THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any 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 accountant or other professional adviser.

If you have sold or transferred all your shares in 四川新華文軒連鎖股份有限公司 (Sichuan Xinhua Winshare Chainstore Co., Ltd.*), you should at once hand this circular with the accompanying forms of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

WIN SHARE

四川新華文軒連鎖股份有限公司

SICHUAN XINHUA WINSHARE CHAINSTORE CO.,LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 811)

(I) PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE H SHARES, (II) PROPOSED MEANS OF RECEIPT OF PERIODIC REPORTS, (III) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, (IV) NOTICE OF ANNUAL GENERAL MEETING, AND (V) NOTICES OF CLASS MEETINGS

The notices convening the annual general meeting and the respective class meetings for holders of H shares ("**H Shares**") and domestic shares ("**Domestic Shares**") of 四川新華文軒連鎖股份有限公司 (Sichuan Xinhua Winshare Chainstore Co., Ltd.*) (the "**Company**") to be held on Tuesday, 16 June 2009 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the People's Republic of China ("**PRC**"), are set out on pages 22 to 41 of this circular.

Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon. In case of holders of H Shares, the proxy forms shall be lodged with the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806–1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and in case of holders of Domestic Shares, the proxy forms shall be lodged at the head office of the Company in the PRC, as soon as possible and in any event not later than 24 hours before the time scheduled for holding such meetings (or any adjourned meetings thereof). Completion and delivery of the forms of proxy will not preclude you from attending and voting in person at the meeting or any adjournment if you so wish.

* *For identification purposes only*

23 April 2009

CONTENTS

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

"acting in concert"	has the meaning as defined under the Takeovers Code
"Articles" or "Articles of Association"	the articles of association of the Company
"associates"	has the meaning as defined under the Listing Rules
"AGM"	the annual general meeting of the Company to be held at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC on Tuesday, 16 June 2009 at 9:30 a.m. to approve, among other things, the grant to the Directors of the Repurchase Mandate, the proposed means of receipt of Periodic Reports and the proposed amendments to the Articles of Association, or any adjournment thereof
"AGM Notice"	the notice for convening the AGM set out on pages 22 to 35 of this circular
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China, but for the purposes of this circular only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Class Meetings"	the class meeting for holders of H Shares to be held immediately after the conclusion of the AGM and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, the respective notices of which are set out on pages 36 to 41 of this circular, or any adjournment thereof respectively
"Class Meeting Notices"	the notices for convening the Class Meetings set out on pages 36 to 41 of this circular
"Company"	四川新華文軒連鎖股份有限公司 (Sichuan Xinhua Winshare Chainstore Co., Ltd.*), 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
"Company Law"	《中華人民共和國公司法》(the Company Law of the PRC), as enacted by the Standing Committee of the Eighth National People's Congress of the PRC on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time

"connected person(s)"	has the meaning as defined under the Listing Rules
"corporate communication(s)"	any document issued or to be issued by the Company for the information or actions of Shareholders as defined in Rule 1.01 of the Listing Rules, including but not limited to, (a) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form
"Director(s)"	the director(s) of the Company
"Domestic Shares"	ordinary shares in the capital 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
"H Shares"	overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	17 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mandatory Provisions"	《到境外上市公司章程必備條款》(the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas) promulgated by the former Securities Commission of the State Council and the State Commission for Restructuring the Economic System of the PRC on 27 August 1994, as amended, supplemented or otherwise modified from time to time
"Parent"	四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), a wholly State-owned company established in the PRC, and a promoter and the controlling shareholder of the Company as at the Latest Practicable Date
"Periodic Reports"	annual reports, interim reports and quarterly reports (if applicable) to be issued by the Company

"Repurchase Mandate"	subject to the conditions set out in the proposed resolution approving the repurchase mandate at the AGM and the Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of the relevant resolution as set out in the AGM Notice and the Class Meeting Notices
"SAFE"	the State Administration of Foreign Exchange of the PRC (中國國家外滙管理局)
"Share(s)"	ordinary share(s) of the Company with a nominal value of RMB1.00 each, comprising both Domestic Shares and H Shares
"Shareholder(s)"	registered holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent

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四川新華文軒連鎖股份有限公司
SICHUAN XINHUA WINSHARE CHAINSTORE CO.,LTD.*
(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 811)

Executive Directors:
Mr. Gong Cimin *(Chairman)*
Mr. Zhang Bangkai *(Vice Chairman)*

Non-Executive Directors:
Ms. Wang Jianping
Mr. Zhang Chengxing
Mr. Li Jiawei
Mr. Luo Jun
Mr. Yu Changjiu
Mr. Wu Qiang
Mr. Zhao Miao
Mr. Zhao Junhuai

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

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

Head office in the PRC:
No. 6 Wenxuan Road
Shang Mao Avenue
Cheng Bei
Chengdu, Sichuan 610081
The PRC

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

23 April 2009

To the Shareholders

Dear Sir/Madam,

(I) PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE H SHARES,
(II) PROPOSED MEANS OF RECEIPT OF PERIODIC REPORTS,
(III) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
(IV) NOTICE OF ANNUAL GENERAL MEETING,
AND
(V) NOTICES OF CLASS MEETINGS

INTRODUCTION

The purposes of this circular are (i) to provide you with information regarding the special resolution to be proposed at the AGM and the Class Meetings to grant to the Directors the Repurchase Mandate; (ii) to provide you with information regarding the ordinary resolution to be proposed at the

* *For identification purposes only*

AGM regarding the proposed means of receipt of Periodic Reports, (iii) to provide you with information regarding the special resolution(s) to be proposed at the AGM relating to the proposed amendments to the Articles of Association, and (iv) to give you the AGM Notice and the Class Meeting Notices.

REPURCHASE MANDATE

The Company Law, the Mandatory Provisions and the Articles of Association provide for certain restrictions on share repurchase which are applicable to all classes of shares of the Company.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in the Articles of Association, provide that subject to obtaining the approval of the relevant PRC regulatory authorities and in compliance with the Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its Shares or in circumstances permitted by laws or administrative regulations.

The Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and special resolutions passed by holders of domestic shares and holders of overseas listed foreign shares at separate meetings.

H Shares are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to the approval of the SAFE (or its successor authority), and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. In addition, the Company Law provides that the shares repurchased by a company will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after the passing of the relevant resolutions approving such reduction. The creditors shall be entitled to request the Company for repayment of loan or provision of guarantee. The statutory notification requirement allows the creditors an opportunity for the recovery or security of the debt (in particular for those unsecured debts) where the Company's registered capital is to be reduced.

