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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 9 December 2021 and 29 December 2021 regarding, amongst others, renewal of various continuing connected transactions and the entering into of the Previous Publications Procurement Framework Agreement and the Previous Paper Supply Framework Agreement. 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 Sichuan Xinhua Publishing and Distribution Group, Xinhua Cultural Property and Sichuan Minzu Publishing House, respectively, pursuant to the Previous Property Leasing Framework Agreement, the Previous Property Management Service Framework Agreement, the Previous Paper Supply Framework Agreement and the Previous Publications Procurement Framework Agreement.

As the Previous Agreements will expire on 31 December 2024, 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 Sichuan Minzu Publishing House, respectively on 20 December 2024:

#### **(I) PROPERTY LEASING FRAMEWORK AGREEMENT**

On 20 December 2024, 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 2025 to 31 December 2027.

#### **(II) PROPERTY MANAGEMENT SERVICE FRAMEWORK AGREEMENT**

On 20 December 2024, 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 2025 to 31 December 2027.

### **(III) PAPER SUPPLY FRAMEWORK AGREEMENT**

On 20 December 2024, the Company entered into the Paper Supply Framework Agreement with Sichuan Minzu Publishing House in connection with the supply of printing papers by the Company to Sichuan Minzu Publishing House for the period from 1 January 2025 to 31 December 2027.

### **(IV) PUBLICATIONS PROCUREMENT FRAMEWORK AGREEMENT**

On 20 December 2024, the Company entered into the Publications Procurement Framework Agreement with Sichuan Minzu Publishing House in connection with the procurement of publications by the Company from Sichuan Minzu Publishing House for the period from 1 January 2025 to 31 December 2027.

### **LISTING RULES IMPLICATIONS**

- (I) Sichuan Xinhua Publishing and Distribution Group holds approximately 50.49% 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 of 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 of the Company under Chapter 14A of the Listing Rules.
- (III) Sichuan Minzu Publishing House is a direct wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company. Accordingly, Sichuan Minzu Publishing House is a connected person of the Company and therefore the transactions contemplated under the Paper Supply Framework Agreement and Publications Procurement Framework Agreement shall constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As various applicable percentage ratios (other than the profits ratio) for each of the Framework Agreements are, on an annual basis, more than 0.1% but less than 5%, the Framework Agreements, 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 9 December 2021, the Company entered into the Previous Property Leasing Framework Agreement and the Previous Property Management Service Framework Agreement with Sichuan Xinhua Publishing and Distribution Group and Xinhua Cultural Property, respectively. 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 29 December 2021, the Company entered into the Previous Paper Supply Framework Agreement and the Previous Publications Procurement Framework Agreement with Sichuan Minzu Publishing House. Pursuant to the Previous Paper Supply Framework Agreement, the Group shall supply printing papers to Sichuan Minzu Publishing House during the term of the agreement. Pursuant to the Previous Publications Procurement Framework Agreement, the Group shall procure publications from Sichuan Minzu Publishing House during the term of the agreement.

As the Previous Agreements will expire on 31 December 2024, 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 Sichuan Minzu Publishing House, respectively on 20 December 2024:

#### (1) Property Leasing Framework Agreement

##### *Principal Terms:*

Date:	20 December 2024
Term:	1 January 2025 to 31 December 2027 (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 outlets with a total leased area of approximately 69,335.91 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: Regarding the premises to be leased by the Group from Sichuan Xinhua Publishing and Distribution Group, the rental shall be determined with reference to the assessment results of the relevant proposed leased buildings issued by Sichuan Pengcheng Real Estate Land Asset Appraisal Co., Ltd (四川鵬程房地產土地資產評估有限公司), an independent qualified property valuer, dated 19 September 2024 and/or market rentals of comparable similar properties.
- During the term of the lease, if the area of the premises leased by the 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.
- 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 semi-annually by way of bank transfer or bill.
- Option to renew: Subject to the Listing Rules and relevant approvals, including the approval of the Board or a general meeting (if required), the Company may renew the Property Leasing Framework Agreement upon serving a notice to Sichuan Xinhua Publishing and Distribution Group prior to the expiry of the 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 market rent of the relevant proposed leased buildings issued by Sichuan Pengcheng Real Estate Land Asset Appraisal Co., Ltd (四川鵬程房地產土地資產評估有限公司), a qualified independent third-party property valuer, as at 19 September 2024 and/or the market rent of comparable properties, and shall not be less favourable than conditions offered by the third-party lessors.

