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winshare 文軒

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)

RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS

References are made to the Company's announcements dated 18 December 2018 and 6 November 2019 regarding, amongst others, renewal of various continuing connected transactions. Capitalised terms shall have the same meanings as defined in the Announcements unless otherwise stated.

According to the Announcements, the Group has been conducting certain continuing connected transactions with, amongst other, Sichuan Xinhua Publishing and Distribution Group, Xinhua Cultural Property and Winshare Online, respectively, pursuant to the Previous Property Leasing Framework Agreement, the Previous Property Management Service Framework Agreement and the Previous Logistics Service Framework Agreement.

As the Previous Agreements will expire on 31 December 2021, the Company has agreed to renew the Previous Agreements and entered into the following agreements with Sichuan Xinhua Publishing and Distribution Group, Xinhua Cultural Property and Winshare Online, respectively on 9 December 2021:

(I) PROPERTY LEASING FRAMEWORK AGREEMENT

On 9 December 2021, the Company entered into the Property Leasing Framework Agreement with Sichuan Xinhua Publishing and Distribution Group in connection with the leasing of premises to the Group for the period from 1 January 2022 to 31 December 2024.

(II) PROPERTY MANAGEMENT SERVICE FRAMEWORK AGREEMENT

On 9 December 2021, the Company entered into the Property Management Service Framework Agreement with Xinhua Cultural Property in connection with the provision of property management services to the Group for the period from 1 January 2022 to 31 December 2024.

(III) LOGISTICS SERVICE FRAMEWORK AGREEMENT

On 9 December 2021, the Company entered into the Logistics Service Framework Agreement with Winshare Online in connection with the provision of Logistics Service by the Company to Winshare Online for the period from 1 January 2022 to 31 December 2024.

LISTING RULES IMPLICATIONS

- (I) Sichuan Xinhua Publishing and Distribution Group holds approximately 54.37% of the shares of the Company, and is the controlling shareholder of the Company. Accordingly, Sichuan Xinhua Publishing and Distribution Group is a connected person of the Company and therefore the transactions contemplated under the Property Leasing Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.
- (II) Xinhua Cultural Property is an indirect wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company. Accordingly, Xinhua Cultural Property is a connected person of the Company and therefore the transactions contemplated under the Property Management Service Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.
- (III) Winshare Online is a non-wholly owned subsidiary of the Company, while Sichuan Xinhua Publishing and Distribution Group, which controls 25% of the voting rights of Winshare Online, is a controlling shareholder of the Company. Accordingly, Winshare Online is a connected subsidiary of the Company under Rule 14A.07(5) of the Listing Rules and therefore the transactions contemplated under the Logistics Service Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As various applicable percentage ratios (other than the profits ratio) for the Property Leasing Framework Agreement, the Property Management Service Framework Agreement, and the Logistics Service Framework Agreement are, on an annual basis, more than 0.1% but less than 5%, the Property Leasing Framework Agreement, the Property Management Service Framework Agreement and the Logistics Service Framework Agreement are therefore subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirements.

RENEWAL OF VARIOUS CONTINUING CONNECTED TRANSACTIONS

Introduction

References are made to the Announcements.

On 18 December 2018, the Company entered into the Previous Property Leasing Framework Agreement and the Previous Property Management Service Framework Agreement, respectively with Sichuan Xinhua Publishing and Distribution Group and Xinhua Cultural Property. Pursuant to the Previous Property Leasing Framework Agreement, Sichuan Xinhua Publishing and Distribution Group shall lease certain buildings and units in Sichuan Province to the Group during the term of the agreement. Pursuant to the Previous Property Management Service Framework Agreement, Xinhua Cultural Property shall provide property management services to the Group during the term of the agreement.

On 6 November 2019, the Company entered into the Previous Logistics Service Framework Agreement with Winshare Online. Pursuant to the Previous Logistics Service Framework Agreement, the Company shall provide Logistics Service to Winshare Online during the term of the agreement.

