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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)

**VOLUNTARY ANNOUNCEMENT
ANNOUNCEMENT ON THE PROPOSED PURCHASE
OF THE REAL ESTATES**

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of Xinhua Winshare Publishing and Media Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The Board is pleased to announce that in order to promote and implement the Strategic Planning (2021-2025) of the Company and to satisfy the needs for the Company's supply chain service industry, the Company convened a Board meeting on 29 October 2020 at which the Proposal regarding the Property Purchase by the Company from Chengdu Xinhua Chuangzhi Cultural Industry Investment Co., Ltd. was approved. The Company intended to use its own fund to purchase Block 38, 39 and 50 of “China Western Culture City (中國西部文化城)”, 3 real estates from Chengdu Xinhua Chuangzhi Cultural Industry Investment Co., Ltd.* (成都市新華創智文化產業投資有限公司) (“**Xinhua Chuangzhi**”) located at No. 936 Huatu Road, Wenjiang District, Chengdu, for office use (the “**Real Estates**”). As at the date of this announcement, the terms and conditions of the agreement in relation to the purchase of the Real Estates are still under negotiation, and no legal binding agreement has been entered into. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules of the Hong Kong Stock Exchange**”).

IMPLICATIONS OF THE LISTING RULES OF THE HONG KONG STOCK EXCHANGE

Xinhua Chuangzhi is a wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司) (“**Sichuan Xinhua Publishing and Distribution Group**”). Accordingly, Xinhua Chuangzhi is a connected person of the Company under Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange, so the transaction of the proposed purchase of the Real Estates, if materialized, will constitute a connected transaction of the Company.

Pursuant to Rule 14A.68 of the Listing Rules of the Hong Kong Stock Exchange and the articles of association of the Company, the Directors Mr. He Zhiyong, Mr. Chen Yunhua, Mr. Luo Jun and Mr. Zhang Peng may be regarded as having material interests in the proposed purchase of the Real Estates. As such, they have abstained from voting on the relevant Board resolutions. Save for the aforementioned Directors, none of the Directors has material interests in the proposed purchase of the Real Estates and is required to abstain from voting.

As of the date of this announcement, the Company has not entered into any connected transaction with Xinhua Chuangzhi or any similar type of connected transaction with other connected persons over the past 12 months.

INFORMATION ABOUT THE GROUP AND THE COUNTERPARTY

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.

Xinhua Chuangzhi is principally engaged in project investment and asset management (no illegal fund-raising, absorbing public funds and other financial activities); real-estate development and operation; organising, planning and exchanging cultural activities; development of computer software; education information consulting services (excluding consulting for studying abroad); conference and exhibition services; real-estate brokerage services; business information consulting services.

ASSETS TO BE PURCHASED

The Real Estates to be purchased are the 3 real estates for office use located at No. 936 Huatu Road, Wenjiang District, Chengdu. The Real Estates were developed and constructed by Xinhua Chuangzhi with a gross floor area of 16,613.46 sq.m. The areas on which they occupy are planned for office use and the termination date of their land use rights is 6 April 2053. The Company has engaged Sichuan Tian Jian Hua Heng Assets Appraisal Co., Ltd. (“**Tian Jian Hua Heng**”), which has the qualifications to engage in securities and futures business, as the asset valuation institution, and a related valuation report (the “**Valuation Report**”) has been issued by it. Tian Jian Hua Heng has evaluated the market value of the Real Estates of RMB195,434,700 (the “**Valuation Price**”) on the valuation date of 31 July 2020. The valuation approaches adopted in the Valuation Report were market approach and income approach. The transaction price shall be determined on the basis of the Valuation Price. The pricing of the transaction shall not be higher than the Valuation Price and shall be determined by both parties of the transaction through negotiation.

CONDITIONS PRECEDENT

The transaction of the proposed purchase of the Real Estates will be subject to the requirements in relation to the connected transactions under the Listing Rules of the Hong Kong Stock Exchange and the related party transactions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, respectively.

REASONS FOR AND BENEFITS OF THE PURCHASE

In recent years, with the iterative development of the Internet, the traditional e-commerce industry has shifted from online retail to multi-format business. In response to changes in the industry, the Group transformed and upgraded its e-commerce business to supply chain services in the new round of “Strategic Planning”, and proposed the development goals of empowering the traditional publishing and media industry with the Internet and big data, and enhancing the innovation capabilities of supply chain service models. In order to promote the implementation of a new round of strategy, the Group will build up a supply chain service cluster including publication e-commerce, digital publishing, digital reading, knowledge services, creative content expansion, etc., and increase investment in supply chain service businesses to lay a foundation for the Company’s supply chain industry development.

Wenjiang District, Chengdu, where the Real Estates of the proposed purchase are located, has advantages such as industry cluster, talents and policy, and can provide favourable business environment, policy support, talents and technical development support to the supply chain service business of the Group. Many cultural, technical and educational institutions have settled in the industrial park where the Real Estates proposed to be purchased are located. Those institutions may form effective external interaction with the supply chain service business of the Group, which facilitates the development of the supply chain service industry of the Group. Therefore, the purchase of the Real Estates as the work base for the supply chain service cluster satisfies the need of sustainable growth of the supply chain service business of the Group in the future.

The Company planned to purchase the Real Estates to provide further support to the development of the supply chain service industry. The pricing of the transaction was fair and there was no damage to the interests of the Company and all its shareholders especially minority shareholders, nor would it cause adverse effects on the financial position and the operation and management of the Company.

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As the purchase of the Real Estates may or may not proceed, shareholders and investors are reminded to exercise caution when dealing in the shares of the Company.

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

Sichuan, the PRC, 29 October 2020

As at the date of this announcement, the Board comprises (a) Mr. He Zhiyong and Mr. Chen Yunhua as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Peng and Mr. Han Xiaoming as non-executive Directors; and (c) Mr. Chan Yuk Tong, Ms. Xiao Liping and Mr. Fang Binxi as independent non-executive Directors.

* For identification purposes only