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.* (the "**Company**"), you should at once hand this circular with the accompanying 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.

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: 00811)

CONNECTED AND DISCLOSEABLE TRANSACTION

DISPOSAL OF 28.5% EQUITY INTEREST IN CHENGDU XINHUI

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders of
Xinhua Winshare Publishing and Media Co., Ltd.*

CIMB

CIMB Securities (HK) Limited

A letter from the Board is set out on pages 1 to 10 of this circular.

A letter from the Independent Board Committee is set out on page 11 of this circular.

A letter from CIMB Securities (HK) Limited, the Independent Financial Adviser, containing its recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 22 of this circular.

A notice for convening the 2011 annual general meeting (the "**AGM**") of the Company to be held at 9:30 a.m. on 17 May 2012 (Thursday) at Sichuan Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the People's Republic of China (the "**PRC**") is set out on pages 38 to 40 of this circular.

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In case of H Shares, the proxy form shall be lodged with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in case of Domestic Shares, the proxy form shall be lodged at the head office of the Company in the PRC, not less than 24 hours before the time for holding the AGM (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 AGM or any adjournment thereof should you so wish.

30 March 2012

* *For identification purposes only*

CONTENTS

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

"AGM"	the 2011 annual general meeting of the Company to be held at 9:30 a.m. on 17 May 2012 (Thursday) at Sichuan Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the PRC, for, among other things, the Independent Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
"Agreement"	the agreement dated 23 March 2012 entered into between the Company and Hua Sheng Group, pursuant to which the Company has conditionally agreed to sell and Hua Sheng Group has conditionally agreed to purchase the Target Interest at the consideration of RMB117,635,300
"Announcements"	the announcements of the Company dated 18 January 2012 and 23 March 2012 in relation to the Disposal
"associate(s)"	has the same meaning as ascribed to this term under the Listing Rules
"Board"	the board of Directors
"Chengdu Xinhui"	Chengdu Xin Hui Industrial Co., Ltd.* (成都鑫匯實業有限公司), a limited liability company incorporated in the PRC and a non-wholly owned subsidiary of the Company, which is owned as to 62.5% and 37.5% by the Company and Hua Sheng Group respectively as at the date hereof
"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 H Shares of which are listed on the Main Board of the Stock Exchange
"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

"Disposal"	the disposal of the Target Interest by the Company pursuant to the Agreement
"Disposal Proposal"	the proposal to dispose the Target Interest by way of public tender auction listing procedures conducted in accordance with the relevant PRC laws and regulations with respect to transfer of state-owned assets
"Domestic Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, which are subscribed for and credited as fully paid up in RMB by PRC nationals and/or PRC incorporated entities
"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, all of which are listed on the Main Board of the Stock Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hua Sheng Group"	Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業有限公司), a Shareholder of the Company holding approximately 4.7% equity interest in the Company and a connected person of the Company as at the Latest Practicable Date
"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Han Xiaoming, Mr. Chan Yuk Tong and Mr. Han Liyan
"Independent Financial Adviser"	CIMB Securities (HK) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder, being a corporation licensed by Securities and Futures Commission to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

"Independent Shareholders"	Shareholders other than Hua Sheng Group and its associates
"Land"	the land use rights related to a parcel of land of approximately 10,527 sq.m. located at Jinjiang District, Chengdu, the PRC and currently held by Chengdu Xinhui, which is being leased to independent third parties of the Group as shops and operates as a temporary car park
"Latest Practicable Date"	27 March 2012, being the latest practicable date prior to the printing of this circular for ascertaining information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratios"	has the same meaning as ascribed to this term under the Listing Rules
"PRC"	the People's Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
"Share(s)"	Domestic Shares and H Shares
"Shareholder(s)"	shareholder(s) of the Company
"Sichuan Development"	Sichuan Development Holding Co., Ltd.* (四川發展(控股)有限責任公司), a state-owned entity established in the PRC and the ultimate controlling shareholder of the Company
"Sichuan Publication Group"	Sichuan Publication Group Co., Ltd.* (四川出版集團有限責任公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Sichuan Development

"Sichuan SASAC"	State-owned Assets Supervision and Administration Commission of Sichuan Provincial Government of the PRC (中國四川省政府國有資產監督管理委員會)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the same meaning as ascribed to this term under the Listing Rules
"Target Interest"	28.5% equity interest in Chengdu Xinhui
"Xinhua Publishing"	Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司), a limited liability company established in the PRC, as well as the controlling shareholder of the Company and a wholly-owned subsidiary of Sichuan Development
"%"	per cent.

For the purpose of this circular, the exchange rate of RMB1.00 = HK$1.23 has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts have been, could have been or may be exchanged, at this or any other rates.

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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: 00811)

Executive Directors:
Mr. Gong Cimin *(Chairman)*
Mr. Zhao Miao *(Vice chairman)*
Mr. Luo Yong

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

Independent Non-executive Directors:
Mr. Han Xiaoming
Mr. Chan Yuk Tong
Mr. Han Liyan

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
Shang Mao Dadao
Cheng Bei
Chengdu, Sichuan 610081
PRC

Principal place of business in Hong Kong:
8th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

30 March 2012

To the Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION
DISPOSAL OF 28.5% EQUITY INTEREST IN CHENGDU XINHUI

INTRODUCTION

Reference is made to the Announcements in relation to the Disposal.

On 23 March 2012, the Board announced that the Company and Hua Sheng Group entered into the Agreement, pursuant to which the Company has conditionally agreed to sell and Hua Sheng Group has conditionally agreed to purchase 28.5% equity interest in Chengdu Xinhui (i.e. the Target Interest) at a consideration of RMB117,635,300 (equivalent to approximately HK$144,691,419). The Disposal has been approved by Sichuan SASAC and/or other statutory authorities and made by way of public tender auction listing procedures conducted in accordance with the relevant PRC laws and regulations with respect to transfer of state-owned assets. Hua Sheng Group has won the option to buy the Target Interest at the bidding price of RMB117,635,300 through such procedures.

As at the date hereof, Chengdu Xinhui is a non-wholly owned subsidiary of the Company and Hua Sheng Group is a substantial shareholder of Chengdu Xinhui. Meanwhile, the ex-director of the Company, Mr. Wu Qiang, is the controlling shareholder of Hua Sheng Group. Therefore, Hua Sheng Group is regarded as a connected person of the Company and the Disposal contemplated under the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios (other than the profit ratio) for the Disposal are over 5% but less than 25%, and the consideration under the Agreement is more than HK$10,000,000, the Disposal is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Disposal also constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

In view of the interest of Hua Sheng Group in the Agreement, Hua Sheng Group and its associates will abstain from voting at the AGM on the resolutions in relation to the Agreement and the transactions contemplated thereunder.

To avoid any conflicts of interest, Mr. Zhao Junhuai, who is a non-executive Director of the Company and also the vice president of Hua Sheng Group, has abstained from voting on the Board resolutions for approving the Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with (i) details of the Agreement, (ii) a letter from the Independent Board Committee to the Independent Shareholders regarding the Agreement, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Agreement, (iv) the Hong Kong valuation report on the Land held by Chengdu Xinhui prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a Hong Kong independent qualified property valuer and consultant, (v) an extract of the PRC valuation report on Chengdu Xinhui prepared by Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司), a PRC independent qualified valuation institution, and (vi) a notice of the AGM to be convened for, among other things, the Independent Shareholders to consider and, if thought fit, approve the Disposal.

Principal terms of the Agreement are set out below.

THE AGREEMENT

Date

23 March 2012

Parties

Vendor: The Company

Purchaser: Hua Sheng Group

Details of the Disposal

Subject to the approval from the Independent Shareholders at the AGM, the Company shall sell and Hua Sheng Group shall purchase the Target Interest (i.e. 28.5% equity interest in Chengdu Xinhui) at RMB117,635,300.

