WIN SHARE

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)

PROPOSAL IN RELATION TO PROFIT DISTRIBUTION OF THE COMPANY AND CLOSURE OF REGISTER OF MEMBERS

Reference is made to the announcement of Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**") dated 29 April 2016 in relation to the profit distribution of the Company (the "**Announcement**"). As stated in the Announcement, the board of directors (the "**Board**") of the Company has resolved tentatively not to distribute its profit (dividend) for the year ended 31 December 2015 before the successful implementation of the initial public offering of A shares ("**A Shares IPO**"), which will be accounted for as accumulative retained profits and shared upon completion of the A Shares IPO amongst the existing and prospective shareholders of the Company. The Board has also proposed, in compliance with the articles of association of the Company and the relevant regulatory requirements, that the declaration of dividend in the distributable period following the A Shares IPO be approved by the shareholders at the general meeting. The proposal was approved by the shareholders at the extraordinary general meeting and class meetings held on 22 June 2016, respectively.

PROPOSAL IN RELATION TO PROFIT DISTRIBUTION OF THE COMPANY

In view that the A Shares IPO has been successfully completed on 8 August 2016, and as a sign of appreciation to the shareholders of the Company for their continuous support, the Board is pleased to announce that it proposed to make a distribution out of retained profits after deducting the non-distributable allowances by the end of the third quarter of 2016 as the Company's actual amount of profits distributable to its shareholders. The proposed distribution of profit (dividend) is as follows: a dividend of approximately RMB370 million (including tax) in total, at RMB0.30 per share (including tax), should be paid to the shareholders based on the 1,233,841,000 shares of the Company in issue as at 8 August 2016. The proposed pay-out of dividend is conditional upon approval of the shareholders at the Extraordinary General Meeting (the "**EGM**") which will be held on 15 December 2016. Should the proposal be approved, the dividend for the A shareholders will be declared and paid in RMB, and the dividend for the H shareholders will be declared in RMB and paid in Hong Kong dollars, at the average exchange rate published by the People's Bank of China within one week before the EGM.

Pursuant to the Corporate Income Tax Law of the People's Republic of China and its implementation guidelines, the enterprises in China paying dividend to their non-resident corporate shareholders for the accounting period commencing from 1 January 2008 shall withhold the corporate income tax for their non-resident corporate shareholders at a tax rate of 10%. Therefore, as an enterprise located in China, the Company will pay dividend to its non-resident corporate shareholders, being anyone who holds the shares of the Company as a non-individual shareholder, including but not limited to the H shareholders registered in the name of HKSCC Nominees Limited, any other agents or trustees or other organizations and groups after withholding the 10% corporate income tax.

Pursuant to the letter entitled Taxation Arrangement for Hong Kong Residents in respect of Dividend Pay-out by Mainland Enterprises (《有關香港居民就內地企業派發股息的稅務安排》) from The Stock Exchange of Hong Kong Limited to the issuer dated 4 July 2011 as well as the Notice on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號), foreign individual shareholders who hold shares issued by non-foreign investment enterprises in Hong Kong are entitled to the relevant preferential tax treatments in accordance with the taxation agreement between their own countries and China or the taxation arrangements between Mainland China and Hong Kong (Macau). As a result, the Company will withhold individual income tax at a tax rate of 10%. However, should it be otherwise stipulated in the tax rules and the relevant tax agreements, the Company will follow the stipulated tax rates and procedures when withholding individual income tax on dividend.

EXTRAORDINARY GENERAL MEETING

The EGM will be held on Thursday, 15 December 2016 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC. For further information on the EGM, please see the notice of the EGM dated 27 October 2016 and the circular to be dispatched in due course by the Company to its shareholders in relation to, among others, the proposed profit distribution.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the shareholders attending the EGM and entitled to the dividend (subject to approval of the shareholders), the Company will suspend registration of H share transfer on the following dates,

so as to determine the H shareholders who are qualified to attend and vote at the EGM:

Latest time for lodging transfers of H shares	4:30 PM, Monday, 14 November 2016
Closure of H share register of members	from Tuesday, 15 November 2016 to Thursday, 15 December 2016 (both days inclusive)
Record date	Thursday, 15 December 2016
Date for the EGM	Thursday, 15 December 2016

and who are entitled to the proposed dividend:

Latest time for lodging transfers of H shares	4:30 PM, Thursday, 22 December 2016
Closure of H share register of members	from Friday, 23 December 2016 to Wednesday, 28 December 2016 (both days inclusive)
Dividend Entitlement Date	Wednesday, 28 December 2016

In order for the H shareholders to qualify to attend and vote at the EGM and be entitled to the dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before the deadline for lodging the transfer documents.

The Company's H shareholders whose names appear on the register of members of the Company on Wednesday, 28 December 2016 (the "**Dividend Entitlement Date**") are entitled to the dividend of the Company (subject to approval of the shareholders). The time and arrangement for distribution of dividend in respect of A shares of the Company will be announced separately.

H shareholders are advised to consult their own professional advisers about the tax effect in China, Hong Kong and/or other countries (regions) in respect of owning and disposal of H shares if they are in any doubt as to the above arrangements.

Shareholders of the Company should read this paragraph carefully. Should there be anyone who intends to change his/her identity as a shareholder, please seek advice on the relevant procedures from the nominees or trustees. The Company is neither obligated nor responsible for ascertaining the identities of the shareholders. The Company will withhold corporate income tax and individual income tax in strict compliance with the relevant laws or regulations and the registered information on the H share register of members as at the Dividend Entitlement Date, and will not entertain or assume responsibility for any requests or claims in relation to any delay or inaccuracies in ascertaining the identity of the shareholders or any disputes over the arrangements for withholding the corporate income tax and individual income tax.

By Order of the Board
Xinhua Winshare Publishing and Media Co., Ltd.*
He Zhiyong
Chairman

Sichuan, the PRC, 27 October 2016

As at the date of this announcement, the Board comprises (a) Mr. He Zhiyong, Mr. Luo Yong and Mr. Yang Miao as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Peng and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Han Liyan, Mr. Chan Yuk Tong and Ms. Xiao Liping as independent non-executive Directors.

* *For identification purposes only*