As the Previous Agreements will expire on 31 December 2021, the Company has agreed to renew the Previous Agreements and entered into the following agreements with Sichuan Xinhua Publishing and Distribution Group, Xinhua Cultural Property and Winshare Online, respectively on 9 December 2021:

(1) Property Leasing Framework Agreement

Principal Terms:

Date:	9 December 2021
Term:	1 January 2022 to 31 December 2024 (both days inclusive)
Parties:	(1) the Company (and on behalf of the Group) (as lessee) (2) Sichuan Xinhua Publishing and Distribution Group (as lessor)
Nature of transaction:	Sichuan Xinhua Publishing and Distribution Group shall lease properties including certain offices, warehouses and retail outlets with a total leased area of 74,882.61 square metres to the Group. During the lease term, the Company may adjust the leased area according to the actual operating needs of the Company and its subsidiaries.
Rental:	<p>Regarding the premises to be leased by the Company from Sichuan Xinhua Publishing and Distribution Group, the rental shall be determined with reference to the assessment results of the relevant leased buildings issued by Sichuan TianJian HuaHeng Assets Appraisal Co., Ltd., an independent qualified property valuer, dated 27 November 2021.</p> <p>For the premises leased by the subsidiaries of the Company from Sichuan Xinhua Publishing and Distribution Group, the rental shall be based on the pricing policy and principles set out in the Property Leasing Framework Agreement, with reference to the prevailing market rent of comparable similar properties, and shall be determined by the subsidiaries of the Company and Sichuan Xinhua Publishing and Distribution Group through otherwise entering into a separate lease agreement.</p> <p>During the term of the lease, if the area of the premises leased by the Company and its subsidiaries from Sichuan Xinhua Publishing and Distribution Group changes, the rental shall be based on the pricing policy and principles set out in the Property Leasing Framework Agreement, and shall be determined by the parties through otherwise entering into a supplemental agreement.</p>

Payment method: Unless otherwise agreed between the Company and Sichuan Xinhua Publishing and Distribution Group, the rentals in respect of the lease of each premise shall be paid by the Group to Sichuan Xinhua Publishing and Distribution Group yearly by way of bank transfer or bill.

Option to renew: Subject to the Listing Rules and relevant approvals, including the approval of the Board, the Company may renew the Previous Property Leasing Framework Agreement upon serving a notice to Sichuan Xinhua Publishing and Distribution Group prior to the expiry of the Previous Property Leasing Framework Agreement.

Pricing policy

The rental shall be determined by the parties in a fair and reasonable manner through arm's length negotiation and on normal commercial terms with reference to the assessment results of the prevailing market rent of the relevant leased buildings as at 30 September 2021 issued by Sichuan TianJian HuaHeng Assets Appraisal Co., Ltd., a qualified independent third party property valuer, as at 27 November 2021 and/or the market rent of comparable properties, and shall not be less favourable than conditions offered by the third party lessees.

The connected relationship between the parties

As at the date of this announcement, Sichuan Xinhua Publishing and Distribution Group holds approximately 54.37% of the shares of the Company, and is the controlling shareholder of the Company. Accordingly, Sichuan Xinhua Publishing and Distribution Group is a connected person of the Company and therefore the transactions contemplated under the Property Leasing Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Historical caps and transaction amounts

The following table summarizes the annual caps for the Previous Property Leasing Framework Agreement for each of the three years ended 31 December 2021 and the relevant historical transaction amounts for each of the two years ended 31 December 2020 and the eleven months ended 30 November 2021:

	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)	For the year ended 31 December 2021 (RMB'000)
Annual cap	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>

	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)	For the eleven months ended 30 November 2021 (RMB'000)
Historical transaction amount	41,168	40,470	36,769

Annual caps and basis for determining the annual caps

In considering the annual caps under the Property Leasing Framework Agreement, the Directors have considered the following factors:

- (i) the anticipated area of the properties for offices, warehouses and retail outlets to be leased by the Group for the three years ending 31 December 2024 based on the demand;
- (ii) the rental determined based on the assessment results issued by Sichuan TianJian HuaHeng Assets Appraisal Co., Ltd.; and
- (iii) the possible increase in area to be leased by the Group based on the needs for business development in the next three years and the anticipated natural and reasonable growth of the rental market.

Having considered the above factors, the Directors expect that the total rental amounts payable by the Company under the Property Leasing Framework Agreement for the three years ending 31 December 2024 will not exceed RMB46,000,000, RMB46,000,000 and RMB46,000,000, respectively.