Conditions to repurchase H Shares

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Directors. In accordance with the legal and regulatory requirements described above, the Directors give notices to convene the AGM and the Class Meetings. At each such meeting, a special resolution will be proposed to grant to the Directors the Repurchase Mandate which is a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of such special resolution.

The Repurchase Mandate will be conditional upon (a) the special resolution for approving the grant of the Repurchase Mandate being passed at each of the AGM and the Class Meetings; and (b) the approvals of SAFE (or its successor authority) and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earliest of (a) the conclusion of the first annual general meeting of the Company following the passing of the relevant resolution at the AGM and the Class Meetings; (b) the expiration of a period of twelve months following the passing of the relevant resolution at the AGM and the Class Meetings; or (c) the date on which the authority conferred by the special resolution is revoked or varied by a special resolution of the Shareholders in a general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the resolution approving the Repurchase Mandate at the AGM and the Class Meetings.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix to this circular.

PROPOSED MEANS OF RECEIPT OF PERIODIC REPORTS

For the protection of environment and cost saving, the Company intends to offer its Shareholders the choice to receive the Periodic Reports (i) by electronic means through the Company's website at www.winshare.com.cn and the Stock Exchange's website at www.hkexnews.hk; or (ii) in printed forms, in English only, in Chinese only or in both English and Chinese.

In accordance with Rule 2.07A(2A) of the Listing Rules, to the extent that:

(1) the shareholders of the listed issuer have resolved in general meeting that the listed issuer may send or supply corporate communications to shareholders by making them available on the listed issuer's own website; or

(2) the listed issuer's constitutional documents contain provision to that effect,

a holder of the listed issuer's securities in relation to whom the following conditions are met is taken to have agreed that the listed issuer may send or supply corporate communications to him in that manner, provided that (i) the holder has been asked individually by the listed issuer to agree that the listed issuer may send or supply corporate communications generally, or the corporate communication in question, to him by means of the listed issuer's own website; and (ii) the listed issuer has not received a response indicating the holder's objection within the period of 28 days beginning with the date on which the listed issuer's request was sent.

The Board considered that it is of the interests of the Company and the Shareholders as a whole if the Shareholders are given the choice to receive the Periodic Reports and the Company could send or supply Periodic Reports to the Shareholders by simply making them available on the Company's website (www.winshare.com.cn) and the Stock Exchange's website (www.hkexnews.hk) and has therefore resolved to propose resolutions to be approved by the Shareholders at the AGM that the Shareholders may be given the choice to receive Periodic Reports in which (i) the Company may send or supply Periodic Reports to the Shareholders in relation to whom the conditions are met by making them available on the Company's website (www.winshare.com.cn) and the Stock Exchange's website (www.hkexnews.hk) or (ii) the Shareholders may choose to receive Periodic Reports in printed forms (in English only, in Chinese only or in both English and Chinese). The Directors will also propose to make certain amendments to the Articles of Association for the purpose of effecting the publication and provision of Periodic Reports to the Shareholders through the Company's website or the receipt by the Shareholders of Periodic Reports in printed forms (in English only, in Chinese only or in both English and Chinese) accordingly.

The Company will make arrangements in due course to ask the Shareholders individually whether he or she agrees that the Company may send or supply Periodic Reports generally to him or her by means of the Company's own website and the Stock Exchange's website. Further announcement will be made by the Company in accordance with Rule 2.07B of the Listing Rules stating the proposed arrangements for the proposed means of receipt of Periodic Reports.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the amendments to the Company Law and the Listing Rules and the business development of the Company, amendments to the Articles of Association are proposed. Such proposed amendments deal with areas including the business scope of the Company, the means of receipt of corporate communications of the Company by the Shareholders and the vote of Shareholders at a general meeting of the Company. Such proposed amendments are set out as follows:

A. Article 11 of the Articles of Association

"The business scope of the Company includes: sales of books, newspapers, journals, electronic publications; wholesale of audio-visual products (chainstore); manufacture of electronic publications and audio-visual products; production of audio tapes and video tapes; leasing of properties; business services; wholesale and retail of goods; and import and export.

The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered."

shall be amended into:

"The business scope of the Company includes: sales of books, newspapers, journals, electronic publications; wholesale of audio-visual products (chainstore); manufacture of electronic publications and audio-visual products; production of audio tapes and video tapes; leasing of properties; business services; wholesale and retail of goods; and import and export; and advertising business.

The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered."

B. Article 22 of the Articles of Association

"Save as stipulated under the relevant laws, administrative rules and regulations, that shares of the Company shall be free from any restriction on the right of transfer and shall also be free from all lien."

shall be amended into:

"Save as stipulated under the relevant laws, administrative rules and regulations, that shares of the Company shall be free from any restriction on the right of transfer and shall also be free from all lien.

Any charge or pledge over the shares of the Company is not acceptable."

C. Article 28 of the Articles of Association

"When the registered capital of the Company is reduced, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days after the passing of the resolution for the reduction of the registered capital and shall within 30 days publish an announcement in newspaper for 3 times. Within 30 days after receipt of the notice or for those not receiving the notice within 90 days after the publication of the first announcement, the creditors are entitled to require the Company to repay the debt or to provide corresponding repayment guarantees.

The registered capital of the Company after reduction of the registered capital shall not be less than the lowest statutory limit."

shall be amended into:

"When the registered capital of the Company is reduced, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days after the passing of the resolution for the reduction of the registered capital and shall within 30 days publish an announcement in newspaper for 3 times. Within 30 days after receipt of the notice or for those not receiving the notice within 45 days after the publication of the first announcement, the creditors are entitled to require the Company to repay the debt or to provide corresponding repayment guarantees.

The registered capital of the Company after reduction of the registered capital shall not be less than the lowest statutory limit."

D. Article 29 of the Articles of Association

"The Company may repurchase its shares in accordance with the procedures required in the Articles of Association subject to obtaining the approval from the relevant PRC regulatory authorities and in compliance with the Articles of Association in the following circumstances:

(1) for the purpose of reducing its registered capital;

(2) in connection with a merger between itself and another entity that holds its shares;

(3) granting shares as reward to the staff of the Company;

(4) the repurchase is made at the request of its shareholders to repurchase their shares who disagree with shareholders' resolutions passed at a shareholders' general meeting in connection with a merger or division; or

(5) in circumstances permitted by laws or administrative regulations."

shall be amended into:

"The Company may repurchase its shares in accordance with the procedures required in the Articles of Association subject to obtaining the approval from the relevant PRC regulatory authorities and in compliance with the Articles of Association in the following circumstances:

(1) for the purpose of reducing its registered capital;

(2) in connection with a merger between itself and another entity that holds its shares;

(3) granting shares as reward to the staff of the Company;

(4) the repurchase is made at the request of its shareholders to repurchase their shares who disagree with shareholders' resolutions passed at a shareholders' general meeting in connection with a merger or division; or

(5) in circumstances permitted by laws or administrative regulations.

