THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in Xinhua Winshare Publishing and Media Co., Ltd.*, you should at once hand this circular with the form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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; PROPOSED CHANGE IN AUDITORS; AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A letter from the Board is set out on pages 3 to 9 of this circular.

The notice for convening the extraordinary general meeting (the "**EGM**") of the Company to be held at 10:00 a.m. on Thursday, 15 December 2016 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the People's Republic of China (the "**PRC**"), a form of proxy and a reply slip have been issued to H Shareholders.

Whether or not you are able to attend the meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. The proxy form shall be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the EGM (or any adjournment thereof) or before the time appointed for taking the poll. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

* *For identification purposes only*

1 November 2016

CONTENTS

Page

In this circular, the following expressions shall have the meanings stated below unless the context otherwise requires:

"A Share(s)"	RMB ordinary share(s) with a nominal value of RMB1.00 each issued by the Company and in the PRC which are subscribed for in RMB and listed on the Shanghai Stock Exchange (stock code: 601811)
"A Shareholder(s)"	holder(s) of A Share(s)
"A Shares IPO"	the initial public offering of A Shares
"Articles of Association"	the articles of association of the Company (as amended from time to time)
"Board"	the board of Directors of the Company
"CASBE"	China Accounting Standards for Business Enterprises
"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
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened at 10:00 a.m. on Thursday, 15 December 2016, at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC, for the Shareholders to consider and approve the proposal in relation to profit distribution of the Company, proposed change in auditors and proposed amendments to the Articles of Association
"form of proxy"	the form of proxy issued on 28 October 2016 by the Company
"Group"	the Company and its subsidiaries

"H Share(s)"	overseas listed foreign share(s) with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
"H Shareholder(s)"	holder(s) of H Share(s)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Notice of EGM"	the notice convening the EGM dated 27 October 2016
"PRC" or "Mainland"	the People's Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Stock Exchange"	Shanghai Stock Exchange
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	A Shareholder(s) and H Shareholder(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

* *For identification purposes only*

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)

Executive Directors:
Mr. He Zhiyong *(Chairman)*
Mr. Luo Yong
Mr. Yang Miao

Non-executive Directors:
Mr. Luo Jun
Mr. Zhang Peng
Mr. Zhao Junhuai

Independent non-executive Directors:
Mr. Han Liyan
Mr. Chan Yuk Tong
Ms. Xiao Liping

Registered office in the PRC:
12th Floor, No. 86 Section One
People's South Road
Qingyang District
Chengdu, Sichuan
PRC

Head office in the PRC:
No. 6 Wenxuan Road
Rong Bei Shang Mao Avenue
Jinniu District
Chengdu, Sichuan 610081
PRC

Principal place of business in Hong Kong:
18th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

1 November 2016

To the Shareholders

Dear Sir or Madam,

PROPOSAL IN RELATION TO PROFIT DISTRIBUTION OF THE COMPANY; PROPOSED CHANGE IN AUDITORS; AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. INTRODUCTION

References are made to (i) the announcements of the Company both dated 27 October 2016 in relation to, among other things, the proposal in relation to profit distribution of the Company, the proposed change in auditors and the proposed amendments to the Articles of Association, and (ii) the Notice of EGM.

The purpose of this circular is to provide the Shareholders with details of, among other things, (i) the proposal in relation to profit distribution of the Company; (ii) the proposed change in auditors; and (iii) the proposed amendments to the Articles of Association.

2. PROPOSAL IN RELATION TO PROFIT DISTRIBUTION OF THE COMPANY

Reference is made to the announcement of the Company dated 29 April 2016 in relation to the profit distribution of the Company. The Board has resolved tentatively not to distribute the profits (dividends) for the year ended 31 December 2015 before the successful implementation of the A Shares IPO, which will be accounted for as the accumulative retained profits and shared upon completion of the A Shares IPO amongst the existing Shareholders before the A Share IPO and prospective Shareholders after the A Shares IPO. The Board has also proposed, in compliance with the Articles of Association and the relevant regulatory requirements, that declaration of additional dividends 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.

In view that the A Shares IPO has been successfully completed on 8 August 2016, and as a sign of appreciation to the Shareholders for their continuously 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 shareholders. The proposed distribution of profit (dividends) 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 dividends is conditional upon approval of the Shareholders at the EGM. Should the proposal be approved, the dividends for the A Shareholders will be declared and paid in RMB, and the dividends 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 PRC and its implementation guidelines, the enterprises in China paying dividends to their non-resident corporate shareholders for the accounting period commencing from 1 January 2008 shall withhold corporate income taxes for their non-resident corporate shareholders at a tax rate of 10%. Therefore, as an enterprise located in China, the Company will pay dividends to its non-resident corporate Shareholders, being anyone who holds the Shares 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 organisations 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税務安排》) from the Stock Exchange 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) (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[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 dividends.

3. PROPOSED CHANGE IN AUDITORS

Reference is made to the announcement of the Company dated 17 May 2016 regarding, among other things, the approval by the Shareholders at the annual general meeting of the Company held on 17 May 2016 of the re-appointment of the retiring Deloitte Touche Tohmatsu as the international auditor of Company for 2016 until the conclusion of the next annual general meeting of the Company.