Consideration and payment terms

The consideration for the Target Interest, being RMB117,635,300 (equivalent to approximately HK$144,691,419), will be settled by Hua Sheng Group in cash in accordance with the following manners:

(i) 30% of the consideration payable within 5 working days after the effective date of the agreement;

(ii) balance payable prior to 22 March 2013.

As the winning bidder of the Target Interest under the public tender auction listing procedures, Hua Sheng Group shall pay interest to the Company with respect to the balance at the bank loan interest rate for the period between the effective date of the Agreement and the settlement date of the balance as well as provide legal and valid guarantee of an amount not less than the balance in accordance with the relevant PRC laws and regulations with respect to transfer of state-owned assets. The detailed terms and conditions of the said guarantee are to be further negotiated and agreed between the Company and Hua Sheng Group, and where necessary, the parties may enter into an agreement in this regard. The Company will comply with the relevant requirements under the Listing Rules and where necessary, make further disclosure in connection with the said guarantee as and when appropriate.

The above consideration of RMB117,635,300 was determined with reference to the appraised net assets value of Chengdu Xinhui attributable to the Target Interest as at 30 June 2011 (i.e. the valuation reference date of the PRC valuation) and the bidding price offered by Hua Sheng Group. The appraisal was conducted by Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司), a qualified independent professional valuation institution in the

PRC, by using the cost approach and has been approved by and/or registered with Sichuan SASAC and/or other statutory authorities. Further details on the PRC appraised values of Chengdu Xinhui please refer to the paragraph headed "FINANCIAL INFORMATION ON CHENDU XINHUI" below and the extract of the PRC valuation report of Chengdu Xinhui as set out in Appendix II to this circular which contains, among other things, the valuation methodology, key assumptions adopted as well as a summary of the valuation results.

Arrangement in relation to the entrusted loans granted by the Company to Chengdu Xinhui

As at 30 June 2011, the Company granted four entrusted loans to Chengdu Xinhui via banks in an aggregate loan amount of RMB89,000,000, details of which are set out below:

Date	Loan amount	Duration	Interest rate payable to the Company	Bank	Service fee charged by the bank	Repayment status
30 December 2008	RMB5,875,000	3 years	5.4% per annum	Hua Xia Bank Co., Ltd., Chengdu Branch	1.5‰ per annum	Fully repaid
18 December 2009	RMB1,875,000	3 years	4.86% per annum	Hua Xia Bank Co., Ltd., Chengdu Jin Sha Branch	1.5‰ per annum	Fully repaid
19 July 2010	RMB18,750,000	1 year	5.31% per annum	Hua Xia Bank Co., Ltd., Chengdu Jin Sha Branch	1.5‰ per annum	Fully repaid
29 April 2011	RMB62,500,000	3 years	The benchmark loan interest rate set by the People's Bank of China on the date of actual release of the loan	Bank of Chengdu Co Ltd, Gao Xin Branch	RMB10,000	Partly repaid (RMB21,812,500 was repaid, including loan amount of RMB18,300,000 and its accrued interest)

All the above four entrusted loans were granted to Chengdu Xinhui as its general working capital.

It is agreed between the parties that Chengdu Xinhui shall repay the above entrusted loans and their interests in the following manners: (i) RMB50,533,300 shall be repaid prior to the completion of the Disposal; and (ii) RMB52,681,300 shall be repaid prior to 28 April 2014. As at the date of the Agreement, Chengdu Xinhui has repaid RMB28,720,800 (i.e. the three entrusted loans granted from 2008 to 2010 and the interests accrued thereon) with RMB74,493,800 being outstanding, which is the principal amount for the entrusted loan granted in 2011 and the interest accrued thereon.

It is further agreed that if there is any new loan granted by the Company to Chengdu Xinhui between 30 June 2011 (i.e. the valuation date of the PRC valuation) and the completion of the Disposal, Chengdu Xinhui shall repay all such loans (and interests, if applicable) prior to the completion of the Disposal unless the parties agree otherwise.

Pursuant to the Agreement, Hua Sheng Group, as the purchaser of the Target Interest, has agreed to assume joint liability with Chengdu Xinhui for repayment of the above entrusted loan granted in 2011 and/or new loans (if any) granted by the Company; if Chengdu Xinhui fails to fulfill its repayment obligations on time with respect to these loans, the Company may request Hua Sheng Group to repay part or all of such loans for Chengdu Xinhui.

The Company and Hua Sheng Group also agreed that, after completion of the Disposal, the loans granted to Chengdu Xinhui by the Company and Hua Sheng Group shall be in proportion to their respective shareholdings therein.

GENERAL INFORMATION ON CHENGDU XINHUI

Chengdu Xinhui is a limited liability company incorporated in the PRC and mainly engaged in real estate development and operation as well as property management. As at the date hereof, Chengdu Xinhui is a non-wholly owned subsidiary of the Company, which is owned as to 62.5% and 37.5% by the Company and Hua Sheng Group respectively.

Chengdu Xinhui currently owns the Land of approximately 10,527 sq.m. located at Jinjiang District, Chengdu, the PRC. As at the Latest Practicable Date, pursuant to a tenancy agreement, 1,600 sq.m. of the Land was leased to Mr. Sun Wei (孫偉), an independent third party, at a monthly rent of RMB53,000 for the period commencing from 20 November 2011 to 20 February 2012, which was agreed to be extended to 19 May 2012, while pursuant to another tenancy agreement, 2,400 sq.m. of the Land was leased to Mr. Huang Wei (黃巍), an independent third party, at an annual rent of RMB200,000 for the period commencing from 10 May 2011 to 10 May 2013; pursuant to a car park operation agreement, Chengdu Xinhui also operated a temporary car park on the remaining area of the Land with Chengdu Jinjiang District Chunxi Road Commercial Pedestrian Street Management Committee Office (成都市錦江區春熙路商業步行街管理委員會辦公室) and Mr. Liu Huamin (劉華明), both being independent third parties. It is agreed among all parties to the car park operation agreement that while all parties thereto shall be jointly responsible for the operation of the temporary car park, Chengdu Xinhui shall provide the land for the temporary car park. It is also agreed among the parties that they shall be jointly entitled to the revenue generated from the operation of the temporary car park. Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a Hong Kong independent qualified property valuer and consultant, has prepared a valuation report on the Land, which is included in Appendix I to this circular.

FINANCIAL INFORMATION ON CHENDU XINHUI

Set out below is the basis financial information of Chengdu Xinhui which was prepared in accordance with the PRC accounting standards and extracted from the PRC valuation report of Chengdu Xinhui:

	Unit: RMB'000 (approximate)
PRC appraised current assets value as at 30 June 2011	790,169
PRC appraised value of the Land (land use rights) as at 30 June 2011	460,333
PRC appraised net assets value as at 30 June 2011	412,756
Book value of the net assets as at 30 June 2011	86,305
Book value of the net assets as at 31 December 2011 (audited)	83,197
Net profits/(net loss) before taxation and extraordinary items for the year ended 31 December 2010 (audited)	(3,914)
Net profits/(net loss) after taxation and extraordinary items for the year ended 31 December 2010 (audited)	(3,914)
Net profits/(net loss) before taxation and extraordinary items for the year ended 31 December 2011 (audited)	(6,425)
Net profits/(net loss) after taxation and extraordinary items for the year ended 31 December 2011 (audited)	(6,425)

The PRC appraised current assets value of Chengdu Xinhui as at 30 June 2011 was approximately RMB790,169,000, representing an appreciation and appreciation rate of approximately RMB326,417,300 and 70.39% respectively, which is due to the appreciation in the value of the Land recorded in inventory under current assets of Chengdu Xinhui.