Any repurchase of shares by the Company due to the reasons set out in (1) and (3) above shall be approved by the shareholders of the Company in a shareholders' general meeting. The Company repurchases its shares in accordance with the above circumstances should, in the case of (1), cancel such repurchased shares within 10 days from the repurchase; in the case of (2) and (4), should within 6 months of the repurchase either transfer such repurchased shares or cancel such repurchased shares.

Any repurchase of shares by the Company in accordance with (3) above shall not exceed 5 per cent of the aggregate nominal value of shares in issue of the Company; the funds used to repurchase the shares of the Company shall be paid out from the Company's profit after tax; and the shares repurchased shall be transferred to the staff of the Company within 1 year from the repurchase."

E. Article 44 of the Articles of Association

"That all fully-paid H shares of the Company shall be freely transferable in accordance with the Articles of Association and any other documents relating to or affecting the title to any shares of the Company shall be registered. Nevertheless, unless the following conditions are satisfied, the board of directors is entitled to refuse to register any transfer documents, without providing any reasons, relating to the overseas listed foreign shares (that is, the H shares of the Company) of the Company listed on The Stock Exchange of Hong Kong Limited:

(1) pay a fee of HK$2.5, or the maximum fee prescribed by The Stock Exchange of Hong Kong Limited, for each of the transfer document, to the Company, for the registration of any transfer documents and any other documents relating to or affecting the title to any shares;

(2) the transfer documents and any other documents relating to or affecting the title to any shares are only in respect of the foreign listed shares of the Company listed on The Stock Exchange of Hong Kong Limited;

(3) stamp duty is duly paid in respect of the transfer documents and any other documents relating to or affecting the title to any shares;

(4) provide the relevant share certificate and other proof of title as reasonably requested by the board of directors;

(5) if the shares of the Company are proposed to be registered by more than 1 person jointly as the shareholders, the maximum number of joint shareholders is 4 persons;

(6) the relevant shares shall be free from all lien.

If the Company refuses to register any transfer of shares, the Company shall provide to the transferor and the transferee of the shares a notification of refusal in relation to registration of shares within 2 months from the application for registration.

The shares held by the promoter of the Company are not transferable within 1 year since the incorporation of the Company.

The directors, supervisors, general manager and other members of the senior management shall make disclosure to the Company of the shares held by them and the change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares they held; the shares they held are not transferable within 1 year from the listing of the shares of the Company. They, within 6 months from their resignation or termination of their office, shall not transfer the shares of the Company.

Any shareholder of the overseas listed foreign shares is entitled to transfer some or all shares by way of effecting the normal written document of transfer or signed or printed document of transfer. Such transfer can be effected by way of adopting the standard registration form prescribed by The Stock Exchange of Hong Kong Limited. The signature of the document of transfer shall be written or printed by the transferor and the transferee."

shall be amended into:

"That all fully-paid H shares of the Company shall be freely transferable in accordance with the Articles of Association and any other documents relating to or affecting the title to any shares of the Company shall be registered. Nevertheless, unless the following conditions are satisfied, the board of directors is entitled to refuse to register any transfer documents, without providing any reasons, relating to the overseas listed foreign shares (that is, the H shares of the Company) of the Company listed on The Stock Exchange of Hong Kong Limited:

(1) pay a fee of HK$2.5, or the maximum fee prescribed by The Stock Exchange of Hong Kong Limited, for each of the transfer document, to the Company, for the registration of any transfer documents and any other documents relating to or affecting the title to any shares;

(2) the transfer documents and any other documents relating to or affecting the title to any shares are only in respect of the foreign listed shares of the Company on The Stock Exchange of Hong Kong Limited;

(3) stamp duty is duly paid in respect of the transfer documents and any other documents relating to or affecting the title to any shares;

(4) provide the relevant share certificate and other proof of title as reasonably requested by the board of directors;

(5) if the shares of the Company are proposed to be registered by more than 1 person jointly as the shareholders, the maximum number of joint shareholders is 4 persons;

(6) the relevant shares shall be free from all lien.

If the Company refuses to register any transfer of shares, the Company shall provide to the transferor and the transferee of the shares a notification of refusal in relation of registration of shares within 2 months from the application for registration.

The shares held by the promoter of the Company are not transferable within 1 year since the incorporation of the Company.

The directors, supervisors, general manager and other members of the senior management shall make disclosure to the Company of the shares held by them and the change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares they held; the shares they held are not transferable within 1 year from the listing of the shares of the Company. They, within 6 months from their resignation or termination of their office, shall not transfer the shares of the Company.

Any shareholder of the overseas listed foreign shares is entitled to transfer some or all shares by way of effecting the normal written document of transfer or signed or printed document of transfer. Such transfer can be effected by way of adopting the standard registration form prescribed by The Stock Exchange of Hong Kong Limited. The signature to the document of transfer shall be written or printed by the transferor and the transferee.

The shares in issue of the Company prior to the public offering of the shares are not transferable within 1 year from the listing of the shares of the Company on a stock exchange."

F. New Article 53A of the Articles of Association

A new article, Article 53A, shall be added into the Articles of Association after Article 53:

"The shareholders of the Company are entitled to petition to the People's Court of the PRC to declare any resolution passed at the shareholders' general meeting and the board meeting which is in breach of laws, administrative rules and regulations, is invalid.

The shareholders of the Company are entitled to petition to the People's Court of the PRC to cancel any resolutions passed at the shareholders' general meeting and the board meeting, any procedures of convening the shareholders' general meeting and the board meeting and passing the relevant resolutions in breach of laws, rules and regulations within 60 days from the passing of the relevant resolutions.

