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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)

**CONNECTED TRANSACTION
ENTERING INTO PARTNERSHIP AGREEMENT FOR SUBSCRIPTION OF
PARTNERSHIP SHARE**

INTRODUCTION

The Board is pleased to announce that on 1 August 2023, the Company held a Board meeting to approve the Resolution on the Subscription of Share of Sichuan Culture Investment Jinwen Equity Investment Fund by the Company and the Connected Transaction, and entered into the Partnership Agreement as a limited partner with Culture Investment Fund Management Company (as the general partner, executive partner and manager), Sichuan Cultural Investment Group (as a limited partner) and Sichuan Culture Investment Cultural Industry Fund (as a limited partner) in relation to the subscription of share of the Partnership. The Company shall subscribe for the capital contribution of RMB40,000,000 with its own funds, accounting for approximately 19.90% of the total capital contribution of the Partnership. The Partnership invests specifically in CEIS. As a professional economic information service institution, the principal businesses of CEIS include economic information and financial data, high-end think tanks and digital services.

The Partnership shall specifically invest in CEIS and obtain investment income therefrom, so that the partners can also obtain the corresponding economic benefits.

PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are set out as follows:

1. Date

1 August 2023 (after the trading hours of the Stock Exchange)

2. Name of the Partnership

Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership)* (四川文投錦文股權投資基金合夥企業(有限合夥))

3. Parties

- (1) Culture Investment Fund Management Company (as the general partner, executive partner and manager);
- (2) Sichuan Cultural Investment Group (as a limited partner);
- (3) Sichuan Culture Investment Cultural Industry Fund (as a limited partner); and
- (4) the Company (as a limited partner).

4. Investment purpose and business scope of the Partnership

The purpose of the Partnership is to invest in CEIS and obtain investment income therefrom, so that the partners can also obtain the corresponding economic benefits.

The business scope of the Partnership is: general projects: engaging in equity investment, investment management, asset management and other activities with private funds (subject to registration and filing with the AMAC).

5. Term of the Partnership

From the Closing Date to the fifth anniversary of the Closing Date. The investment period of the Partnership shall be from the Closing Date to the first anniversary of the Completion Date, and the exit period of the Partnership shall be the four years after the expiration of the investment period. According to the operation needs of the Partnership, the term of the Partnership may be extended with the consent of all partners.

6. Capital contribution by the Company

The total capital contribution subscribed by all partners is RMB201,000,000, all of which shall be contributed in cash, and the timing and amount of one-off or installment capital contribution shall be determined according to the actual situation of the investment projects of the Partnership. The capital contribution of each partner as agreed by all partners is as follows:

Name of the partner	Type	Contribution method	Subscribed capital contribution (in RMB ten thousand)	Proportion of subscribed capital contribution
Culture Investment Fund Management Company	General partner	Cash	30	0.15%
Company	Limited partner	Cash	4,000	19.90%
Sichuan Cultural Investment Group	Limited partner	Cash	6,000	29.85%
Sichuan Culture Investment Cultural Industry Fund	Limited partner	Cash	10,070	50.10%
Total			<u>20,100</u>	<u>100%</u>

The Company intends to finance its capital contribution from its own funds.

7. Management method

The Partnership shall be managed by Culture Investment Fund Management Company, the general partner. The manager shall establish an investment decision-making committee comprising experienced investment professionals as members. The investment decision-making committee is responsible for making investment decisions and exit decisions for specific investment projects. The manager shall convey decision-making orders in accordance with the decisions of the investment decision-making committee, and carry out and implement the same accordingly.

8. Management fee

For the provision of management services by the manager, the Partnership shall pay the manager an annual management fee during the existence of the Partnership, with no payment for the extension period. The annual management fee payable by the Partnership to the manager shall be the sum of the annual management fees to be borne by the limited partners (other than Sichuan Culture Investment Cultural Industry Fund). The general partner shall not bear any management fee. The management fee shall be payable as follows:

- (1) the management fee shall be paid once a year by the Partnership to the manager before the end of January of each year, but the annual management fee for the first year shall be paid by the Partnership to the manager within 15 working days after the actual payment of the initial capital contribution by each partner. If the term of the entrusted management agreement for the first year is less than one year, it shall be calculated on a pro-rata basis based on the actual number of months under management (calculated for one month if it is less than one month) (the “**Annual Management Fee**”).
- (2) during the investment period, the Annual Management Fee shall be calculated on the basis of 2‰ (each year) of the aggregate of the paid-in capital contribution by the limited partners of the Partnership (other than Sichuan Culture Investment Cultural Industry Fund); during the exit period, the Annual Management Fee shall be calculated on the basis of 2‰ (each year) of the paid-in capital contribution by the limited partners of the Partnership (other than Sichuan Cultural Investment Cultural Industry Fund) that have been used for project investment but have not yet been withdrawn (investment principal). If the assets of the Partnership are insufficient to pay the management fee, the limited partners (other than Sichuan Culture Investment Cultural Industry Fund) shall pay the Annual Management Fee to the Partnership in a timely manner in accordance with the requirements of the payment notice issued by the general partner, and shall bear the liability for breach of contract if they fail to pay in time in accordance with the requirements of the payment notice.

The executive partner or the manager may, after the Partnership receives cash dividends from CEIS, first deduct the Annual Management Fee to be borne by the relevant limited partners as agreed, and then distribute the cash balance of such dividends to the limited partners in accordance with the agreement.

9. Income distribution

- (1) The income obtained by the Partnership from the disposal of its shares in CEIS, the profits obtained by the Partnership from CEIS, and other income obtained during the existence of the Partnership shall be distributed to each partner in proportion to its respective paid-in capital contribution.
- (2) The distributable cash of the Partnership shall be distributed within 90 days after the receipt of the relevant payment by the Partnership, except for the delay caused by reasons such as taxation, audit, request from competent authorities, etc.

10. Loss sharing

All partners shall bear the losses of the Partnership in proportion to their paid-in capital contribution to the extent of their subscribed capital contribution.

11. Disposal of specific investment projects

After the initial public offering and listing of shares of CEIS on domestic or overseas stock exchange(s) or the listing of shares of CEIS on domestic or overseas stock exchange(s) by way of restructuring or backdoor listing, the Partnership shall sell its shares in CEIS to realize gains and exit.

In the case where CEIS is unlisted, subject to compliance with the transaction documents for specific investment projects, the Partnership shall transfer its shares in CEIS and distribute the proceeds from the transfer to each partner in accordance with the provisions of the Partnership Agreement.

Subject to compliance with applicable laws and regulations, other exit methods may be permitted under the relevant transaction documents.

INFORMATION OF THE COMPANY AND THE PARTIES OF THE PARTNERSHIP AGREEMENT

The limited partners

The Company is principally engaged in the business of publishing and distribution of publications and related products in the PRC.

Sichuan Cultural Investment Group is a limited liability company incorporated in the PRC, and is principally engaged in investment and asset management, warehousing services, real estate development, property management and leasing in the PRC. As at the date of this announcement, Sichuan Cultural Investment Group is a wholly-owned subsidiary of Sichuan Development, and Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company, is a wholly-owned subsidiary of Sichuan Development (the ultimate de facto controller of Sichuan Development is the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government). Sichuan Cultural Investment Group is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Sichuan Culture Investment Cultural Industry Fund is a limited partnership incorporated in the PRC, and is principally engaged in non-publicly traded equity investments such as equity interests in non-listed enterprises and non-publicly issued equity interests of listed companies and related consulting services in the PRC. As at the date of this announcement, to the best knowledge of the Company, the general partner of Sichuan Culture Investment Cultural Industry Fund is Culture Investment Fund Management Company, which holds 1% interest in Sichuan Culture Investment Cultural Industry Fund, and Culture Investment Fund Management Company is a non-wholly owned subsidiary of Sichuan Cultural Investment Group. Therefore, Sichuan Culture Investment Cultural Industry Fund is a connected person of the Company under Chapter 14A of the Listing Rules.

The general partner

Culture Investment Fund Management Company is a limited liability company incorporated in the PRC, and is principally engaged in private equity investment fund management and venture capital fund management services in the PRC; engaged in equity investment, investment management, asset management and other activities with private funds; and engaged in investment activities with its own funds. As at the date of this announcement, to the best knowledge of the Company, Culture Investment Fund Management Company is a non-wholly owned subsidiary of Sichuan Cultural Investment Group. Therefore, Culture Investment Fund Management Company is a connected person of the Company under Chapter 14A of the Listing Rules.

REASONS AND BENEFITS OF THE SUBSCRIPTION

The subscription of the shares of the Partnership and the special investment in CEIS is conducive to expanding the Company's investment channels, contributing financial income to the Company, and is in line with the Company's strategic approach of promoting the upgrade of the publishing and media industry chain through the "technology + capital" two-wheel driven strategy. The Subscription has no material impact on the current financial position and operating results of the Company and is in line with the interests of the shareholders of the Company and the development strategy of the Company.