The PRC appraised value of the Land as at 30 June 2011 was approximately RMB460.3 million, representing a discount of approximately 4.1% to the Hong Kong appraised value of the Land of approximately RMB480 million as at 31 January 2012 in the Hong Kong valuation report. Such a difference is attributable to (i) the difference in valuation reference dates and change in the market price of comparable lands, and (ii) adoption of different valuation standards (i.e. the applicable PRC and Hong Kong valuation standards) under the PRC and Hong Kong valuation reports, which were prepared in compliance with the PRC laws and regulations and the Listing Rules as well as the applicable valuation standards.

Taking into account that (i) the Disposal involves transfer of state-owned assets and therefore is subject to the relevant PRC laws and regulations, which require a PRC valuation to be conducted on the Target Interest and the consideration for the Target Interest shall not be less than the attributable appraised net assets value of Chengdu Xinhui in such PRC valuation, which is also required to be and has been approved by and/or registered with Sichuan SASAC and/or other statutory authorities, (ii) the PRC valuation is valid for one year since its valuation reference date (i.e. 30 June 2011) whilst since the valuation reference date and as at the Latest Practicable Date, according to the best knowledge of the Directors and after making due enquiry with Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司), the Directors were not aware of any circumstances which would cause material change in the PRC valuation results, and (iii) the consideration for the Target Interest was the bidding price offered by Hua Sheng Group, which was no less favourable than the price offered by other independent third parties to the Company, the Directors (including the independent non-executive Directors after considering the advice from the Independent Financial Adviser) are of the view that the consideration for the Target Interest is fair and reasonable and in the interests of the Company and Shareholders taken as a whole.

EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Company's equity interest in Chengdu Xinhui will decrease from 62.5% to 34% and Chengdu Xinhui will cease to be a subsidiary of the Company. Accordingly, the account of Chengdu Xinhui will no longer be consolidated to that of the Group.

Based on the generally accepted accounting standards in the PRC and International Financial Reporting Standards, the Group is expected to realize a total gain of approximately RMB205,974,189 from disposing of the Target Interest, being the sum of the following two items: (i) the gain (before taxation) on the Disposal of approximately RMB93,924,205, being the difference between the consideration of RMB117,635,300 and the audited net assets value of Chengdu Xinhui attributable to the Target Interest of approximately RMB23,711,095 as at 31 December 2011; and (ii) the gain on interest retained (before taxation) of approximately RMB112,049,984, which is the difference between the appraised net assets value as at 30 June 2011 and the audited net assets value as at 31 December 2011 attributable to the remaining 34% equity interest in Chengdu Xinhui of approximately RMB140,336,904 and RMB28,286,920 respectively, generated from the re-measurement of the value of the remaining 34% equity interest in Chengdu Xinhui due to the Group's loss of control over Chengdu Xinhui as the Company's subsidiary after completion of the Disposal of the 28.5% equity interest therein.

It is expected that the Group will gain working capital of approximately RMB117,635,300 from disposing of the Target Interest. The Company intends to apply the sales proceeds as its general working capital.

REASONS FOR THE DISPOSAL

In order to integrate the business resources of the Group and focus on its principal businesses, thereby facilitating realization of the Company's formulated development strategy on establishment of the first class culture and media group in the PRC, as well as taking into account the historical financial performance of Chengdu Xinhui, the Company decided to sell the Target Interest.

The Directors consider that on one hand, the Company can use the proceeds from the Disposal for its future business development and investments in its principal businesses with sound growth prospects whilst on the other hand, the Company will reduce further contribution to Chengdu Xinhui in view of its decreasing shareholding in Chengdu Xinhui and focus on its principal businesses, thereby enhancing the competitiveness of the Company and facilitating the sustainable development of the Group.

The terms of the Agreement have been determined based on the terms of the Disposal Proposal which was approved by Sichuan SASAC and/or other statutory authorities, and between the parties after arm's length negotiations. The Directors (including the independent non-executive Directors) consider that the Agreement was entered into in the ordinary course of business of the Company and on normal commercial terms as well as fair and reasonable and in the interests of the Company and Shareholders taken as a whole.

INFORMATION OF THE COMPANY AND HUA SHENG GROUP

The Company is principally engaged in sales of publications and electronic publications, wholesale of audio and visual products, production and distribution of electronic publications and audio and visual products, publications, etc.

Hua Sheng Group is a limited liability company incorporated in the PRC and is principally engaged in real property investment and information services, as well as sales of building materials, etc.

RELATIONSHIP BETWEEN PARTIES AND LISTING RULES IMPLICATIONS

As at the date hereof, Chengdu Xinhui is a non-wholly owned subsidiary of the Company and Hua Sheng Group is a substantial shareholder of Chengdu Xinhui. Meanwhile, the ex-director of the Company, Mr. Wu Qiang, is the controlling shareholder of Hua Sheng Group. Therefore, Hua Sheng Group is regarded as a connected person of the Company and the Disposal contemplated under the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios (other than the profit ratio) for the Disposal are over 5% but less than 25%, and the consideration under the Agreement is more than HK$10,000,000, the Disposal is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Disposal also constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

In view of the interest of Hua Sheng Group in the Agreement, Hua Sheng Group and its associates will abstain from voting at the AGM on the resolutions in relation to the Agreement and the transactions contemplated thereunder.

To avoid any conflicts of interest, Mr. Zhao Junhuai, who is a non-executive Director of the Company and also the vice president of Hua Sheng Group, has abstained from voting on the Board resolutions for approving the Agreement and the transactions contemplated thereunder.

AGM

The AGM will be held at 9:30 a.m. on 17 May 2012 (Thursday) at Sichuan Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the PRC, for, among other things, the Independent Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. At the AGM, the votes will be taken by poll.

The notice of the AGM is set out on pages 38 to 40 of this circular.

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In case of H Shares, the proxy form shall be lodged with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in case of Domestic Shares, the proxy form shall be lodged at the head office of the Company in the PRC, not less than 24 hours before the time for holding the AGM (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 AGM or any adjournment thereof should you so wish.

RECOMMENDATIONS

The Company has appointed CIMB Securities (HK) Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal. The text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 22 of this circular.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Han Xiaoming, Mr. Chan Yuk Tong and Mr. Han Liyan, has been established to give advice to the Independent Shareholders in respect of the Disposal. The letter from the Independent Board Committee, which contains its recommendation to the Independent Shareholders in respect of the Disposal, is set out on page 11 of this circular.

The Board considers that the Disposal is in the interests of the Company and the Shareholders, and the terms and conditions of the Agreement are fair and reasonable so far as the Company and the Shareholders taken as a whole are concerned. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the AGM for approving the Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the extract of the PRC valuation report on Chengdu Xinhui and the general information as set out in Appendices II and III to this circular respectively.

Yours faithfully,
For and on behalf of
Xinhua Winshare Publishing and Media Co., Ltd.*
Gong Cimin
Chairman

* *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: 00811)

30 March 2012

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION
DISPOSAL OF 28.5% EQUITY INTEREST IN CHENGDU XINHUI

We have been appointed as members of the Independent Board Committee to give our advice on the Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board included in the circular to the Shareholders dated 30 March 2012 (the "**Circular**"), of which this letter forms a part. Terms used herein shall have the same meanings as those defined in the Circular unless the context otherwise requires.

CIMB Securities (HK) Limited has been appointed as the Independent Financial Adviser to advise us on the Agreement and the transactions contemplated thereunder. The letter from the Independent Financial Adviser is set out on pages 12 to 22 of the Circular.