Any shareholders who individually or collectively hold 1% or more of the issued share capital of the Company for a consecutive period of 180 days is entitled to request the supervisory committee of the Company in writing to commence the relevant legal proceedings to claim against any directors, members of senior management of the Company in the People's Court of the PRC for any loss caused to the Company in performance of their duties in the Company in breach of laws, administrative rules and regulations. The above shareholders are also entitled to request the board of directors in writing to commence the relevant legal proceedings to claim against the supervisory committee of the Company in the People's Court of the PRC for any loss caused to the Company in performance of its duties in the Company in breach of laws, administrative rules and regulations.

If the supervisory committee of the Company or the board of directors, within 30 days upon receiving the above request from the shareholders, refuses to commence the relevant legal proceedings, or in times of emergency not commencing legal proceedings would cause irreparable loss to the Company, the above shareholders are entitled to directly commence the relevant legal proceedings to claim against the relevant persons in the People's Court of the PRC in their own names for the interests of the Company.

The above shareholders are entitled to commence the relevant legal proceedings against any third party for any loss caused to the Company by damaging the legal interests of the Company in accordance with the requirements of the preceding two paragraphs.

The shareholders are entitled to commence the relevant legal proceedings to claim against the directors and members of senior management who are either in breach of laws, administrative rules and regulations or the requirements of the Articles of Association in the People's Court of the PRC for any loss caused to the shareholders' interests."

G. Article 67 of the Articles of Association

"A notice of a shareholders' general meeting shall comply with the following requirements:

(1) shall be in writing;

(2) shall specify the venue, date and time of the meeting;

(3) shall contain the share registration date of shareholders who are entitled to attend the meeting;

(4) shall state the matters to be discussed at the meeting;

(5) shall provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital structure or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

(6) shall contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other member of the senior management in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;

(7) shall contain the full text of any special resolution proposed to be passed at the meeting;

(8) shall contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his behalf and that a proxy need not be a shareholder;

(9) shall specify the date, time and address for lodging the proxy forms for the relevant meeting; and

(10) shall state the name and telephone number of the regular contact person of the meeting."

shall be amended into:

"A notice of a shareholders' general meeting shall comply with the following requirements:

(1) shall be in writing or in other forms as permitted by the listing rules of the stock exchange on which the shares of the Company are listed;

(2) shall specify the venue, date and time of the meeting;

(3) shall contain the share registration date of shareholders who are entitled to attend the meeting;

(4) shall state the matters to be discussed at the meeting;

(5) shall provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital structure or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

(6) shall contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other member of the senior management in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;

(7) shall contain the full text of any special resolution proposed to be passed at the meeting;

(8) shall contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his behalf and that a proxy need not be a shareholder;

(9) shall specify the date, time and address for lodging the proxy forms for the relevant meeting; and

(10) shall state the name and telephone number of the regular contact person of the meeting."

H. Article 68 of the Articles of Association

"Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the shareholder at his/her address, as shown in the register of shareholders.

For holders of domestic shares, notices of the shareholders' general meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more newspapers designated by the securities authority of the State Council within the interval between 45 days and 50 days before the date of the meeting; after the publication of the public announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting. The Chinese and English versions of such public announcement shall be published in a major Chinese newspaper and an English newspaper in Hong Kong on the same day."

shall be amended into:

"Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the shareholder at his/her address, as shown in the register of shareholders.

The Company may send or supply corporate communications, including notices of shareholders' general meetings, of the Company by making such corporate communications available on the Company's own website, subject to the following conditions:

(1) the shareholder has been asked individually by the Company to agree that the Company may send or supply corporate communications generally, or the corporate communication in question, to him by means of the Company's own website; such request of the Company has stated clearly what the effect of a failure to respond would be; such request of the Company was not sent less than 12 months after a previous request made to the shareholder for the purposes of asking him to agree that the Company may send or supply the same class of corporate communications to him by means of the Company's own website; and

(2) the Company has not received a response indicating the shareholder's objection within the period of 28 days beginning with the date on which the Company's request was sent.

The Company must notify the shareholders of the presence of the corporate communication(s) on the website, the address of the website, the place on the website where it may be accessed, and how to access the corporate communication(s).

The corporate communication(s) is taken to be sent:

(1) on the date on which the notification required above is sent; or

(2) if later, the date on which the corporate communication first appears on the website after that notification is sent.

For holders of domestic shares, notices of the shareholders' general meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more newspapers designated by the securities authority of the State Council within the interval between 45 days and 50 days before the date of the meeting; after the publication of the public announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting."

I. Article 78 of the Articles of Association

"At any general meeting a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded:

(1) by the chairman of the meeting;

(2) by at least two shareholders entitled to vote present in person or by proxy; or

(3) by one or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is specifically required according to the listing rules of the stock exchange where the shares of the Company are listed or a poll be so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, unanimously, or carried by, a particular majority, or lost, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn by the person who makes such demand."

shall be amended into:

"Any vote of shareholders at a general meeting must be taken by poll and the Company must announce the results of the poll including:

(1) the total number of shares entitling the holder to attend and vote for or against the resolution at the meeting;

(2) the total number of shares entitling the holder to attend and vote only against the resolution at the meeting; and

(3) the number of shares represented by votes for and against the relevant resolution

by way of an announcement."

J. Article 164 of the Articles of Association

"Save and except for the statutory book of accounts, the Company must not maintain any other sets of accounts."

shall be amended into:

"Save and except for the statutory book of accounts, the Company must not maintain any other sets of accounts.

The assets of the Company must not be registered in the accounts of any person in his individual capacity."

Please note that the above English version of the Articles of Association is an unofficial translation of its Chinese version. In case of any inconsistencies between the two versions, the Chinese version shall prevail.

AGM AND CLASS MEETINGS

Set out on pages 22 to 35 of this circular are notices convening the AGM to be held on Tuesday, 16 June 2009 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC. Special resolutions are proposed to the Shareholders at the AGM to consider and, if thought fit, for granting to the Directors the Repurchase Mandate and for approving the proposed amendments to the Articles of Association.

Set out on pages 36 to 41 of this circular are notices convening the Class Meetings to be held on Tuesday, 16 June 2009 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC. Special resolution in respect of the granting to the Directors of the Repurchase Mandate is proposed to the Shareholders at the Class Meetings for their consideration and approval.

A form of proxy for use at each of the AGM and the Class Meetings is enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon. In case of holders of H Shares, the proxy forms shall be lodged with the H share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806–1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and in case of holders of Domestic Shares, the proxy forms shall be lodged at the head office of the Company in the PRC, as soon as possible and in any event not later than 24 hours before the time scheduled for holding such meetings (or any adjourned meetings thereof). Completion and delivery of the forms of proxy will not preclude you from attending and voting in person at the meeting or any adjournment if you so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the AGM and Class Meeting shall therefore demand voting on all resolutions set out in the notices of AGM and Class Meetings be taken by way of poll pursuant to Article 78 of the Articles of Association.