According to the Accounting Standards for Business Enterprises No. 21 – Leases revised by the Ministry of Finance of the PRC in 2018, the Group acts as a lessee under the Property Leasing Framework Agreement and the right to lease assets during the lease term shall be recognized as a right-of-use asset. The Group shall determine the annual caps of the Property Leasing Framework Agreement based on the net value of right-of-use assets relating to the leases thereunder each year.

As such, the Directors propose that the annual cap for the Property Leasing Framework Agreement for each of the three years ending 31 December 2024 (determined based on the net value of right-of-use assets) shall be as follows:

	For the year ended 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)	For the year ended 31 December 2024 (RMB'000)
Annual cap	<u>220,370</u>	<u>183,642</u>	<u>146,913</u>

Reasons for and benefits of the Property Leasing Framework Agreement

Currently, certain premises used by the Company and some of its subsidiaries are leased by Sichuan Xinhua Publishing and Distribution Group to the Group and the leases of such premises have been in existence and renewed since the establishment of the Company. During the term of the lease, such premises will mainly be used as offices, warehouses and retail outlets of the Group to satisfy administration needs, the inventory turnover storage needs as well as the retail business needs of the Group. The locations and area of such premises that can be leased by Sichuan Xinhua Publishing and Distribution Group to the Group are considered favourable and appropriate, respectively, for the functions discussed above. The leasing arrangements under the Property Leasing Framework Agreement can continuously provide suitable premises to the Group to meet its needs.

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

(2) Property Management Service Framework Agreement

Principal Terms:

Date:	9 December 2021
Term:	1 January 2022 to 31 December 2024 (both days inclusive)
Parties:	<p>(1) the Company (and on behalf of the Group) (as recipient of services)</p> <p>(2) Xinhua Cultural Property (as service provider)</p>

Nature and means of transaction:	Xinhua Cultural Property shall provide property management services to the Group.
Price:	The service fees for the property management services shall be agreed between the parties having considered the type of property owned or rented by the Group and the type of services provided by Xinhua Cultural Property under each service agreement.
Payment method:	Unless otherwise agreed between the Company and Xinhua Cultural Property, the fees for the property management services shall be settled by the Company and its subsidiaries every 3 months by way of bank transfer.
Option to renew:	Subject to the Listing Rules and relevant approvals, including the approval of the Board, the Company may renew the Property Management Service Framework Agreement upon serving a notice to Xinhua Cultural Property prior to the expiry of the Property Management Service Framework Agreement.

Pricing Policy

The service fees charged by Xinhua Cultural Property for the provision of property management services to the Group shall be determined through arm's length negotiation between the parties and shall be determined in accordance with the principles of fairness and reasonableness. The agreed price shall be based on normal commercial terms and conditions, taking into account the following factors:

- (1) with reference to the quotations of similar property management services (including but not limited to service quality, scope of services and content of services) provided by Independent Third Parties; and
- (2) the standard of the fees charged by Xinhua Cultural Property for the provision of property management services to the Group shall not be higher than the average level of quotations for the provision of similar property management services charged by abovementioned Independent Third Parties.

The connected relationship between the parties

As at the date of this announcement, Xinhua Cultural Property is an indirect wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company. Accordingly, Xinhua Cultural Property is a connected person of the Company and therefore the transactions contemplated under the Property Management Service Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Historical caps and transaction amounts

The following table summarizes the annual caps for the Previous Property Management Service Framework Agreement for each of the three years ended 31 December 2021 and the relevant historical transaction amounts for each of the two years ended 31 December 2020 and the eleven months ended 30 November 2021:

	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)	For the year ended 31 December 2021 (RMB'000)
Annual cap	<u>13,500</u>	<u>14,000</u>	<u>14,000</u>
	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)	For the eleven months ended 30 November 2021 (RMB'000)
Historical transaction amount	<u>8,713</u>	<u>12,161</u>	<u>7,180</u>

Annual caps and basis for determining the annual caps

In considering the annual caps for the Property Management Service Framework Agreement, the Directors have considered a number of factors including:

- (i) the scope of property management services to be covered by the property management services arrangements, including the relocation of the Group to a new office building in 2022, which will increase the property management area by approximately 86,000 square metres;
- (ii) the increase in charge rates due to the improvement of the property management services along with the property quality of the Group's new office building;
- (iii) the possible increase of general market price owing to factors such as labour cost;
- (iv) the possible increase in area and scope of the property management services based on the needs for business operation and development of the Group; and
- (v) the collection and payment of water, electricity and gas charges for the new office building by the property management service provider on behalf of the Group under the property management arrangements for certain premises.