### ***The connected relationship between the parties***

As at the date of this announcement, Sichuan Xinhua Publishing and Distribution Group holds approximately 50.49% 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 of 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 2024 and the relevant historical transaction amounts and the net value of right-of-use assets for each of the two years ended 31 December 2023 and the eleven months ended 30 November 2024:

	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the year ended 31 December 2024 (RMB'000)</b>
Annual cap on the net value of right-of-use assets	220,370	183,642	146,913
Annual cap on the total rental amounts	<u>46,000</u>	<u>46,000</u>	<u>46,000</u>
	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the eleven months ended 30 November 2024 (RMB'000)</b>
Historical transaction amount	<u>38,796</u>	<u>38,679</u>	<u>35,346</u>
	<b>As at 31 December 2022 (RMB'000)</b>	<b>As at 31 December 2023 (RMB'000)</b>	<b>For the eleven months ended 30 November 2024 (RMB'000)</b>
Historical net value of right-of-use assets	<u>161,463</u>	<u>129,170</u>	<u>102,153</u>

### ***Annual caps and basis for determining the annual caps***

In considering the annual caps under the Property Leasing Framework Agreement, the Board has considered the following factors:

- (i) the anticipated area of the properties for offices, warehouses and outlets to be leased by the Group for the three years ending 31 December 2027 based on its demand;
- (ii) the rental determined based on the assessment results issued by Sichuan Pengcheng Real Estate Land Asset Appraisal Co., Ltd (四川鵬程房地產土地資產評估有限公司); 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 Board expects that the total rental amounts payable by the Company under the Property Leasing Framework Agreement for the three years ending 31 December 2027 will not exceed RMB48 million, RMB48 million and RMB48 million, 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 Board proposes that the annual cap for the Property Leasing Framework Agreement for each of the three years ending 31 December 2027 (determined based on the net value of right-of-use assets) shall be as follows:

	<b>For the year ending 31 December 2025 (RMB'000)</b>	<b>For the year ending 31 December 2026 (RMB'000)</b>	<b>For the year ending 31 December 2027 (RMB'000)</b>
Annual cap	<u>218,959</u>	<u>175,167</u>	<u>131,376</u>

## ***Reasons for and benefits of the Property Leasing Framework Agreement***

Currently, certain premises used by the Group 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 outlets of the Group to satisfy administration needs, the inventory turnover storage needs as well as the outlet operation 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 as a whole.

### **(2) Property Management Service Framework Agreement**

#### ***Principal Terms:***

Date:	20 December 2024
Term:	1 January 2025 to 31 December 2027 (both days inclusive)
Parties:	(1) the Company (and on behalf of the Group) (as recipient of services)  (2) Xinhua Cultural Property (as service provider)
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 or a general meeting (if required), the Company may renew the Property Management Service Framework Agreement upon serving a written 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 of 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 2024 and the relevant historical transaction amounts for each of the two years ended 31 December 2023 and the eleven months ended 30 November 2024:

	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the year ended 31 December 2024 (RMB'000)</b>
Annual cap	<u>50,500</u>	<u>50,500</u>	<u>50,500</u>
	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the eleven months ended 30 November 2024 (RMB'000)</b>
Historical transaction amount	<u>33,415</u>	<u>38,527</u>	<u>34,398</u>

### ***Annual caps and basis for determining the annual caps***

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

- (i) the total area of property and the scope of property management services to be covered by the property management services arrangements, including value-added service and collection of water, electricity and gas charges on behalf of the Group;
- (ii) 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
- (iii) the increase in charge rates due to the possible changes of general market price owing to factors such as increased labour cost.