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

RECOMMENDATIONS

The Directors are of the opinion that the proposed grant of the Repurchase Mandate, the proposed means of receipt of Periodic Reports and the proposed amendments to the Articles of Association are in the interests of the Company and its Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM and the Class Meetings.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
Sichuan Xinhua Winshare Chainstore Co., Ltd.*
Gong Cimin
Chairman

* *For identification purposes only*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase Mandate to the Directors.

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LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by the Articles of Association to repurchase its own securities.

REGISTERED CAPITAL

As at the Latest Practicable Date, the registered capital of the Company was RMB1,135,131,000 comprising 693,193,900 Domestic Shares and 441,937,100 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 44,193,710 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

In repurchasing the H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2008 as disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2008. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the

Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

H SHARE PRICES

The highest and lowest prices at which the H Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	H Shares	
Month	**Highest**	**Lowest**
	(HK$)	*(HK$)*
2008		
April	3.80	2.70
May	4.06	2.97
June	3.09	2.21
July	2.66	2.22
August	2.55	2.10
September	2.60	1.60
October	1.83	0.98
November	1.64	1.28
December	1.85	1.40
2009		
January	2.06	1.66
February	2.19	1.88
March	2.32	1.79
1 April to the Latest Practicable Date	2.90	2.28

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the AGM and the Class Meetings.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Parent was the controlling shareholder of the Company, which held 592,809,525 Domestic Shares, representing approximately 52.22% of the registered capital of the Company. On the basis that 1,135,131,000 Shares was in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings and the Parent has not disposed of its shares, if the Repurchase Mandate were exercised in full, the percentage interests in the Company of the Parent and its associates would increase to approximately 54.34% of the then registered capital of the Company. The Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

As at the Latest Practicable Date, no connected person of the Company had notified the Company that he/she/it has a present intention to sell any H Shares nor had such connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted and is exercised.

SECURITIES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any H Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

四川新華文軒連鎖股份有限公司
SICHUAN XINHUA WINSHARE CHAINSTORE CO.,LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 811)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**AGM**") of 四川新華文軒連鎖股份有限公司 (Sichuan Xinhua Winshare Chainstore Co., Ltd.*) (the "**Company**") will be held at 9:30 a.m. on Tuesday, 16 June 2009 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 resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company (the "**Board**") for the year ended 31 December 2008;

2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2008;

3. To consider and approve the audited financial statements and the report of the auditors of the Company for the year ended 31 December 2008;

4. To consider and approve the profit distribution plan and the declaration of a final dividend for the year ended 31 December 2008;

5. To consider and approve the re-appointment of ShineWing Certified Public Accountants as the PRC auditors and Ernst & Young as the international auditors of the Company to hold office until the conclusion of the first annual general meeting following the AGM, and to authorise the Board to fix their remuneration;

6. To consider and approve the remuneration of directors and supervisors of the Company for the year ended 31 December 2008;

7. To consider and approve, conditional upon resolution no. 9 as set out in the notice of AGM of the Company dated 23 April 2009 convening the AGM being passed, that the Company may send or supply Periodic Reports (as defined below) to its shareholders (in relation to whom the conditions set out below are met) by making such Periodic Reports available on the Company's own website and the website of The Stock Exchange of Hong Kong Limited or in printed forms (in English only, in Chinese only or in both English and Chinese), and to authorise any one director of the Company, for and on behalf of the Company, to sign all such documents and/or to do all such things and acts as the director may consider necessary or expedient and in the interests of the Company for the purpose of effecting or otherwise in

* *For identification purposes only*

connection with the Company's proposed communication with its shareholders through the Company's website and the website of The Stock Exchange of Hong Kong Limited or in printed forms.

The supply of Periodic Reports by making such Periodic Reports available on the Company's own website and the website of The Stock Exchange of Hong Kong Limited is subject to the fulfillment of the following conditions:

(i) each shareholder of the Company has been asked individually by the Company to agree that the Company may send or supply Periodic Reports generally, or the Periodic Report(s) in question, to him by means of the Company's own website; and

(ii) the Company has not received a response indicating objection from its Shareholders within a period of 28 days starting from the date on which the Company's request was sent.

For the purpose of this resolution, "Periodic Report(s)" means the annual reports, interim reports and quarterly reports (if applicable) to be issued by the Company.

SPECIAL RESOLUTIONS

8. To authorise the Board to repurchase H Shares of the Company (the "**H Shares**") subject to the following conditions:

(a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;

(b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;

(c) the approval in paragraph (a) above shall be conditional upon:

   (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the class meeting for holders of H Shares of the Company to be held on Tuesday, 16 June 2009 (or on such adjourned date as may be applicable); and the class meeting for holders of domestic shares of the Company to be held on Tuesday, 16 June 2009 (or on such adjourned date as may be applicable); and

   (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;

(d) for the purpose of this special resolution, "Relevant Period" means the period from the passing of this special resolution until whichever is the earliest of:

(i) the conclusion of the first annual general meeting of the Company following the passing of this special resolution;

(ii) the expiration of a period of twelve months following the passing of this special resolution; or

(iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of domestic shares of the Company at their respective class meetings; and

(e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:

(i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and

(ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

9. To consider and approve the proposed amendments to the Articles of Association of the Company as set out below:

A. Article 11 of the Articles of Association

"The business scope of the Company includes: sales of books, newspapers, journals, electronic publications; wholesale of audio-visual products (chainstore); manufacture of electronic publications and audio-visual products; production of audio tapes and video tapes; leasing of properties; business services; wholesale and retail of goods; and import and export.

The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered."

shall be amended into:

"The business scope of the Company includes: sales of books, newspapers, journals, electronic publications; wholesale of audio-visual products (chainstore); manufacture of electronic publications and audio-visual products; production of audio tapes and video tapes; leasing of properties; business services; wholesale and retail of goods; and import and export; and advertising business.

The business scope of the Company shall be in accordance with the items approved by the registration authority with which the Company is registered."

B. Article 22 of the Articles of Association

"Save as stipulated under the relevant laws, administrative rules and regulations, that shares of the Company shall be free from any restriction on the right of transfer and shall also be free from all lien."

shall be amended into:

"Save as stipulated under the relevant laws, administrative rules and regulations, that shares of the Company shall be free from any restriction on the right of transfer and shall also be free from all lien.