The Board considers that the Subscription is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As (i) Sichuan Cultural Investment Group is a wholly-owned subsidiary of Sichuan Development and Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company, is a wholly-owned subsidiary of Sichuan Development, Sichuan Cultural Investment Group is therefore a connected person of the Company under Chapter 14A of the Listing Rules; (ii) Culture Investment Fund Management Company is a non-wholly owned subsidiary of Sichuan Cultural Investment Group and therefore, Culture Investment Fund Management Company is a connected person of the Company under Chapter 14A of the Listing Rules; and (iii) the general partner of Sichuan Culture Investment Cultural Industry Fund is Culture Investment Fund Management Company, Sichuan Culture Investment Cultural Industry Fund is therefore a connected person of the Company and the transaction contemplated under the Partnership Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the Subscription are more than 0.1% but less than 5%, the Subscription is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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. Ke Jiming and Mr. Zhang Peng, being Directors, may be regarded as having a material interest in the Partnership Agreement and therefore have abstained from voting on the Board resolution approving the Partnership Agreement. Save for the Directors mentioned above, none of the Directors has a material interest in the Partnership Agreement and is required to abstain from voting.

Shareholders and investors should note that the maximum amount of loss to be borne by the Company under the Subscription shall not exceed RMB40,400,000, including the management fee that may be paid by the Company to the Partnership during the existence of the Partnership, which is expected to be not more than RMB400,000. The Subscription may be affected by factors such as macroeconomic policies, industry development trends, capital market conditions and the development of the investment business of the Partnership, and there are risks of failure to realize the expected benefits or investment uncertainties. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITION

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

“AMAC”	the Asset Management Association of China
“Board”	the board of Directors of the Company
“CEIS”	China Economic Information Service Co., Ltd., a limited liability company incorporated in the PRC
“Closing Date”	the payment date set out in the initial payment notice by the executive partner of the Partnership, or the date otherwise determined by the executive partner based on the actual payment of the initial capital contribution by the limited partners of the Partnership, shall be the closing date of the Partnership
“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 meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Culture Investment Fund Management Company”	Sichuan Culture Investment Cultural Industry Private Equity Fund Management Co., Ltd.* (四川文投文化產業私募基金管理有限公司), a limited liability company incorporated in the PRC
“Directors”	the directors 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 of Hong Kong Limited
“Partnership”	Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership)* (四川文投錦文股權投資基金合夥企業(有限合夥))

“Partnership Agreement”	the partnership agreement dated 1 August 2023 (after the trading hours of the Stock Exchange) in relation to the Subscription entered into among the Company, Culture Investment Fund Management Company (as the general partner, executive partner and manager), Sichuan Cultural Investment Group (as a limited partner) and Sichuan Culture Investment Cultural Industry Fund (as a limited partner)
“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
“Sichuan Cultural Investment Group”	Sichuan Cultural Industry Investment Group Co., Ltd., a limited liability company incorporated in the PRC
“Sichuan Culture Investment Cultural Industry Fund”	Sichuan Cultural Industry Investment Fund Partnership (Limited Partnership)* (四川文化產業投資基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC
“Sichuan Development”	Sichuan Development Holding Co., Ltd.* (四川發展(控股)有限責任公司), a limited liability company incorporated in the PRC, which indirectly controls the Company through Sichuan Xinhua Publishing and Distribution Group
“Sichuan Xinhua Publishing and Distribution Group”	Sichuan Xinhua Publishing and Distribution Group Co., Ltd., a limited liability company incorporated in the PRC, the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the Company establishes the Partnership in accordance with the terms and conditions of the Partnership Agreement, and intends to use its own funds to subscribe for the share of the Partnership of not exceeding RMB40,000,000
“%”	per cent
“‰”	per mille

By order of the Board
Xinhua Winshare Publishing and Media Co., Ltd.*
Luo Yong
Chairman

Sichuan, the PRC, 1 August 2023

As at the date of this announcement, the Board comprises (a) Mr. Luo Yong, Mr. Liu Longzhang and Mr. Li Qiang as executive Directors; (b) Mr. Dai Weidong, Mr. Ke Jiming and Mr. Zhang Peng as non-executive Directors; and (c) Mr. Lau Tsz Bun, Mr. Fang Bingxi and Mr. Li Xu as independent non-executive Directors.

* For identification purposes only