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 2027 shall be as follows:

	<b>For the year ending 31 December 2025 (RMB'000)</b>	<b>For the year ending 31 December 2026 (RMB'000)</b>	<b>For the year ending 31 December 2027 (RMB'000)</b>
Annual cap	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

***Reasons for and benefits of the Property Management Service Framework Agreement***

Xinhua Cultural Property concentrates on providing property management services to various 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 for more than ten years, and is 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 as a whole.

**(3) Paper Supply Framework Agreement**

***Principal terms:***

- Date: 20 December 2024
- Term: From 1 January 2025 to 31 December 2027 (both days inclusive)
- Parties: (1) the Company (and on behalf of the Group) (as supplier)
- (2) Sichuan Minzu Publishing House (as purchaser)

Nature and means of transaction:	The Group shall supply papers to Sichuan Minzu Publishing House. Unless otherwise agreed by the parties, the Group shall deliver the papers ordered by Sichuan Minzu Publishing House to the location as designated by Sichuan Minzu Publishing House.
Payment method:	Both parties shall negotiate and determine the settlement methods for different types and quantities of paper in specific supply contracts. Unless otherwise agreed between the Company and Sichuan Minzu Publishing House, Sichuan Minzu Publishing House will make a lump-sum payment to the Group by bank transfer, in which case, Sichuan Minzu Publishing House will settle the full payment to the Group within 30 days at the time of receipt as the reference date. For each day of overdue default, the Group will be paid liquidated damages equivalent to 0.5% of the total contractual amount.
Specific purchase contracts:	The parties shall negotiate and enter into specific purchase contracts from time to time to agree on the type, quantity, price, payment terms, delivery time and method, location, transportation method and fees, return conditions and method, settlement method, etc. of the specific purchased papers.
Option to renew:	The Company may renew the Paper Supply Framework Agreement upon serving a notice to Sichuan Minzu Publishing House prior to the expiry of the Paper Supply Framework Agreement, subject to relevant approvals, including the approval of the Board or a general meeting of the Company (if required).

### ***Pricing policy***

The transaction prices of the papers supplied by the Group to Sichuan Minzu Publishing House shall be determined by the parties through arm's length negotiation and on normal commercial terms with reference to the market prices for the same type of products supplied by the Group to no less than two Independent Third Parties, which shall be basically the same as the transaction prices entered into between the Group and the Independent Third Parties, in order to ensure the final price of the papers is fair and reasonable.

### ***The connected relationship between the parties***

Sichuan Minzu Publishing House is a direct wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company. Accordingly, Sichuan Minzu Publishing House is a connected person of the Company and therefore the transactions contemplated under the Paper Supply Framework Agreement shall constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### ***Historical caps and transaction amounts***

The following table summarizes the annual caps for the Previous Paper Supply Framework Agreement for each of the three years ended 31 December 2024 and the relevant historical transaction amounts for each of the two years ended 31 December 2023 and the eleven months ended 30 November 2024:

	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the year ended 31 December 2024 (RMB'000)</b>
Annual cap	<u>32,000</u>	<u>39,000</u>	<u>46,000</u>
	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the eleven months ended 30 November 2024 (RMB'000)</b>
Historical transaction amount	<u>13,640</u>	<u>17,017</u>	<u>15,719</u>

### ***Annual caps and basis for determining the annual caps***

In considering the annual caps for the Paper Supply Framework Agreement, the Board has considered a number of factors, including:

- (i) the transaction amounts of the papers supplied by the Group to Sichuan Minzu Publishing House during the last three years;
- (ii) the estimated demand for printing papers to be purchased by Sichuan Minzu Publishing House from the Group in 2025, 2026 and 2027; and
- (iii) the possible increase of market price of papers with reference to the historical fluctuation in price of papers.