Any charge or pledge over the shares of the Company is not acceptable."

C. Article 28 of the Articles of Association

"When the registered capital of the Company is reduced, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days after the passing of the resolution for the reduction of the registered capital and shall within 30 days publish an announcement in newspaper for 3 times. Within 30 days after receipt of the notice or for those not receiving the notice within 90 days after the publication of the first announcement, the creditors are entitled to require the Company to repay the debt or to provide corresponding repayment guarantees.

The registered capital of the Company after reduction of the registered capital shall not be less than the lowest statutory limit."

shall be amended into:

"When the registered capital of the Company is reduced, a balance sheet and a list of assets shall be prepared.

The Company shall notify its creditors within 10 days after the passing of the resolution for the reduction of the registered capital and shall within 30 days publish an announcement in newspaper for 3 times. Within 30 days after receipt of the notice or for those not receiving the notice within 45 days after the publication of the first announcement, the creditors are entitled to require the Company to repay the debt or to provide corresponding repayment guarantees.

The registered capital of the Company after reduction of the registered capital shall not be less than the lowest statutory limit."

D. Article 29 of the Articles of Association

"The Company may repurchase its shares in accordance with the procedures required in the Articles of Association subject to obtaining the approval from the relevant PRC regulatory authorities and in compliance with the Articles of Association in the following circumstances:

(1) for the purpose of reducing its registered capital;

(2) in connection with a merger between itself and another entity that holds its shares;

(3) granting shares as reward to the staff of the Company;

(4) the repurchase is made at the request of its shareholders to repurchase their shares who disagree with shareholders' resolutions passed at a shareholders' general meeting in connection with a merger or division; or

(5) in circumstances permitted by laws or administrative regulations."

shall be amended into:

"The Company may repurchase its shares in accordance with the procedures required in the Articles of Association subject to obtaining the approval from the relevant PRC regulatory authorities and in compliance with the Articles of Association in the following circumstances:

(1) for the purpose of reducing its registered capital;

(2) in connection with a merger between itself and another entity that holds its shares;

(3) granting shares as reward to the staff of the Company;

(4) the repurchase is made at the request of its shareholders to repurchase their shares who disagree with shareholders' resolutions passed at a shareholders' general meeting in connection with a merger or division; or

(5) in circumstances permitted by laws or administrative regulations.

Any repurchase of shares by the Company due to the reasons set out in (1) and (3) above shall be approved by the shareholders of the Company in a shareholders' general meeting. The Company repurchases its shares in accordance with the above circumstances should, in the case of (1), cancel such repurchased shares within 10 days from the repurchase; in the case of (2) and (4), should within 6 months of the repurchase either transfer such repurchased shares or cancel such repurchased shares.

Any repurchase of shares by the Company in accordance with (3) above shall not exceed 5 per cent of the aggregate nominal value of shares in issue of the Company; the funds used to repurchase the shares of the Company shall be paid out from the Company's profit after tax; and the shares repurchased shall be transferred to the staff of the Company within 1 year from the repurchase."

E. Article 44 of the Articles of Association

"That all fully-paid H shares of the Company shall be freely transferable in accordance with the Articles of Association and any other documents relating to or affecting the title to any shares of the Company shall be registered. Nevertheless, unless the following conditions are satisfied, the board of directors is entitled to refuse to register any transfer documents, without providing any reasons, relating to the overseas listed foreign shares (that is, the H shares of the Company) of the Company listed on The Stock Exchange of Hong Kong Limited:

(1) pay a fee of HK$2.5, or the maximum fee prescribed by The Stock Exchange of Hong Kong Limited, for each of the transfer document, to the Company, for the registration of any transfer documents and any other documents relating to or affecting the title to any shares;

(2) the transfer documents and any other documents relating to or affecting the title to any shares are only in respect of the foreign listed shares of the Company listed on The Stock Exchange of Hong Kong Limited;

(3) stamp duty is duly paid in respect of the transfer documents and any other documents relating to or affecting the title to any shares;

(4) provide the relevant share certificate and other proof of title as reasonably requested by the board of directors;

(5) if the shares of the Company are proposed to be registered by more than 1 person jointly as the shareholders, the maximum number of joint shareholders is 4 persons;

(6) the relevant shares shall be free from all lien.

If the Company refuses to register any transfer of shares, the Company shall provide to the transferor and the transferee of the shares a notification of refusal in relation to registration of shares within 2 months from the application for registration.

The shares held by the promoter of the Company are not transferable within 1 year since the incorporation of the Company.

The directors, supervisors, general manager and other members of the senior management shall make disclosure to the Company of the shares held by them and the change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares they held; the shares they held are not transferable within 1 year from the listing of the shares of the Company. They, within 6 months from their resignation or termination of their office, shall not transfer the shares of the Company.

Any shareholder of the overseas listed foreign shares is entitled to transfer some or all shares by way of effecting the normal written document of transfer or signed or printed document of transfer. Such transfer can be effected by way of adopting the standard registration form prescribed by The Stock Exchange of Hong Kong Limited. The signature of the document of transfer shall be written or printed by the transferor and the transferee."

shall be amended into:

"That all fully-paid H shares of the Company shall be freely transferable in accordance with the Articles of Association and any other documents relating to or affecting the title to any shares of the Company shall be registered. Nevertheless, unless the following conditions are satisfied, the board of directors is entitled to refuse to register any transfer documents, without providing any reasons, relating to the overseas listed foreign shares (that is, the H shares of the Company) of the Company listed on The Stock Exchange of Hong Kong Limited:

(1) pay a fee of HK$2.5, or the maximum fee prescribed by The Stock Exchange of Hong Kong Limited, for each of the transfer document, to the Company, for the registration of any transfer documents and any other documents relating to or affecting the title to any shares;

(2) the transfer documents and any other documents relating to or affecting the title to any shares are only in respect of the foreign listed shares of the Company on The Stock Exchange of Hong Kong Limited;

(3) stamp duty is duly paid in respect of the transfer documents and any other documents relating to or affecting the title to any shares;

(4) provide the relevant share certificate and other proof of title as reasonably requested by the board of directors;

(5) if the shares of the Company are proposed to be registered by more than 1 person jointly as the shareholders, the maximum number of joint shareholders is 4 persons;

(6) the relevant shares shall be free from all lien.

If the Company refuses to register any transfer of shares, the Company shall provide to the transferor and the transferee of the shares a notification of refusal in relation of registration of shares within 2 months from the application for registration.