Having considered the terms and conditions of the Agreement, the advice given by the Independent Financial Adviser and the principal factors and reasons taken into consideration by them in arriving at their advice, we are of the opinion that the Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders taken as a whole, and the terms and conditions of the Agreement are fair and reasonable so far as the Company and the Shareholders taken as a whole are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM for approving the Agreement and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Han Xiaoming	**Mr. Chan Yuk Tong**	**Mr. Han Liyan**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

* *For identification purposes only*

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders relating to the terms of the Agreement and the transactions contemplated thereunder, prepared for the purpose of incorporation in this circular:

CIMB
CIMB Securities (HK) Limited

Units 7706-08, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

30 March 2012

To the Independent Board Committee and the Independent Shareholders of
Xinhua Winshare Publishing and Media Co., Ltd.

Dear Sirs/Madams,

CONNECTED AND DISCLOSEABLE TRANSACTION
DISPOSAL OF 28.5% EQUITY INTEREST IN CHENGDU XINHUI

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders to recommend whether the terms of the Agreement, details of which are contained in a circular (the "**Circular**") of the Company to the Shareholders dated 30 March 2012 of which this letter forms part, are fair and reasonable and on normal commercial terms and whether the Disposal is in the interests of the Company and the Shareholders as whole. Expressions used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 23 March 2012, the Company and Hua Sheng Group entered into the Agreement, pursuant to which the Company has conditionally agreed to sell and Hua Sheng Group has conditionally agreed to purchase 28.5% equity interest in Chengdu Xinhui at a consideration of RMB117,635,300.

Given that (i) Hua Sheng Group is a substantial shareholder of Chengdu Xinhui, which is a non-wholly owned subsidiary of the Company; and (ii) Mr. Wu Qiang, being the ex-Director, is a controlling shareholder of Hua Sheng Group, Hua Sheng Group is a connected person of the Company under the Listing Rules and the Disposal contemplated under the Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios (other than the profit ratio) for the Disposal are over 5% but less than 25% and the Consideration (as defined below) exceeds HK$10 million, the Disposal shall be subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Disposal also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

To avoid any conflicts of interest, Mr. Zhao Junhuai, who is a non-executive Director and also the vice president of Hua Sheng Group, has abstained from voting on the Board resolutions for approving the Agreement and the transactions contemplated thereunder. In view of the interest of Hua Sheng Group in the Agreement, Hua Sheng Group and its associates shall abstain from voting at the AGM in relation to the resolutions for approval of the Agreement and the transactions contemplated thereunder.

The Independent Board Committee, comprising Mr. Han Xiaoming, Mr. Chan Yuk Tong and Mr. Han Liyan, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our recommendation, we consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules including the notes thereto to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the information and facts contained or referred to in the Circular and the information provided by the Company. We have also assumed that the information, facts and representations contained or referred to in the Circular were true and accurate at the time they were made and up to the date of the AGM. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, Hua Sheng Group, or any of their respective subsidiaries or associates. We have no reason to doubt the truth, accuracy and completeness of the information, facts and representations provided and represented to us by the Company. We have also been advised by the Company and believe that no material facts have been omitted from the Circular.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

1. Background of the Agreement

On 18 January 2012, the Company made an announcement (the "**Rule 13.09 Announcement**") in relation to the Company's proposed disposal of 28.5% equity interest in Chengdu Xinhui, i.e. the Target Interest, pursuant to Rule 13.09 of the Listing Rules. As disclosed in the Rule 13.09 Announcement, the proposed Disposal has been approved by Sichuan SASAC and/or other statutory authorities and shall be made by way of public tender auction listing procedures (the "**Public Auction**") conducted in strict compliance with the relevant PRC laws and regulations in relation to transfer of state-owned assets.

On 23 March 2012, the Company announced that Hua Sheng Group has won the option to buy the Target Interest at the bidding price of RMB117,635,300 at the Public Auction and thus the Company entered into the Agreement on 23 March 2012 with Hua Sheng Group in accordance with the relevant PRC laws and regulations in relation to transfer of state-owned assets. Pursuant to the Agreement, the Company has conditionally agreed to sell and Hua Sheng Group has conditionally agreed to purchase the Target Interest at a consideration of RMB117,635,300 (the "**Consideration**"), which is equal to the bidding price offered by Hua Sheng Group at the Public Auction. Details of the Agreement are set out in the letter from the Board in the Circular (the "**Letter from the Board**").

As at the Latest Practicable Date, Chengdu Xinhui was owned as to 62.5% and 37.5% by the Company and Hua Sheng Group respectively. Upon completion of the Disposal (the "**Completion**"), the Company's equity interest in Chengdu Xinhui will decrease from 62.5% to 34%.

2. Reasons for and benefits of the Agreement

(i) Principal business of the Company

The Company is principally engaged in sales of publications and electronic publications, wholesale of audio and visual products, production and distribution of electronic publications and audio and visual products, publications etc.

The Company advised that the Disposal is for the purpose to integrate the Group's business resources and focus on its principal businesses so as to facilitate realization of the Company's formulated development strategy on establishment of the first-class culture and media group in the PRC, as well as taking into account the historical financial performance of Chengdu Xinhui. The Company also considered that the Disposal would enhance the competitiveness of the Company and facilitate the Group's sustainable development by reducing future contribution of the Company in Chengdu Xinhui in view of its decreasing shareholding in Chengdu Xinhui and using the proceeds from the Disposal for the Company's future business development and investment in its principal businesses with sound growth prospects.

(ii) Information of Chengdu Xinhui

As stated in the Letter from the Board, Chengdu Xinhui was incorporated in the PRC and is mainly engaged in real estate development and operation as well as property management. Currently, Chengdu Xinhui holds the Land located at Jinjiang District, Chengdu, the PRC. As stated in the valuation report (the "**HK Valuation Report**") in Appendix I to the Circular dated 30 March 2012 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "**HK Valuer**"), an independent Hong Kong professional property valuer and consultant, the Land has a site area of approximately 10,527 square metres and is planned to be developed into an office, hotel and commercial complex. As at 31 January 2012, being the date of the valuation, no detailed development plan of the Land has been approved. A portion of the Land is used for car parking business operation by Chengdu Xinhui and two independent third parties and the remaining portion is leased by Chengdu Xinhui to another two independent third parties. Based on the HK Valuation Report, the market value of the Land in existing state as at 31 January 2012 was RMB480 million. The PRC valuation report (the "**PRC Valuation Report**") on the Target Interest was issued by Sichuan Huaheng Assets Appraisal Co., Ltd. (四川華衡資產評估有限公司, the "**PRC Valuer**"), an independent qualified valuation institution in the PRC, in accordance with the requirements of the relevant PRC laws and regulations on the transfer of state-owned assets. The appraised value of the Land in the PRC Valuation Report as at 30 June 2011, being approximately RMB460.3 million, represents a discount of approximately 4.1% to the value of the Land in the HK Valuation Report as at 31 January 2012. As stated in the Letter from the Board, such difference is attributable to (i) the difference in valuation reference dates and change in the market price of comparable lands; and (ii) adoption of different valuation standards (i.e. the applicable PRC and Hong Kong valuation standards) under the PRC and Hong Kong valuation reports, which were prepared in compliance with the PRC laws and regulations and the Listing Rules as well as the applicable valuation standards, respectively.

We have reviewed financial information of Chengdu Xinhui for the two financial years ended 31 December 2011 prepared in accordance with the generally accepted accounting principles in the PRC with a summary set out below:

	For the year ended 31 December	
	2011	**2010**
	("FY2011")	**("FY2010")**
	RMB'000	*RMB'000*
	(Audited)	*(Audited)*
Turnover	1,212	1,148
Net loss before taxation and extraordinary items	(6,425)	(3,914)
Net loss after taxation and extraordinary items	(6,425)	(3,914)

As advised by the Company, Chengdu Xinhui recorded net loss for each of FY2010 and FY2011 mainly due to the operating expenses (mainly administrative expense and finance expense) incurred which exceeded the leasing income generated by Chengdu Xinhui during the relevant period.