Note: *Paper supply business is divided into two seasons each year, namely spring and autumn, with the spring business usually spans two calendar years. The timing of spring business varies from year to year depending on the date of the Spring Festival, which may result in a transaction amount greater than the annual business forecast for the same financial year. Therefore, the annual transaction amount cap for each of 2025, 2026 and 2027 is set based on the highest actual transaction amount in the past three years.*

Having considered the above factors, the Board proposes that the annual cap for the Paper Supply Framework Agreement for each of the three years ending 31 December 2027 shall be as follows:

	<b>For the year ending 31 December 2025 (RMB'000)</b>	<b>For the year ending 31 December 2026 (RMB'000)</b>	<b>For the year ending 31 December 2027 (RMB'000)</b>
Annual cap	<u>44,000</u>	<u>45,000</u>	<u>46,000</u>

***Reasons for and benefits of the Paper Supply Framework Agreement***

Sichuan Printing Materials Co., Ltd. (四川省印刷物資有限責任公司), a subsidiary of the Company, is a relatively large seller of printing papers in Southwest China. Over the years, Sichuan Printing Materials Co., Ltd. has been supplying printing papers to a number of publishers and printing service providers including Sichuan Minzu Publishing House in the regional market. The entering into of the paper supply arrangement would be a reasonable option to expand the Group's business, and the paper supply arrangement will be beneficial for maintaining the stability of the Group's business.

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

**(4) Publications Procurement Framework Agreement**

***Principal terms:***

- Date: 20 December 2024
- Term: From 1 January 2025 to 31 December 2027 (both days inclusive)
- Parties: (1) the Company (and on behalf of the Group) (as purchaser)
- (2) Sichuan Minzu Publishing House (as seller)

Nature and means of transaction:	The Group shall purchase publications from Sichuan Minzu Publishing House for sale, and the means of which are by wholesale and retail. Unless otherwise agreed, Sichuan Minzu Publishing House shall be responsible for delivering the publications ordered by the Group to the location as designated by the Group.
Payment method:	The Group and Sichuan Minzu Publishing House shall negotiate and determine the settlement methods of payment for the purchases in the specific purchase contracts.
Specific purchase contracts:	The parties shall negotiate and enter into specific purchase contracts from time to time to agree on the type, quantity, price, payment terms, delivery time and method, location, transportation method and fees, return conditions and method, settlement methods, etc. of the specific purchased publications.
Option to renew:	The Company may renew the Publications Procurement Framework Agreement upon serving a notice to Sichuan Minzu Publishing House prior to the expiry of the Publications Procurement Framework Agreement, subject to relevant approvals, including the approval of the Board or a general meeting (if required).

### ***Pricing policy***

The transaction prices of the procurement of the publications from Sichuan Minzu Publishing House by the Group shall be determined by the parties through arm's length negotiation and on normal commercial terms with reference to the market prices for the same type of products purchased by the Group from no less than two Independent Third Parties, which shall be basically the same as the transaction prices entered into between the Group and the Independent Third Parties, in order to ensure that the final pricing for the procurement of the Publications is fair and reasonable.

### ***The connected relationship between the parties***

Sichuan Minzu Publishing House is a direct wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company. Accordingly, Sichuan Minzu Publishing House is a connected person of the Company and therefore the transactions contemplated under the Publications Procurement Framework Agreement shall constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### ***Historical caps and transaction amounts***

The following table summarizes the annual caps for the Previous Publications Procurement Framework Agreement for each of the three years ended 31 December 2024 and the relevant historical transaction amounts for each of the two years ended 31 December 2023 and the eleven months ended 30 November 2024:

	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the year ended 31 December 2024 (RMB'000)</b>
Annual cap	<u>85,000</u>	<u>115,000</u>	<u>130,000</u>
	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the eleven months ended 30 November 2024 (RMB'000)</b>
Historical transaction amount	<u>65,539</u>	<u>68,622</u>	<u>95,521</u>

### ***Annual caps and basis for determining the annual caps***

In considering the annual caps for the Publications Procurement Framework Agreement, the Board has considered a number of factors including:

- (i) the transaction amounts of the publications purchased by the Group from Sichuan Minzu Publishing House during the last three years and its annual growth rate;
- (ii) the possible change of the scope of products of the publications to be purchased by the Group from Sichuan Minzu Publishing House in the future;
- (iii) the expected possible increase in procurement demand for a variety of publications of the Group driven by the government's favourable policy and support for the cultural industry and publishing industry in the recent years;
- (iv) the estimated demand for the publications to be purchased by the Group in 2025, 2026 and 2027 based on the above items (i), (ii) and (iii); and
- (v) the possible increase in the price of the publications from time to time as a result of inflation.