The shares held by the promoter of the Company are not transferable within 1 year since the incorporation of the Company.

The directors, supervisors, general manager and other members of the senior management shall make disclosure to the Company of the shares held by them and the change of such shareholding; every year during the term of their office, they shall not transfer shares exceeding 25% of the total number of shares they held; the shares they held are not transferable within 1 year from the listing of the shares of the Company. They, within 6 months from their resignation or termination of their office, shall not transfer the shares of the Company.

Any shareholder of the overseas listed foreign shares is entitled to transfer some or all shares by way of effecting the normal written document of transfer or signed or printed document of transfer. Such transfer can be effected by way of adopting the standard registration form prescribed by The Stock Exchange of Hong Kong Limited. The signature to the document of transfer shall be written or printed by the transferor and the transferee.

The shares in issue of the Company prior to the public offering of the shares are not transferable within 1 year from the listing of the shares of the Company on a stock exchange."

F. New Article 53A of the Articles of Association

A new article, Article 53A, shall be added into the Articles of Association after Article 53:

"The shareholders of the Company are entitled to petition to the People's Court of the PRC to declare any resolution passed at the shareholders' general meeting and the board meeting which is in breach of laws, administrative rules and regulations, is invalid.

The shareholders of the Company are entitled to petition to the People's Court of the PRC to cancel any resolutions passed at the shareholders' general meeting and the board meeting, any procedures of convening the shareholders' general meeting and the board meeting and passing the relevant resolutions in breach of laws, rules and regulations within 60 days from the passing of the relevant resolutions.

Any shareholders who individually or collectively hold 1% or more of the issued share capital of the Company for a consecutive period of 180 days is entitled to request the supervisory committee of the Company in writing to commence the relevant legal proceedings to claim against any directors, members of senior management of the Company in the People's Court of the PRC for any loss caused to the Company in performance of their duties in the Company in breach of laws, administrative rules and regulations. The above shareholders are also entitled to request the board of directors in writing to commence the relevant legal proceedings to claim against the supervisory committee of the Company in the People's Court of the PRC for any loss caused to the Company in performance of its duties in the Company in breach of laws, administrative rules and regulations.

If the supervisory committee of the Company or the board of directors, within 30 days upon receiving the above request from the shareholders, refuses to commence the relevant legal proceedings, or in times of emergency not commencing legal proceedings would cause irreparable loss to the Company, the above shareholders are entitled to directly commence the relevant legal proceedings to claim against the relevant persons in the People's Court of the PRC in their own names for the interests of the Company.

The above shareholders are entitled to commence the relevant legal proceedings against any third party for any loss caused to the Company by damaging the legal interests of the Company in accordance with the requirements of the preceding two paragraphs.

The shareholders are entitled to commence the relevant legal proceedings to claim against the directors and members of senior management who are either in breach of laws, administrative rules and regulations or the requirements of the Articles of Association in the People's Court of the PRC for any loss caused to the shareholders' interests."

G. Article 67 of the Articles of Association

"A notice of a shareholders' general meeting shall comply with the following requirements:

(1) shall be in writing;

(2) shall specify the venue, date and time of the meeting;

(3) shall contain the share registration date of shareholders who are entitled to attend the meeting;

(4) shall state the matters to be discussed at the meeting;

(5) shall provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital structure or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

(6) shall contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other member of the senior management in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;

(7) shall contain the full text of any special resolution proposed to be passed at the meeting;

(8) shall contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his behalf and that a proxy need not be a shareholder;

(9) shall specify the date, time and address for lodging the proxy forms for the relevant meeting; and

(10) shall state the name and telephone number of the regular contact person of the meeting."

shall be amended into:

"A notice of a shareholders' general meeting shall comply with the following requirements:

(1) shall be in writing or in other forms as permitted by the listing rules of the stock exchange on which the shares of the Company are listed;

(2) shall specify the venue, date and time of the meeting;

(3) shall contain the share registration date of shareholders who are entitled to attend the meeting;

(4) shall state the matters to be discussed at the meeting;

(5) shall provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital structure or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

(6) shall contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other member of the senior management in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;

(7) shall contain the full text of any special resolution proposed to be passed at the meeting;

(8) shall contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his behalf and that a proxy need not be a shareholder;

(9) shall specify the date, time and address for lodging the proxy forms for the relevant meeting; and

(10) shall state the name and telephone number of the regular contact person of the meeting."

H. Article 68 of the Articles of Association

"Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the shareholder at his/her address, as shown in the register of shareholders.

For holders of domestic shares, notices of the shareholders' general meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more newspapers designated by the securities authority of the State Council within the interval between 45 days and 50 days before the date of the meeting; after the publication of the public announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting. The Chinese and English versions of such public announcement shall be published in a major Chinese newspaper and an English newspaper in Hong Kong on the same day."

shall be amended into:

"Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the shareholder at his/her address, as shown in the register of shareholders.

The Company may send or supply corporate communications, including notices of shareholders' general meetings, of the Company by making such corporate communications available on the Company's own website, subject to the following conditions:

(1) the shareholder has been asked individually by the Company to agree that the Company may send or supply corporate communications generally, or the corporate communication in question, to him by means of the Company's own website; such request of the Company has stated clearly what the effect of a failure to respond would be; such request of the Company was not sent less than 12 months after a previous request made to the shareholder for the purposes of asking him to agree that the Company may send or supply the same class of corporate communications to him by means of the Company's own website; and

(2) the Company has not received a response indicating the shareholder's objection within the period of 28 days beginning with the date on which the Company's request was sent.

The Company must notify the shareholders of the presence of the corporate communication(s) on the website, the address of the website, the place on the website where it may be accessed, and how to access the corporate communication(s).

The corporate communication(s) is taken to be sent:

(1) on the date on which the notification required above is sent; or

(2) if later, the date on which the corporate communication first appears on the website after that notification is sent.

For holders of domestic shares, notices of the shareholders' general meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more newspapers designated by the securities authority of the State Council within the interval between 45 days and 50 days before the date of the meeting; after the publication of the public announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting."