As at 31 December 2011, the audited net assets value of Chengdu Xinhui was approximately RMB83.2 million which mainly represents the registered capital contributed by its equity holders less accumulated losses. As at 31 December 2011, Chengdu Xinhui had audited total assets and audited total liabilities of approximately RMB463.4 million and RMB380.2 million respectively. The total assets mainly comprised of the expenses related to property development with an aggregate amount of approximately RMB449.0 million, accounting for approximately 96.9% of total assets. The total liabilities mainly comprised of long term borrowings with an amount of approximately RMB349.7 million and accounting for approximately 92.0% of total liabilities.

Our view

After taking into account (i) the flexibility available to the Company to integrate its resources on its principal businesses (i.e. publications and electronic publications) after Completion; (ii) the fact that Chengdu Xinhui was loss making in the past two financial years; and (iii) the fairness and reasonableness of the Consideration as analysed below, we concur with the view of the management of the Company that the Disposal is in the interests of the Company and the Shareholders as a whole.

3. Major terms of the Agreement

(i) Consideration

The Consideration for the Disposal is RMB117,635,300 and, as stated in the Letter from the Board, was determined by the parties after arm's length negotiations with reference to (i) the appraised net assets value of Chengdu Xinhui attributable to the Target Interest as at 30 June 2011 (i.e. the valuation reference date of the PRC Valuation Report); and (ii) the bidding price offered by Hua Sheng Group, which was no less favourable than the prices offered by independent third parties to the Company at the Public Auction. The appraisal was conducted by the PRC Valuer with the cost approach and has been approved by and/or registered with Sichuan SASAC and/or other statutory authorities.

Based on the audited net assets value of Chengdu Xinhui attributable to the Target Interest as at 31 December 2011 of approximately RMB23.7 million and taking into account the appreciation of the Land attributable to the Target Interest of approximately RMB98.6 million (being the market value of the Land of RMB480 million as at 31 January 2012 as stated in the HK Valuation Report, less the audited book value of the Land of approximately RMB134.1 million as at 31 December 2011, and multiplied by 28.5%, being the portion attributable to the Target Interest), the adjusted net assets value of Chengdu Xinhui attributable to the Target Interest (the "**Adjusted NAV**") would be approximately RMB122.3 million. The Consideration of RMB117,635,300 represents a slight discount of approximately 3.8% to the Adjusted NAV of approximately RMB122.3 million. We consider such discount is acceptable and the Consideration is comparable to the Adjusted NAV.

We have also reviewed the HK Valuation Report and discussed with the HK Valuer in respect of the valuation method adopted by the HK Valuer and note that the HK Valuer has adopted the direct comparison method of valuation assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market. Based on our discussion, we understand that the direct comparison method of valuation is one of the most commonly used valuation methods in valuation of the market value of the land use rights.

Having considered the above, we consider that the Consideration is fair and reasonable.

(ii) Payment

The Consideration shall be paid by Hua Sheng Group in cash in accordance with the following manner:

(a) 30% of the Consideration with an amount of RMB35,290,600 payable within 5 working days after the effective date of the Agreement; and

(b) the balance payable prior to 22 March 2013.

Hua Sheng Group, as the winner of the tender at the Public Auction, shall provide legal and valid guarantee and also pay interest to the Company with respect to the balance (i.e. 70% of the Consideration) at the bank loan interest rate for the period between the effective date of the Agreement and the settlement date of the balance in accordance with the relevant PRC laws and regulations with respect to transfer of state-owned assets.

We note that the payment method is in line with the relevant PRC laws and regulations in relation to transfer of state-owned assets.

As stated in the Letter from the Board, the detailed terms and conditions of the said guarantee are to be further negotiated and agreed between the Company and Hua Sheng Group, and where necessary, the parties may enter into an agreement in this regard. The Company will comply with the relevant requirements under the Listing Rules and make further disclosure in connection with the said guarantee where necessary.

(iii) Arrangement in relation to the entrusted loans granted by the Company to Chengdu Xinhui

As stated in the Agreement, the Company has granted four entrusted loans to Chengdu Xinhui via banks with an aggregate principal amount of RMB89,000,000 with details set out below:

Date of the entrusted loan agreement	**Principal amount** *(RMB'000)*	**Annual interest rate**	**Term**	**Purpose**
30 December 2008 (the "**Loan 1**")	5,875	5.4%	36 months commencing from 30 December 2008	For general working capital
18 December 2009 (the "**Loan 2**")	1,875	4.86%	36 months commencing from 18 December 2009	For general working capital
19 July 2010 (the "**Loan 3**")	18,750	5.31%	12 months commencing from 19 July 2010	For general working capital
29 April 2011 (the "**Loan 4**")	62,500	The benchmark loan interest rate set by the People's Bank of China on the date of actual release of the loan	3 years from 29 April 2011 to 28 April 2014	For general working capital

As advised by the Company, as at the date of the Agreement, each of the Loan 1, the Loan 2 and the Loan 3 had been settled. In respect of the outstanding Loan 4 (with an aggregate amount of RMB74,493,800, being the sum of the principal amount and the interest accrued thereon), Chengdu Xinhui shall repay a portion with an amount of RMB21,812,500 before Completion and the remaining balance before 28 April 2014. As stated in the Letter from the Board, in view of the decrease in the shareholding of the Company in Chengdu Xinhui as a result of the Disposal, the Company and Hua Sheng Group have agreed that, upon Completion, the loans granted to Chengdu Xinhui by the Company and Hua Sheng Group shall be in proportion to their respective shareholdings therein.

It is further agreed that if there is any new loan (the "**New Loan**") granted by the Company to Chengdu Xinhui between 30 June 2011 (i.e. the date of the PRC valuation) and the date of the Completion, Chengdu Xinhui shall repay all such loans (and interests, if applicable) prior to Completion unless the parties agree otherwise.

The Agreement also provides that Hua Sheng Group has agreed to assume joint liability with Chengdu Xinhui for repayment of the outstanding Loan 4 and/or the New Loan (if any) granted by the Company if Chengdu Xinhui fails to fulfil its repayment obligation on time with respect to those loans. As advised by the Company, the Company may request Hua Sheng Group to repay part or all of such loans for Chengdu Xinhui.

Our view

Having considered the above, we are of the view that the major terms of the Agreement are fair and reasonable so far as the Company and the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

4. Possible financial effects of the Disposal

(i) Earnings

As stated in the Letter from the Board, upon Completion, the Company's equity interest in Chengdu Xinhui will decrease from 62.5% to 34%. The accounts of Chengdu Xinhui will no longer be consolidated to that of the Group and Chengdu Xinhui will become an associated company of the Company and its results and assets and liabilities will be incorporated in the financial statements of the Company using the equity method of accounting.

Subject to audit, it is expected that based on the generally accepted accounting standards in the PRC and the International Financial Reporting Standards and the audited accounts of Chengdu Xinhui as at 31 December 2011, the Company would realise a total gain of approximately RMB205,974,189, being the sum of the following two items: (i) the gain (before taxation) on the Disposal of approximately RMB93,924,205, being the difference between the Consideration of RMB117,635,300 and the audited net assets value of Chengdu Xinhui attributable to the Target Interest of approximately RMB23,711,095 as at 31 December 2011; and (ii) the gain on interest retained (before taxation) (the "**Gain on Interest Retained**") of approximately RMB112,049,984, being the difference between the appraised net assets value valued by the PRC Valuer (the "**Appraised NAV**") of approximately RMB140,336,904 as at 30 June 2011 and the audited net assets value of approximately RMB28,286,920 as at 31 December 2011 attributable to the Company's remaining 34% equity interest in Chengdu Xinhui, as a result of the re-measurement of the value of the remaining 34% equity interest in Chengdu

Xinhui due to the Group's loss of control over Chengdu Xinhui as the Company's subsidiary after Completion. Shareholders shall note that the above Gain on Interest Retained has not taken into account the impact on the Appraised NAV from land appreciation tax, corporate tax and other levies (if any) in connection with the land interests held by Chengdu Xinhui. If such taxations and levies are taken into account, it is expected to reduce the Gain on Interest Retained.