Having considered the above factors, the Board proposes that the annual cap for the Publications Procurement Framework Agreement for each of the three years ending 31 December 2027 shall be as follows:

	<b>For the year ending 31 December 2025 (RMB'000)</b>	<b>For the year ending 31 December 2026 (RMB'000)</b>	<b>For the year ending 31 December 2027 (RMB'000)</b>
Annual cap	<u>130,000</u>	<u>135,000</u>	<u>140,000</u>

***Reasons for and benefits of the Publications Procurement Framework Agreement***

Sichuan Minzu Publishing House is a publisher featuring folk publication, which possesses certain categories of the exclusive publication right for the minorities' textbooks for secondary and primary schools in Sichuan Province. As the only enterprise in Sichuan Province that has the qualification to conduct the distribution business of textbooks for secondary and primary school students, the Company is required to purchase such textbooks from Sichuan Minzu Publishing House on an on-going basis when performing its responsibilities in relation to the distribution of such textbooks. In addition, the publications supplied by Sichuan Minzu Publishing House have been widely recognised by the minorities' market. Over the years, the Group has been purchasing publications from Sichuan Minzu Publishing House steadily, and both parties have built up a foundation for good cooperation and reliance. The publications procurement arrangement will be beneficial for maintaining the stability of the Group's business.

The Directors (including the independent non-executive Directors) consider that the Publications Procurement Framework Agreement is entered into in the ordinary and usual course of business of the Group and the terms as contained in the Publications Procurement Framework Agreement are on 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 Publications Procurement Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders 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, a qualified property valuer appointed by the relevant functional departments of the Company carries out assessment on the properties, collect 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 confirmation.
- (ii) For determination of the pricing of the property management service fees under the Property Management Service Framework Agreement, upon arm's-length negotiation between both parties, 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 confirmation.
- (iii) The price at which the supply of the Papers by the Group to Sichuan Minzu Publishing House shall be determined by the relevant subsidiary of the Company and Sichuan Minzu Publishing House upon negotiations, then discussed and reviewed by the relevant functional departments of the Company, 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 the Company for confirmation. The relevant functional departments of the Company shall generally verify quotation from no less than two Independent Third Parties who receive the supply of comparable products from the Group to determine the market price.
- (iv) The price at which the procurement of the Publications by the Group from Sichuan Minzu Publishing House shall be determined by the Company's relevant business units and subsidiaries and Sichuan Minzu Publishing House upon negotiations, then discussed and reviewed by the relevant functional departments of the Company, 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 the Company for confirmation. The relevant functional departments of the Company shall generally verify prices quoted by other Independent Third Parties by obtaining quotation from no less than two Independent Third-Party suppliers of publications to determine the market price.

- (v) The relevant business units, subsidiaries and functional departments of the Company verify the payment amounts in accordance with the Framework Agreements or/and separate supplemental agreements entered into thereunder.
- (vi) The relevant business units, subsidiaries and functional departments of the Company will conduct a review after the end of each year as to whether the transactions under the Framework Agreements have been conducted in accordance with the terms of such agreements and whether the annual caps have been exceeded during each financial period.
- (vii) The relevant functional departments of the Company shall regularly review the market price at the end of the financial year to ensure the supply of the Papers and the procurement of the Publications are conducted in accordance with the pricing policy.
- (viii) The Company has in place a system for the management of connected transactions which clearly states that the relevant functional 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.
- (ix) 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.
- (x) The transactions under the Framework Agreements 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 Framework Agreements 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.

Sichuan Minzu Publishing House is principally engaged in the business of publication and distribution of minority languages books and the publication of minority languages textbooks.

Xinhua Cultural Property is an indirect wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group. Sichuan Minzu Publishing House is a direct wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group. Sichuan Xinhua Publishing and Distribution Group is a wholly-owned subsidiary of Sichuan Development (Holding) Co., Ltd.\* (四川發展(控股)有限責任公司) (whose ultimate de facto controller is the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government).