As at the date of this circular, Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP are acting as the Company's international and domestic auditors, respectively. Since the A Shares of the Company were listed on the Shanghai Stock Exchange on 8 August 2016, the Company is required to comply with the relevant requirements of the Stock Exchange and the Shanghai Stock Exchange in respect of the disclosure of financial information. As the Group's principal place of business is in China, in order to facilitate audit procedures, improve efficiency and reduce costs, and in light of the acceptance of the Mainland accounting and auditing standards and Mainland audit firms by the Stock Exchange, the Board proposes that the financial reports for the financial years ending 31 December 2016 and onwards of the Company shall be solely prepared in accordance with CASBE and proposes to cease the appointment of Deloitte Touche Tohmatsu as the Company's international auditor and appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP (a Mainland audit firm approved by the Ministry of Finance of the PRC and the China Securities Regulatory Commission) as the Company's sole auditor to audit the Company's financial statements for the year ending 31 December 2016 prepared in accordance with CASBE and to undertake all such activities as required to be performed by international auditor under the Listing Rules (including but not limited to the preliminary announcement on annual results) and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the EGM.

The Board is not aware of any matter regarding the proposed change in auditors that needs to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirmed that there was neither disagreement nor unresolved matter between the Company and Deloitte Touche Tohmatsu regarding the proposed cessation of appointment nor any matters regarding the same which need to be brought to the attention of the Shareholders.

Deloitte Touche Tohmatsu has confirmed to the Board that there are no circumstances in respect of the termination of Deloitte Touche Tohmatsu as auditors of the Company that need to be brought to the attention of the Shareholders.

The Board is of the view that there will not be any material financial impact on the adoption and preparation of its financial statements under CASBE. The Board would like to express its appreciation for the professional services and support of Deloitte Touche Tohmatsu provided to the Company in the past years.

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company intends to adopt CASBE in preparing its financial statements for presentation to both A Shareholders and H Shareholders as of the financial years ending 31 December 2016 and onwards. Accordingly, the Board proposes to amend the terms of its Articles of Association in relation to the above requirements enabling the Company to have the flexibility of opting for the uniform application of CASBE in preparing its annual, interim and quarterly financial statements to satisfy the requirements of both the Shanghai Stock Exchange and the Stock Exchange.

In addition, China Securities Regulatory Commission has changed the name of “Shanghai-Hongkong Stock Connect” to “mutual stock market access between the Mainland and Hong Kong” in 2016.

In view of the above, it is proposed that paragraph 1 of article 96, article 198 and article 199 of the Articles of Association be amended.

Proposed Amendment to Paragraph 1 of Article 96 of Articles of Association:

Existing paragraph 1 of article 96, as follows:

“Shareholders who attend the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through Shanghai-Hongkong Stock Connect, make declarations according to the intention of actual holders.”

is proposed to be amended as:

“Shareholders who attend the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through mutual stock market access between the Mainland and Hong Kong, make declarations according to the intention of actual holders.”

Proposed Amendment to Article 198 of Articles of Association:

Existing article 198, as follows:

"The financial statement of the Company shall be issued in accordance with the accounting standards and laws and regulations of PRC and international standards or accounting regulations of the overseas market where the Company is listed. If there are significant discrepancies between such two standards on issuance of the financial statement, the discrepancies shall be explained in the appendix. The distribution of profit after-tax in the related financial year by the Company will be calculated according to the profit after-tax in the foregoing financial statements, whichever produces a lesser amount."

is proposed to be amended as:

"The financial statement of the Company shall be issued in accordance with the accounting standards and laws and regulations of PRC."

Proposed Amendment to Article 199 of Articles of Association:

Existing article 199, as follows:

"The interim report or financial information announced or disclosed by the Company shall be issued according to the accounting standards and regulations of PRC, and the international or local accounting standards of the overseas market where it is listed."

is proposed to be amended as:

"The interim report or financial information announced or disclosed by the Company shall be issued according to the accounting standards and regulations of PRC."

The abovementioned proposed amendments to the Articles of Association are subject to the approval by the Shareholders at the EGM by way of a special resolution and all necessary approvals, authorizations or registration (if applicable) from or filings with the relevant government or regulatory authorities.

5. EGM

The Board proposed to seek the approval of the Shareholders at the EGM on resolutions in relation to, among others, the proposed change in auditors, proposed amendments to the Articles of Association and profit distribution of the Company. The Notice of EGM, a form of proxy and a reply slip have been issued to H Shareholders.

Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it as soon as possible to the Company's H Share Registrar, Computershare Hong Kong Investor Services

Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time for holding the meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

6. CLOSURE OF H SHARE REGISTER OF MEMBERS

In order to determine the H Shareholders attending the EGM and entitled to the dividends (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 dividends:

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 H Shareholders to qualify to attend and vote at the EGM and be entitled to the dividends, 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.

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 dividends of the Company (subject to approval of the Shareholders). The time and arrangement for distribution of dividend in respect of A Shares 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 advices 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 shall withhold corporate and individual income tax in strict compliance with relevant laws and regulations and the registered information on the H Share register as at the Dividend Entitlement Date, and will not entertain or assume responsibility for any requests or claims in relation to any delay or error in ascertaining the identity of the shareholders or any disputes over the arrangements for withholding the corporate and individual income tax.

7. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, voting on all resolutions set out in the Notice of EGM at the EGM shall be taken by way of poll pursuant to Article 94 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same manner.

8. RECOMMENDATIONS

The Board considers that the proposal in relation to profit distribution of the Company, the proposed change in auditors and the proposed amendments to the Articles of Association are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM as set out in the Notice of EGM.

Yours faithfully,
For and on behalf of
XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*
He Zhiyong
Chairman

* *For identification purposes only*