(ii) Net assets value

Taking into account the above mentioned expected total gain in connection with the Disposal, the Disposal would result in an increase in the net assets value of the Group of approximately RMB206.0 million, subject to the net assets value of Chengdu Xinhui as at the date of Completion. As compared with the audited net assets value of the Group as at 31 December 2011, being approximately RMB4,768 million, we concur with the view of the management of the Company that there will be no material impact on the net assets value of the Group immediately upon Completion.

(iii) Working capital

Given the Consideration will be satisfied in full in cash, it is expected that the Company will receive the proceeds (before expense) in connection with the Disposal of approximately RMB117,635,300, which, as stated in the Letter from the Board, the Company intends to apply as its general working capital.

The Agreement also provides that Chengdu Xinhui shall repay the Company the outstanding Loan 4 with a portion of RMB21,812,500 before Completion and the remaining balance before 28 April 2014.

Assuming that before Completion, Chengdu Xinhui would make repayment of the portion of RMB21,812,500 with its cash balance (which amounted to RMB12,508,590 as at 31 December 2011 and was consolidated in the cash balance of the Group as at 31 December 2011) and shareholders' loan and/or bank borrowings (as determined by Chengdu Xinhui where applicable) with respect to the balance of RMB9,303,910, the Group would receive an additional cash of RMB9,303,910.

(iv) Gearing ratio

Taking into account the aforementioned expected increase in the net assets value of the Group as a result of the Disposal, we concur with the view of the management of the Company that there will be no material impact on the Group's gearing ratio (being calculated by dividing total liabilities by total assets) immediately upon Completion.

RECOMMENDATION

Having considered the principal factors and reasons referred to in the above, we are of the opinion that the Disposal is in the interests of the Company and the Shareholders as a whole and the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolutions to be proposed at the AGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
CIMB Securities (HK) Limited

Alex Lau	**Heidi Cheng**
Head	*Deputy Head*
Corporate Finance	*Corporate Finance*

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular, received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer and consultant, in connection with its valuation as at 31 January 2012 of the property interest.

JONES LANG LASALLE 仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No: C-030171

30 March 2012

The Board of Directors
Xinhua Winshare Publishing and Media Co., Ltd.
12th Floor
No. 86 Section One
People's South Road
Qingyang District
Chengdu City
Sichuan Province
The PRC

Dear Sirs,

In accordance with your instructions to value a parcel of land in which Chengdu Xin Hui Industrial Co., Ltd. ("**Chengdu Xinhui**"), a subsidiary of Xinhua Winshare Publishing and Media Co., Ltd. (the "**Company**"), has interest in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property as at 31 January 2012 (the "**date of valuation**").

Our valuation of the property interest represents the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

We have valued the property interest by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and Chengdu Xinhui and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including a State-owned Land Use Rights Certificate and official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers – GUANTAO Law Firm, concerning the validity of the property interest in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and Chengdu Xinhui. We have also sought confirmation from the Company and Chengdu Xinhui that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have inspected the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T.W. Yiu
MRICS MHKIS RPS(GP)
Associate Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 18 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest held for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 January 2012
A parcel of land No. 24 Chengshou Eastern Street Jinjiang District Chengdu City Sichuan Province The PRC	The property comprises a parcel of land with a site area of approximately 10,527 sq.m. which is planned to be developed into an office, hotel and commercial complex. As advised by Chengdu Xinhui, the total planned gross floor area of the property is approximately 105,267 sq.m. upon completion. We are advised that no detailed development plan has yet been approved. The land use rights of the property have been granted to Chengdu Xinhui for a term expiring on 12 September 2044 for commercial use.	The property is currently occupied by Chengdu Xinhui and two independent third parties for operating car parking business, except for a portion of the land which is currently rented to another two independent third parties.	RMB480,000,000 62.5% interest attributable to the Group: RMB300,000,000

Notes:

1. Chengdu Xinhui is a 62.5% owned subsidiary of the Company as at the date of report.

2. Pursuant to a State-owned Land Use Rights Certificate – Cheng Guo Yong (2004) Zi Di No. 1446 dated 16 November 2004 issued by the Bureau of Land and Resources Chengdu (成都國土資源局), the land use rights of a parcel of land with a site area of approximately 10,527 sq.m. have been granted to Chengdu Xinhui for a term expiring on 12 September 2044 for commercial use.

3. Pursuant to a Mortgage Agreement – Contract No. 200010101001280201 entered into between Bank of Chengdu Co., Ltd. and Chengdu Xinhui, the land use rights of the property are subject to a mortgage for a total maximum loan amount of RMB280,000,000 for a term with the expiry date on 2 November 2012.

4. Pursuant to a Car Park Operation Agreement, a portion of the subject land is used as a car parking area. Chengdu Xinhui and other two independent third parties jointly operate the car parking business as at the date of report. The said agreement will expire when the construction work of the property starts. As advised by Chengdu Xinhui, the annual distributed revenue to the Company is approximately RMB294,300.

5. Pursuant to two Tenancy Agreements, the remaining portion of the subject land with a leasing area of approximately 4,000 sq.m. is rented to another two independent third parties for various terms with the expiry dates on 19 May 2012 extended as agreed between the parties and 10 May 2013 at a total current annual rental of approximately RMB836,000. Currently, the two independent third parties have constructed various temporary street front shops for leasing purpose.

6. The site inspection was firstly carried out on 13 August 2011 by Tony Yang and Fiona Zhang. Tony Yang is a Qualified Real Estate Valuer of China and Fiona Zhang has academic background related to property valuation. Subsequent re-inspection of the property was conducted on 21 February 2012 by James Liang, a graduate member of the Royal Institution of Chartered Surveyors (RICS).

7. We have been provided with a legal opinion as date of 31 January 2012 regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

   a. For the land use rights of the parcel of land, Chengdu Xinhui has obtained the legal title certificate and is entitled to occupy, use, lease, mortgage or otherwise legally dispose of such property;

   b. Until the date of valuation (i.e. 31 January 2012), the construction works of the planned development of the property have not commenced. Pursuant to the Measures on Disposal of Idle Land, a parcel of land can be determined as idle land if the development and construction of the land has not commenced at the expiry of one year from the date when the "Contract for the Use of State-owned Land with Compensation" became effective or from the date when the administrative department of land issued the "Approval Letter for Construction Land Use". As such, the subject land may be classified as idle land by the Bureau of Land and Resources Chengdu. Pursuant to the Measures on Disposal of Idle Land, the administrative department of land under the People's Government of city or county level shall inform the land users if the land is considered as idle land and make the disposal decision with regards to such land. As confirmed by Chengdu Xinhui, as at the Latest Practicable Date, they have not received relevant notice from the Bureau of Land and Resources Chengdu stating that the subject land parcel was classified as idle land and ordered to dispose of this;

   c. The land is subject to a mortgage and Chengdu Xinhui has the limitation to transfer the land unless it notifies the mortgagee in advance or pays back the whole mortgage payment. Otherwise, Chengdu Xinhui only has the rights to freely lease the property. Nevertheless, the Company is not required to notify the mortgagee as the land use right of the subject land is still under the name of Chengdu Xinhui immediately before and after the disposal of the 28.5% equity interest in Chengdu Xinhui by the Company;

   d. The relevant Car Park Operation Agreement and Tenancy Agreements are legal and valid, for that leasing and using the said parcel of land at the discretion of Chengdu Xinhui are permitted during the term of the State-owned Land Use Rights Certificate issued by Bureau of Land and Resources Chengdu in November 2004, provided such lease or use shall comply with the PRC laws; and

   e. The relevant agreements mentioned in notes 4 and 5 above have not been registered with local governmental authorities. However, it will not affect the validity of the agreements.