## **LISTING RULES IMPLICATIONS**

As various applicable percentage ratios (other than the profits ratio) for each of the Framework Agreements, are, on an annual basis, more than 0.1% but less than 5%, the Framework Agreements are 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. Zhou Qing, Mr. Liu Longzhang, Mr. Dai Weidong, Mr. Ke Jiming and Ms. Tan Ao as Directors may be regarded as having interests in the Framework Agreements. As such, they have abstained from voting on the Board resolution approving the Framework Agreements and the annual cap amounts for each of the three years ending 31 December 2027. Save for the aforementioned Directors, none of the Directors has any material interests in the Framework Agreements.

## **DEFINITIONS**

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

“Announcements”	the announcements of the Company dated 9 December 2021 and 29 December 2021 regarding, amongst others, renewal of various continuing connected transactions and the entering into of the Previous Publications Procurement Framework Agreement and Previous Paper Supply Framework Agreement
“Associate(s)”	has the same 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 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(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Agreements”	the Property Leasing Framework Agreement, the Property Management Service Framework Agreement, the Paper Supply Framework Agreement and the Publications Procurement Framework Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	has the same meaning as ascribed to this term 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
“Paper Supply Framework Agreement”	the paper supply framework agreement dated 20 December 2024 entered into between the Company and Sichuan Minzu Publishing House in connection with the provision of the Papers by the Company to Sichuan Minzu Publishing House for the period from 1 January 2025 to 31 December 2027
“Papers”	the printing papers supplied by the Group to Sichuan Minzu Publishing House under the Paper Supply Framework Agreement
“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)
“Previous Agreements”	the Previous Property Leasing Framework Agreement, the Previous Property Management Service Framework Agreement, the Previous Paper Supply Framework Agreement and the Previous Publications Procurement Framework Agreement
“Previous Paper Supply Framework Agreement”	the paper supply framework agreement dated 29 December 2021 entered into between the Company and Sichuan Minzu Publishing House in connection with the provision of the Papers by the Company to Sichuan Minzu Publishing House for the period from 1 January 2022 to 31 December 2024

“Previous Property Leasing Framework Agreement”	the agreement dated 9 December 2021 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 2022 to 31 December 2024
“Previous Property Management Service Framework Agreement”	the 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
“Previous Publications Procurement Framework Agreement”	the publications procurement framework agreement dated 29 December 2021 entered into between the Company and Sichuan Minzu Publishing House in connection with the procurement of the Publications by the Company from Sichuan Minzu Publishing House for the period from 1 January 2022 to 31 December 2024
“Property Leasing Framework Agreement”	the framework agreement dated 20 December 2024 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 2025 to 31 December 2027
“Property Management Service Framework Agreement”	the property management service framework agreement dated 20 December 2024 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 2025 to 31 December 2027
“Publications Procurement Framework Agreement”	the publications procurement framework agreement dated 20 December 2024 entered into between the Company and Sichuan Minzu Publishing House in connection with the procurement of the Publications by the Company from Sichuan Minzu Publishing House for the period from 1 January 2025 to 31 December 2027
“Publications”	the publications purchased by the Company and its subsidiaries from Sichuan Minzu Publishing House under the Publications Procurement Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company

“Sichuan Minzu Publishing House”	Sichuan Minzu Publishing House Limited (四川民族出版社有限責任公司), a company established in the PRC with limited liability, and a direct wholly-owned subsidiary of Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company, as at the date of this announcement
“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), a state-owned entity established in the PRC, the controlling shareholder of the Company which held approximately 50.49% shares of the Company as at 20 December 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinhua Cultural Property”	Sichuan Xinhua Cultural Property Service Co., Ltd.* (四川新華文化物業服務有限公司), a company established in the PRC with limited liability 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.\***  
*Chairman*  
**Zhou Qing**

Sichuan, the PRC, 20 December 2024

*As at the date of this announcement, the Board comprises (a) Mr. Zhou Qing, Mr. Liu Longzhang and Mr. Li Qiang as executive Directors; (b) Mr. Dai Weidong, Mr. Ke Jiming and Ms. Tan Ao as non-executive Directors; and (c) Mr. Lau Tsz Bun, Mr. Deng Fumin and Mr. Han Wenlong as independent non-executive Directors.*

\* *For identification purposes only*