shareholder"	has the meaning as ascribed to this term under the Listing Rules
"Deloitte"	Deloitte Touche Tohmatsu
"Directors"	the directors of the Company
"Equity Transfer Agreement"	the equity transfer agreement dated 10 November 2015 entered into between the Company and Sichuan Xinhua Publishing Group, pursuant to which the Company conditionally agreed to purchase and Sichuan Xinhua Publishing Group conditionally agreed to sell the Target Interest
"Consideration"	the consideration for the transfer of the Target Interest under the Acquisition, which is RMB44,722,000
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Valuer"	the independent valuer commissioned to conduct a valuation of 97.95% equity interest in Sichuan Culture Communication as at the Valuation Date, which is Tian Jian Huaheng
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Sichuan Culture Communication"	Sichuan Xinhua Culture Communication Co., Ltd*. (四川新華文化傳播有限責任公司), a limited liability company incorporated in the PRC, which is owned as to 97.95% and 2.05% by Sichuan Xinhua Publishing Group and the Company as at the date of this announcement
"Sichuan SASAC"	the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government
"Sichuan Xinhua Publishing Group"	Sichuan Xinhua Publishing Group Co. Ltd.* (四川新華發行集團有限責任公司), a state-owned entity established in the PRC and the controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Interest"	97.95% equity interest in Sichuan Culture Communication
"Tian Jian Huaheng"	Sichuan Tian Jian Huaheng Assets Appraisal Co., Ltd.* (四川天健華衡資產評估有限公司)
"Valuation Date"	31 December 2014
"Valuation Report"	the valuation report in relation to appraising the market value of Sichuan Culture Communication as at the Valuation Date by the Independent Valuer for the purpose of the Acquisition
"%"	per cent

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

Sichuan, the PRC, 10 November 2015

As at the date of this announcement, the Board comprises (a) Mr. Gong Cimin, Mr. Luo Long and Mr. Yang Miao as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Peng and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Han Liyan, Mr. Mak Wai Ho and Ms. Xiao Liping as independent non-executive Directors.

* *For identification purposes only*

Deloitte.
德勤

TO THE DIRECTORS OF XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Sichuan Tian Jian Huaheng Assets Appraisal Co., Ltd. (四川天健華衡資產評估有限公司) dated 15 July 2015, in respect of 100% equity interest in Sichuan Culture Communication Co., Ltd. (四川文化傳播有限責任公司) ("**Sichuan Culture Communication**") as at 31 December 2014 (the "**Valuation**") is based. Sichuan Culture Communication is a company incorporated in the People's Republic of China and is principally engaged in domestic and overseas advertisement design, production and publication. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will be included in an announcement dated 10 November 2015 to be issued by Xinhua Winshare Publishing and Media Co., Ltd. (the "Company") in connection with the acquisition of 97.95% equity interest in Sichuan Culture Communication (the "Announcement").

Directors' responsibility for the discounted future estimated cash flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of Sichuan Culture Communication.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

10 November 2015

10 November 2015

Listing Division
The Stock Exchange of Hong Kong Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Hong Kong

Dear Sir/Madam,

Connected Transaction – Acquisition of 97.95% Equity Interest in Sichuan Culture Communication

We refer to the announcement of Xinhua Winshare Publishing and Media Co., Ltd. (the "**Company**") dated 10 November 2015 in relation to the acquisition of 97.95% equity interest in Sichuan Culture Communication by the Company (the "**Announcement**"). Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We have reviewed and discussed the Valuation Report, which forms the basis for determining the final Consideration for the Acquisition of Sichuan Culture Communication. We note that the income approach applied in deriving the market value estimate of the valuation of 97.95% equity interest in Sichuan Culture Communication is regarded as a profit forecast under Rule 14.61 of the Listing Rules. Pursuant to Rule 14.62 of the Listing Rules, we have engaged Deloitte, acting as the Company's auditors, to examine the arithmetical accuracy of the calculation of the Valuation Report in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants.

On the basis of the above, we confirm that the market value estimate of the valuation of 97.95% equity interest in Sichuan Culture Communication as contained in the Valuation Report has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the board of directors of
Xinhua Winshare Publishing and Media Co., Ltd.

Gong Cimin
Chairman