Having considered the above factors, the Board proposes that the annual cap for the Property Management Service Framework Agreement for each of the three years ending 31 December 2024 shall be as follows:

	For the year ended 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)	For the year ended 31 December 2024 (RMB'000)
Annual cap	<u>50,500</u>	<u>50,500</u>	<u>50,500</u>

Reasons for and benefits of the Property Management Service Framework Agreement

Xinhua Cultural 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 property management cost.

At the same time, Xinhua Cultural Property has continuously provided the Group with thorough, efficient and convenient property management services in more than ten years of cooperation, and is very familiar with the property services projects and the needs of the Group. The Directors believe that Xinhua Cultural Property could provide better service support to the Group to meet its business and operational needs.

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

(3) Logistics Service Framework Agreement

Principal Terms

Date:	9 December 2021
Term:	1 January 2022 to 31 December 2024 (both days inclusive)
Parties:	(1) the Company (as service provider) (2) Winshare Online (as recipient of services)

Nature and means of transaction:	The Company and its subsidiaries (excluding Winshare Online) will provide professional logistics related services such as transfer, delivery and storage management to Winshare Online.
Price:	The provision of Logistics Service by the Group shall be in accordance with the logistics service contracts entered into between the Group and Winshare Online, which will set out, among other things, the pricing and payment terms of Logistics Service.
Payment method:	The settlement of Logistics Service was agreed between the Group and Winshare Online in accordance with the logistics service contracts. Unless otherwise agreed, the relevant service fees shall be paid by Winshare Online to the Group every three months by way of bank transfer.
Option to renew:	Subject to the Listing Rules and relevant approvals, including the approval of the Board, the Company may renew the Logistics Service Framework Agreement upon serving a notice to Winshare Online prior to the expiry of the Logistics Service Framework Agreement.

Pricing policy

The transaction prices of the provision of Logistics Service shall be determined by the parties through arm's length negotiation and on normal commercial terms with reference to those offered by the Company and its subsidiaries (excluding Winshare Online) to Independent Third Parties for comparable logistics services, which shall be basically the same as that of the transaction prices entered into between the parties and the market players who are Independent Third Parties, in order to ensure that the final pricing for the Logistics Service is fair and reasonable.

The connected relationship between the parties

As at the date of this announcement, Winshare Online is a non-wholly owned subsidiary of the Company, while Sichuan Xinhua Publishing and Distribution Group, which controls 25% of the voting rights of Winshare Online, is a controlling shareholder of the Company. Accordingly, Winshare Online is a connected subsidiary of the Company under Rule 14A.07(5) of the Listing Rules and therefore the transactions contemplated under the Logistics Service Framework Agreement shall constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Historical caps and transaction amounts

The following table summarizes the annual caps for the Previous Logistics Service Framework Agreement for each of the three years ended 31 December 2021 and the relevant historical transaction amounts for each of the two years ended 31 December 2020 and the eleven months ended 30 November 2021:

	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)	For the year ended 31 December 2021 (RMB'000)
Annual cap	<u>65,000</u>	<u>120,000</u>	<u>170,000</u>
	For the year ended 31 December 2019 (RMB'000)	For the year ended 31 December 2020 (RMB'000)	For the eleven months ended 30 November 2021 (RMB'000)
Historical transaction amount	<u>45,098</u>	<u>53,319</u>	<u>69,614</u>

Annual caps and basis for determination

In considering the annual caps under the Logistics Service Framework Agreement, the Board has considered a number of factors including:

- (i) based on the historical business volume of Winshare Online, the compound annual growth rate of products sales value using the logistics services provided by the Company from 2019 to 2021 was approximately 40.32%;
- (ii) the historical transaction amounts between the Group and Winshare Online and the estimated demand of Winshare Online for such Logistics Service based on its estimated business volume;
- (iii) the transaction prices determined by the Group with reference to the charging standard for comparable logistics services provided by Independent Third Party external customers;
- (iv) in the recent two years, Winshare Online has entered into agreements with more suppliers, pursuant to which the Group provides transportation services for their procurement. Winshare Online expects that the scope of suppliers choosing the logistics services provided by the Group will further expand; and

- (v) the expected continuous growth in the demand of Winshare Online for logistics services due to business development with the rapid growing trend of Chinese e-commerce market and the continuous growth in the business volume of Winshare Online in recent years.

