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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)

INSIDE INFORMATION
DEVELOPMENT ON THE CONTROLLING SHAREHOLDER'S ACCEPTANCE OF THE FREE TRANSFER OF STATE-OWNED PROPERTY RIGHTS

This announcement is made by Xinhua Winshare Publishing and Media Co., Ltd* (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Reference is made to the inside information announcement of the Company dated 12 November 2021 (the "**Announcement**"). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 16 December 2021, the Company received the Notification Letter on Signing of the Agreement on the Free Transfer of Sichuan Minzu Publishing House and Change of the Industrial and Commercial Registration of the Authority of Sichuan Minzu Publishing House from Sichuan Xinhua Publishing and Distribution Group, the controlling shareholder of the Company. On 14 December 2021, according to the requirements of "Approval from the Publicity Department of the Sichuan Provincial Party Committee and the Finance Department of Sichuan Province on the Transfer of Sichuan Minzu Publishing House", Sichuan Xinhua Publishing and Distribution Group signed the Agreement on the Free Transfer of Sichuan Minzu Publishing House with Sichuan Party Construction Periodical Press Group and completed the change of industrial and commercial registration of the authority of Sichuan Minzu Publishing House from Sichuan Party Construction Periodical Press Group to Sichuan Xinhua Publishing and Distribution Group on the same day.

To the best of the knowledge, information and belief of the board of directors (the "**Board**") of the Company after making all reasonable enquiries, the Free Transfer consists of two stages: (1) the first stage involves the conversion of Sichuan Minzu Publishing House from an enterprise owned by the whole people (全民所有制企業) to a limited liability company, which is expected to be completed within three years; and (2) the second stage involves the injection of the business and assets of the converted Sichuan Minzu Publishing House into the Group. By then, the Group will enter into relevant equity transfer documents with Sichuan Xinhua Publishing and Distribution Group. The time for the completion of such injection depends on the actual review and approval procedures by the relevant government authorities, which is expected to take up to two years.

The Free Transfer was carried out in accordance with the instructions of the Provincial Party Committee and the Provincial Government. The Company and the Board (including the independent non-executive directors, but excluding directors with potential conflicts of interest, being Mr. Luo Yong, Mr. Liu Longzhang, Mr. Dai Weidong, Mr. Luo Jun, and Mr. Zhang Peng) have assessed and studied the relevant information and are of the view that Sichuan Xinhua Publishing and Distribution Group, upon the completion of the relevant conversion procedures of Sichuan Minzu Publishing House and the completion of the actual review and approval procedures by the relevant government authorities, facilitating the injection of the business and assets of Sichuan Minzu Publishing House into the Group as soon as practicable within five years, does not constitute a breach of the relative undertaking letters in relation to avoiding horizontal competition issued to the Company on 26 June 2006 and 14 June 2013 respectively (the "**Undertaking Letters in relation to Avoiding Horizontal Competition**").

The Company will continue to follow its existing internal control requirements and management procedures to collect relevant information on the implementation progress and completion status of the Free Transfer from Sichuan Xinhua Publishing and Distribution Group about every six months, and to provide such information to the independent non-executive directors of the Company in order to evaluate Sichuan Xinhua Publishing and Distribution Group's compliance with the Undertaking Letters in relation to Avoiding Horizontal Competition. The Company will disclose the relevant compliance status in the annual reports.

As stated in the Announcement, the Company will make further announcement according to the development of the said matter as and when appropriate.

Holders of the shares and securities and potential investors of the Company should exercise caution when dealing in the shares and securities of the Company.

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

Sichuan, the PRC, 16 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*