Chengdu Xin Hui Industrial Co., Ltd.*
(成都鑫匯實業有限公司)

Extract of PRC Valuation Report

(Chuan Hua Heng) Ping Bao Zi (2011) No.122

The following contents are extracted from the full text of the PRC valuation report ((Chuan Hua Heng) Ping Bao Zi (2011) No.122) prepared by Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司) dated 13 October 2011 in respect of 28.5% equity interest in Chengdu Xin Hui Industrial Co., Ltd.* (成都鑫匯實業有限公司) held by Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司) which is proposed to be disposed.

VALUATION OBJECTIVES

Xinhua Winshare Publishing and Media Co., Ltd.* ("**Xinhua Winshare**") intends to transfer 28.5% equity interest which it holds in Chengdu Xin Hui Industrial Co., Ltd.* (the "**Appraised Entity**" or "**Chengdu Xinhui**"). In this connection, a valuation is required for the aforesaid 28.5% equity interest in Chengdu Xinhui to determine the value of the 28.5% equity interest in Chengdu Xinhui and to provide a reference for the above-mentioned equity transfer.

In accordance with the relevant laws and regulations, assets valuation standards, and on the principle of independence, objectiveness and fairness as well as necessary valuation procedures, Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司), upon request by Xinhua Winshare, has carried out a valuation on the audited assets and liabilities of Chengdu Xinhui. This valuation was based on market value applying cost approach, or known as "asset-based approach" to arrive at the valuation conclusion. The valuation reference date was 30 June 2011.

VALUATION ASSUMPTIONS

In this valuation, the valuers have adopted the following assumptions:

(I) Special Assumptions

1. It was assumed that Chengdu Xinhui would continue its operations in its existing operation mode.

2. It was assumed that there would be no material changes in the industry in which Chengdu Xinhui now is operating as well as the policies thereof, and no new laws or regulations (either favourable or unfavourable) would be promulgated.

3. It was assumed that the accounting policies to be adopted by Chengdu Xinhui in the future would be basically the same in all material aspects as those adopted when this valuation report (or its summary) was prepared.

(II) General Assumptions

1. The certified assets valuers participating in this valuation would carry out a general investigation on the legal description or legal issues of the Appraised Entity and the assets involved (including ownership or encumbrances). Saved as disclosed in the valuation report, it was assumed that the ownerships of the Appraised Entity and the assets involved were good for trading in the market, and not subject to any liens or easements, or any infringement or encumbrances.

2. The certified assets valuers assumed that the information provided by the entrusting and related parties on which the appraisal conclusions contained in this valuation were based was credible, and carried out necessary verification of such information according to relevant appraisal procedures, but the certified assets valuers do not in any way warrant the truthfulness, legality and completeness of such information.

3. It was assumed that all licenses, use permits, consent letters or other legal or administrative authorization documents issued by relevant state or local governmental institutions, private organizations or groups necessary for the use of the assets, which are the subject of this valuation, had been or could be renewed at any time.

4. Unless otherwise indicated, it was assumed that Chengdu Xinhui fully complied with all relevant laws and regulations.

5. It was assumed that the management team of Chengdu Xinhui shall perform its obligations as assets owner in a responsible manner.

6. Unless otherwise indicated in this valuation, it was assumed that there were no significant changes in the current taxation law system, and that tax rate remained unchanged and all applicable regulations would be complied by the Company.

7. It was assumed that there were no material changes in the current relevant rules and regulations, macroeconomic conditions of the PRC as well as in the local political, economic and social environment of such places where the parties to the transaction are operating and there were also no other material adverse impact resulting from unforeseeable circumstances and force majeure.

According to the requirements of asset appraisal, we confirm that the above assumptions were valid as at the date of valuation, and we will not take any responsibility for deviations in the appraisal conclusions deduced from changes of the above assumptions when the future economic environment has material changes.

Our valuers performed on-site investigation, market research and queries on independent, objective and fair principles and following necessary valuation procedures for the Appraised Entity in accordance with the requirements of relevant laws, regulations and assets valuation standards of the state, and reached the valuation conclusions as follows:

Total assets amounted to approximately RMB465,665,600 and the appraised value was approximately RMB792,116,400, with valuation appreciation of approximately RMB326,450,800, or an appreciation rate of 70.10%.

Total liabilities amounted to approximately RMB379,360,800, and the appraised value was approximately RMB379,360,800, without valuation appreciation or depreciation.

Net assets amounted to approximately RMB86,304,800 and the appraised value was approximately RMB412,755,600, with valuation appreciation of approximately RMB326,450,800, or an appreciation rate of 378.25%.

Details of the assets valuation results for the Appraised Entity are set out in the following table.

SUMMARY TABLE OF ASSETS APPRAISAL RESULTS

Unit: RMB0'000
(approximate)

Item	No.	Carrying Value A	Appraised Value B	Appreciation/ Depreciation C=B-A	Appreciation Rate (%) D=C/A*100%
Current Assets	*1*	46,375.15	79,016.88	32,641.73	70.39
Inventory *(Note 1)*	*2*	38,453.45	71,095.19	32,641.74	84.89
Non-current Assets	*3*	191.41	194.76	3.35	1.75
Held-to-maturity investments	*4*	–	–	–	–
Long-term equity investment	*5*	–	–	–	–
Investment properties	*6*	–	–	–	–
Fixed assets	*7*	103.48	106.83	3.35	3.24
Construction in progress	*8*	–	–	–	–
Oil and gas properties	*9*	–	–	–	–
Intangible assets	*10*	–	–	–	–
Of which: Land use rights	*11*	–	–	–	–
Other non-current assets	*12*	87.93	87.93	0	0
Total assets	*13*	**46,566.56**	**79,211.64**	**32,645.08**	**70.10**
Current liabilities	*14*	6,498.58	6,498.58	–	–
Non-current liabilities	*15*	31,437.50	31,437.50	–	–
Total liabilities	*16*	**37,936.08**	**37,936.08**	**–**	**–**
Net Assets	*17*	**8,630.48**	**41,275.56**	**32,645.08**	**378.25**

Note 1: The appreciation of inventory amount of approximately RMB326,417,400 is due to the appreciation in the value of the land use rights related to the Land.

Without taking into account the implications to the appraisal conclusions resulting from the discount attributed to non-controlling equity interests and the discount attributed to lack of market liquidity, the value of 28.5% equity interest in Chengdu Xinhui was approximately RMB117,635,300.

The appraisal conclusions shown in this valuation report are only valid for the appraisal objectives stated by Xinhua Winshare herein. The appraisal results shall be valid for one year commencing from the valuation reference date, 30 June 2011.

Report users are reminded to pay special attention to the special events and significant events for subsequent periods set out in this valuation report when applying the appraisal conclusions.

PROFESSIONAL QUALIFICATIONS OF SICHUAN HUAHENG ASSETS APPRAISAL CO., LTD.

Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司) was incorporated in 3 May 1992. The registration number of its Business License for Enterprise as Legal Persons is 510000000031150.