Having considered the above factors, the Board proposes that the annual cap for the Logistics Service Framework Agreement for each of the three years ending 31 December 2024 shall be as follows:

	For the year ended 31 December 2022 (RMB'000)	For the year ended 31 December 2023 (RMB'000)	For the year ended 31 December 2024 (RMB'000)
Annual cap	<u>130,000</u>	<u>180,000</u>	<u>230,000</u>

Reasons for and benefits of the Logistics Service Framework Agreement

As one of the largest publishers in the region, the Group has achieved integrated operation in publishing and distribution industry chain and is equipped with a well-established logistics distribution network and business supporting platform and is capable of providing quality logistics services. The fact that Winshare Online, as the internet sales channel of the Group, uses the logistics services provided by the Group enabling the Group to make use of its overall advantage in the supply chain, which will in turn enhance the Group's operational efficiency.

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

Internal control measures

In order to ensure that the Group is in compliance with the pricing policies in relation to certain continuing connected transactions, and safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted the following measures:

- (i) For determination of the rental pricing for the Property Leasing Framework Agreement and the Property Management Service Framework Agreement, a qualified property valuer appointed by the Infrastructure and Asset Management Centre of the Company carries out assessment on the properties, collects the data of market rents of comparable properties, and provides advice on pricing with reference to the assessment results and the market rents of comparable properties. The Infrastructure and Asset Management Centre of the Company also submits the pricing recommendation to the management of the Company for approval and confirmation. For the pricing of the property management service fees, the Infrastructure and Asset Management Centre and the relevant functional departments of the Company collect the quotations of similar property management services for comparable properties from no less than two Independent Third Parties, review the basis for the property management service fees, provides pricing recommendation, and submit the pricing recommendation to the management of the Company for approval and confirmation.

- (ii) The Infrastructure and Asset Management Center and the relevant functional departments of the Company check the payment amount in accordance with the Property Leasing Framework Agreement and the Property Management Service Framework Agreement or/and separate supplemental agreements entered into therefor.
- (iii) For the Logistics Service Framework Agreement, the price at which the provision of Logistics Service by the Company to Winshare Online shall be determined by the Company's relevant business department and Winshare Online, then discussed and reviewed by the relevant functional administrative departments of the Company, and the integrated pricing proposals will be made with reference to the prevailing market price upon entering into the proposed transaction, which will be further submitted to the management of the Company for approval and confirmation. During the review of the price offered by other Independent Third Parties, the relevant administrative departments of the Company shall generally verify quotation from no less than two Independent Third Parties who receive logistics services from the Group to determine the market price. The price at which the provision of Logistics Service by subsidiaries of the Company to Winshare Online shall be discussed and determined by them, and the pricing proposals will be made with reference to the prevailing market price upon entering into the proposed transaction, which will be further submitted to the management of subsidiaries of the Company for approval and confirmation. The relevant administrative departments of the Company shall regularly review the market price at the end of the financial year to ensure the Logistics Service is executed in accordance with the pricing policy.
- (iv) The Company has in place a system for the management of connected transactions which clearly states that the relevant administrative departments shall continually trace, monitor and evaluate the payment arrangements and actual transaction amounts under the relevant connected transactions, to ensure that the annual caps for the continuing connected transactions will not be exceeded.
- (v) The Company will engage the auditor of the Company to carry out annual review on the continuing connected transactions (including but not limited to the relevant pricing policies and annual caps) every year in accordance with the requirement of Rule 14A.56 of the Listing Rules.
- (vi) The transactions under the Property Leasing Framework Agreement, the Property Management Service Framework Agreement and the Logistics Service Framework Agreement for each financial period, as well as the conclusion made by the independent non-executive Directors on whether the relevant transactions proceed according to the normal commercial terms, are fair and reasonable, and are in the interests of the Shareholders of the Company as a whole, will be disclosed in annual reports and accounts of the Company.

The Directors (including the independent non-executive Directors) consider that the above internal control measures adopted by the Company regarding the Property Leasing Framework Agreement, the Property Management Service Framework Agreement and the Logistics Service Framework Agreement are appropriate. The measures can ensure that the transactions will proceed in accordance with the pricing principles set by each connected transaction agreement with appropriate supervision.

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.

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

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

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

IMPLICATION OF THE LISTING RULES

As various applicable percentage ratios (other than the profits ratio) for the Property Leasing Framework Agreement, the Property Management Service Framework Agreement and the Logistics Service Framework Agreement are, on an annual basis, more than 0.1% but less than 5%, these three agreements are therefore subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirements.

Pursuant to Rule 14A.68 of the Listing Rules and the Articles of Association of the Company, Mr. Luo Yong, Mr. Liu Longzhang, Mr. Dai Weidong, Mr. Luo Jun and Mr. Zhang Peng as Directors may be regarded as having interests in the Property Leasing Framework Agreement, the Property Management Service Framework Agreement and the Logistics Service Framework Agreement. As such, they have abstained from voting on the Board resolution for approving the annual cap amounts under the said three agreements for each of the three years ending 31 December 2024. Save for the aforementioned Directors, none of the Directors has any material interests in the said three agreements.

DEFINITIONS

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

“Announcements”	the Company’s announcements dated 18 December 2018 and 6 November 2019 regarding, amongst others, renewal of various continuing connected transactions
“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 A shares and H shares of which are listed on the Shanghai Stock Exchange and the Stock Exchange respectively
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	has the meaning ascribed to it under 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logistics Service”	the provision of logistics related services by the Company and its subsidiaries to Winshare Online under the Logistics Service Framework Agreement and other logistics service contracts entered into pursuant to the Logistics Service Framework Agreement
“Logistics Service Framework Agreement”	the logistics service framework agreement dated 9 December 2021 entered into between the Company and Winshare Online in connection with the provision of Logistics Services by the Company to Winshare Online for the period from 1 January 2022 to 31 December 2024

“Previous Agreements”	the Previous Property Leasing Framework Agreement, the Previous Property Management Service Framework Agreement, and the Previous Logistics Service Framework Agreement
“Previous Property Leasing Framework Agreement”	the agreement dated 18 December 2018 entered into between the Company and Sichuan Xinhua Publishing and Distribution Group in connection with the leasing of certain buildings in Sichuan Province by Sichuan Xinhua Publishing and Distribution Group to the Group for the period from 1 January 2019 to 31 December 2021
“Previous Property Management Service Framework Agreement”	the agreement dated 18 December 2018 entered into between the Company and Xinhua Cultural Property in connection with the provision of property management service by Xinhua Cultural Property to the Group for the period from 1 January 2019 to 31 December 2021
“Previous Logistics Service Framework Agreement”	the logistics service framework agreement dated 6 November 2019 entered into between the Company and Winshare Online in connection with the provision of Logistics Service by the Company to Winshare Online for the period from 1 January 2019 to 31 December 2021
“Property Leasing Framework Agreement”	the framework agreement dated 9 December 2021 entered into between the Company and Sichuan Xinhua Publishing and Distribution Group in connection with the leasing of premises by Sichuan Xinhua Publishing and Distribution Group to the Group for the period from 1 January 2022 to 31 December 2024
“Property Management Service Framework Agreement”	the property management service framework agreement dated 9 December 2021 entered into between the Company and Xinhua Cultural Property in connection with the provision of property management service by Xinhua Cultural Property to the Group for the period from 1 January 2022 to 31 December 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Sichuan Xinhua Publishing and Distribution Group”	Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司) (formerly known as Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司)), a state-owned entity established in the PRC and the controlling shareholder of the Company, which held approximately 54.37% of the shares of the Company as at 30 November 2021 (the data of which is sourced from the “Disclosure of Interests” form filed on the website of the Stock Exchange)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“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 and Distribution Group, respectively, as at the date of this announcement (for the purpose of this announcement, including their subsidiaries)
“Xinhua Cultural Property”	Sichuan Xinhua Cultural Property Service Co., Ltd.* (四川新華文化物業服務有限公司) (formerly known as 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 an indirect wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company, as at the date of this announcement
“%”	percent

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

Sichuan, the PRC, 9 December 2021

As at the date of this announcement, the Board comprises (a) Mr. Luo Yong and Mr. Liu Longzhang as executive Directors; (b) Mr. Dai Weidong, 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 Bingxi as independent non-executive Directors.

* For identification purposes only