Our Company possesses the expertise in assets appraisal and the Assets Valuation Qualification Certificate issued by the Ministry of Finance of the PRC, as well as the license to engage in securities business assets appraisal, etc., of which:

approval number of Assets Valuation Qualification Certificate: Chuan Zi Ping Guan [1999] No.134

approval number of the Valuation Qualification Certificate for Securities and Futures Related Business: Cai Qi [2009] No.2

The valuers participated in this valuation, who are certified assets valuers as approved by and registered with the Ministry of Finance of the PRC, are as follows:

Name	Certificate No.	Certificate Issuance Date	Date of Registration
Tang Yan (唐燕)	51000035	4 September 2006	19 October 1999
Yuan Shirong (袁仕榮)	51000401	31 August 2006	12 June 1998

* *For identification purposes only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

(a) Interests in the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors, supervisors and chief executives of the Company had an interest or short position in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which is required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, supervisors or chief executives of the Company was taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

As at the Latest Practicable Date, none of the Directors, supervisors or chief executives of the Company or their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

(b) Other interests

As at the Latest Practicable Date, so far is known to the Directors,

(i) none of the Directors and supervisors of the Company had any interest, direct or indirect, in any assets which have been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2011, the date to which the latest published audited financial statement of the Group was made up;

(ii) none of the Directors and supervisors of the Company was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which was subsisting and significant in relation to the business of the Group taken as a whole; and

(iii) save as disclosed in this circular, none of the Directors and their respective associates had any interest in a business, apart from the business of the Company, which competes or may compete with the business of the Company or has any other conflict of interest with the Company which would be required to be disclosed under Rule 8.10 of the Listing Rules.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors or chief executives of the Company, no other person had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to section 324 of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

Name of Shareholder	Number of Shares	Capacity	Class of Shares	Approximate percentage of the relevant class of Shares	Approximate percentage of the total issued share capital of the Company
Sichuan Development	616,961,024 (L) *(Note 2)*	Interests in controlled corporation	State-owned Shares	96.42%	54.35%
Xinhua Publishing	592,809,525 (L) *(Note 2)*	Beneficial owner	State-owned Shares	92.65%	52.22%
Hua Sheng Group	53,336,000 (L) *(Note 3)*	Beneficial owner	Social Legal Person Shares	100.00%	4.70%
National Council for the Social Security Fund	35,336,100 (L)	Beneficial owner	H Shares	7.99%	3.11%
Brandes Investment Partners, L.P.	22,120,500 (L)	Investment manager	H Shares	5.01%	1.95%

Notes:

1. The letter "L" represents the entities' long positions in the Shares of the Company.

2. Sichuan Development wholly-owns Xinhua Publishing and is therefore deemed to have the same interests in the Company as those owned by Xinhua Publishing by virtue of Part XV of the SFO, holding 592,809,525 Shares.

3. On 30 May 2008, Hua Sheng Group pledged all the Shares it held.

4. COMPETING BUSINESS

Mr. Zhao Miao, an executive Director, is the president of Sichuan Publication Group, which is a wholly-owned subsidiary of Sichuan Development, the ultimate controlling shareholder of the Company. As at the Latest Practicable Date, the principal business of Sichuan Publication Group includes but not limited to publication business investment and textbook publication, etc. Mr. Zhao is therefore considered to be of an interest in a business which competes or may compete, directly or indirectly, with the business of the Group.

Save as disclosed above, so far is known to the Directors, as at the Latest Practicable Date, none of the Directors and their respective associates had an interest in a business which operates in or may operate in significant competition with the business of the Group.

5. SERVICE CONTRACTS OF THE DIRECTORS

As at the Latest Practicable Date, none of the Directors and supervisors of the Company entered or proposed to enter into any service contract with the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and, to the Directors' best knowledge, there was no litigation or claim of material importance pending or threatened by or against any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, the date to which the latest published audited accounts of the Company were made up.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this circular or have given opinion or advice contained in this circular:

Name	Qualification
CIMB Securities (HK) Limited	a corporation licensed by Securities and Futures Commission to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	a Hong Kong independent qualified property valuer and consultant
Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司)	a qualified PRC valuation institution licensed to undertake assets appraisal business by the Ministry of Finance of the PRC and China Securities Regulatory Commission

CIMB Securities (HK) Limited, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, and Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司) are collectively referred to as the "**Experts**" hereinafter.

As at the Latest Practicable Date, none of the Experts was beneficially interested in the share capital of any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and references to its names in the form and context in which they appear.

The letter and recommendation from CIMB Securities (HK) Limited are given as at the date of this circular for incorporation herein. The Hong Kong valuation report dated 30 March 2012 on the Land held by Chengdu Xinhui and the extract of the PRC valuation report dated 13 October 2012 on Chengdu Xinhui have been prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Sichuan Huaheng Assets Appraisal Co., Ltd (四川華衡資產評估有限公司) respectively for incorporation herein.

None of the Experts has, or has had, direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2011, the date to which the latest published audited financial statement of the Group was made up.

9. DOCUMENT FOR INSPECTION

A copy of the Agreement will be available for inspection at the office of Messrs. Li & Partners at 22nd Floor, World-Wide House, Central, Hong Kong during normal business hours on any weekday (except public holidays) for a period of 14 days from the date hereof.

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: 00811)

NOTICE OF 2011 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2011 annual general meeting (the "**AGM**") of Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**") will be held at 9:30 a.m. on 17 May 2012 (Thursday) at Sichuan Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the People's Republic of China (the "**PRC**") for the purposes of considering and, if thought fit, passing the following resolution(s):

Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 30 March 2012 in relation to the Disposal of 28.5% equity interest in Chengdu Xinhui.

AS ORDINARY RESOLUTIONS

1. To consider and approve the report of the Board of Directors of the Company for the year ended 31 December 2011.

2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2011.

3. To consider and approve the audited financial statements and the report of the auditors of the Company for the year ended 31 December 2011.

4. To consider and approve the Company's profit distribution plan and declaration of a final dividend and a special dividend for the year ended 31 December 2011.

5. To consider and approve the remuneration of Directors and supervisors of the Company for the year ended 31 December 2011.

6. To consider and approve the re-appointment of Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu CPA Ltd. as the international and PRC auditors of the Company for the year 2012 respectively and to authorize the Board to fix the remunerations of the international and PRC auditors of the Company.

7. To approve and confirm the Agreement (a copy of which has been produced to the AGM marked "1" and signed by the chairman of the AGM for the purpose of identification), and the terms and conditions thereof and the transactions contemplated thereunder and the implementation thereof.

8. To approve, ratify and confirm the authorization to any one of the Directors for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorize signing, executing, perfecting and delivering all such documents and deeds, to do or authorize doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Agreement, and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Agreement they may in their discretion consider to be desirable and in the interests of the Company and Shareholders as a whole and all the Directors' acts as aforesaid.

By order of the Board
XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*
Gong Ciman
Chairman

Sichuan, PRC
30 March 2012

Notes:

1. The register of members of the Company will be closed from 17 April 2012 to 17 May 2012 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the head office of the Company in the PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on 16 April 2012.

2. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a Shareholder of the Company.

3. In order to be valid, the proxy form must be deposited by hand or by post, for the holders of H Shares, to the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and for the holders of Domestic Shares, to the head office of the Company in the PRC not less than 24 hours before the time for holding the AGM or any adjournment thereof or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should you so wish.

4. Shareholders or their proxies shall produce their identity documents when attending the AGM. Should a proxy be appointed, the proxy shall also present the proxy form.

5. Shareholders who intend to attend the AGM shall complete the reply slip and return it by hand or by post to the Company's H Shares Registrar (for holders of H Shares) or to the head office of the Company in the PRC (for holders of the Domestic Shares) not later than 4:30 p.m. on 26 April 2012.

6. The AGM is expected to last for less than one day. Shareholders or their proxies attending the AGM shall be responsible for their own traveling and accommodation expenses.

7. The head office of the Company in the PRC is as follows:

   No.6 Wenxuan Road
   Shang Mao Dadao, Cheng Bei
   Chengdu, Sichuan 610081
   The PRC

* *For identification purposes only*