I. Article 78 of the Articles of Association

"At any general meeting a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded:

(1) by the chairman of the meeting;

(2) by at least two shareholders entitled to vote present in person or by proxy; or

(3) by one or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is specifically required according to the listing rules of the stock exchange where the shares of the Company are listed or a poll be so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, unanimously, or carried by, a particular majority, or lost, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn by the person who makes such demand."

shall be amended into:

"Any vote of shareholders at a general meeting must be taken by poll and the Company must announce the results of the poll including:

(1) the total number of shares entitling the holder to attend and vote for or against the resolution at the meeting;

(2) the total number of shares entitling the holder to attend and vote only against the resolution at the meeting; and

(3) the number of shares represented by votes for and against the relevant resolution

by way of an announcement."

J. Article 164 of the Articles of Association

"Save and except for the statutory book of accounts, the Company must not maintain any other sets of accounts."

shall be amended into:

"Save and except for the statutory book of accounts, the Company must not maintain any other sets of accounts.

The assets of the Company must not be registered in the accounts of any person in his individual capacity."

and to authorise any director of the Company or secretary to the Board to deal with, on behalf of the Company the relevant filing, amendments and registration (where necessary) procedures and other related issues arising from the amendments to the Articles of Association of the Company.

By order of the Board
Sichuan Xinhua Winshare Chainstore Co., Ltd.*
GONG Cimin
Chairman

Sichuan, the PRC, 23 April 2009

Notes:

1. The register of members of the Company will be closed from 16 May 2009 to 16 June 2009 (both dates inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares of the Company) or the head office of the Company in the PRC (for holders of domestic shares of the Company), no later than 4:30 p.m. on 15 May 2009.

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 member of the Company.

3. In order to be valid, the proxy form must be deposited by hand or post, for the holders of H shares of the Company, to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806–1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or for the holders of domestic shares of the Company, to the head office of the Company in the PRC not less than 24 hours before the time for holding the AGM 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 adjourned meetings should you so wish.

4. Shareholders or their proxies shall produce their identity documents when attending the AGM.

5. Shareholders who intend to attend the AGM should complete the reply slip and return it by hand or by post to the Company's H share registrar (for holders of H shares of the Company) or to the head office of the Company in the PRC (for holders of the domestic shares of the Company) on or before 26 May 2009.

6. The AGM is expected to take 40 minutes. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.

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

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

As at the date of this notice, the Board comprises (a) Mr. Gong Cimin and Mr. Zhang Bangkai as executive directors; (b) Ms. Wang Jianping, Mr. Zhang Chengxing, Mr. Li Jiawei, Mr. Luo Jun, Mr. Yu Changjiu, Mr. Wu Qiang, Mr. Zhao Miao and Mr. Zhao Junhuai as non-executive directors; and (c) Mr. Han Xiaoming, Mr. Cheng Sanguo and Mr. Chan Yuk Tong as independent non-executive directors.

* *For identification purposes only*

四川新華文軒連鎖股份有限公司
SICHUAN XINHUA WINSHARE CHAINSTORE CO.,LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 811)

NOTICE OF DOMESTIC SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting for holders of Domestic Shares (the "**Domestic Shares Class Meeting**") of 四川新華文軒連鎖股份有限公司 (Sichuan Xinhua Winshare Chainstore Co., Ltd.*) (the "**Company**") will be held at 10:20 a.m. (or immediately after the annual general meeting of the Company to be convened and held on the same date and at the same place) on Tuesday, 16 June 2009 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the People's Republic of China (the "**PRC**") for the purpose of considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

1. To authorise the board (the "**Board**") of directors (the "**Directors**") of the Company to repurchase H Shares of the Company (the "**H Shares**") subject to the following conditions:

   (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;

   (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;

   (c) the approval in paragraph (a) above shall be conditional upon:

      (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the annual general meeting for holders of shares of the Company to be held on Tuesday, 16 June 2009 (or on such adjourned date as may be applicable); and the class meeting for holders of H Shares of the Company to be held on Tuesday, 16 June 2009 (or on such adjourned date as may be applicable); and

      (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;

* *For identification purposes only*

(d) for the purpose of this special resolution, "Relevant Period" means the period from the passing of this special resolution until whichever is the earlier of:

(i) the conclusion of the first annual general meeting of the Company following the passing of this special resolution;

(ii) the expiration of a period of twelve months following the passing of this special resolution; or

(iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of domestic shares of the Company at their respective class meetings; and

(e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:

(i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and

(ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

By order of the Board
Sichuan Xinhua Winshare Chainstore Co., Ltd.*
GONG Cimin
Chairman

Sichuan, the PRC, 23 April 2009

Notes:

1. The register of members of the Company will be closed from 16 May 2009 to 16 June 2009 (both dates inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the Domestic Shares Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the head office of the Company in the PRC no later than 4:30 p.m. on 15 May 2009.

2. Shareholders who are entitled to attend and vote at the Domestic Shares Class Meeting 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 member of the Company.

3. In order to be valid, the proxy form must be deposited by hand or by post to the head office of the Company in the PRC not less than 24 hours before the time for holding the Domestic Shares Class Meeting 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 Domestic Shares Class Meeting or any adjourned meetings should you so wish.

4. Shareholders or their proxies shall produce their identity documents when attending the Domestic Shares Class Meeting.

5. Shareholders who intend to attend the Domestic Shares Class Meeting should complete the reply slip and return it by hand or by post to the head office of the Company in the PRC on or before 26 May 2009.

6. The Domestic Shares Class Meeting is expected to take 20 minutes. Shareholders attending the Domestic Shares Class Meeting shall be responsible for their own travel and accommodation expenses.

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

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

As at the date of this notice, the Board comprises (a) Mr. Gong Cimin and Mr. Zhang Bangkai as executive directors; (b) Ms. Wang Jianping, Mr. Zhang Chengxing, Mr. Li Jiawei, Mr. Luo Jun, Mr. Yu Changjiu, Mr. Wu Qiang, Mr. Zhao Miao and Mr. Zhao Junhuai as non-executive directors; and (c) Mr. Han Xiaoming, Mr. Cheng Sanguo and Mr. Chan Yuk Tong as independent non-executive directors.

* *For identification purposes only*

四川新華文軒連鎖股份有限公司
SICHUAN XINHUA WINSHARE CHAINSTORE CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 811)

NOTICE OF H SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting for holders of H Shares (the "**H Shares Class Meeting**") of 四川新華文軒連鎖股份有限公司 (Sichuan Xinhua Winshare Chainstore Co., Ltd.*) (the "**Company**") will be held at 10:50 a.m. (or immediately after the class meeting for holders of domestic shares in the Company to be convened and held on the same date and at the same place) on Tuesday, 16 June 2009 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:

SPECIAL RESOLUTION

1. To authorise the board (the "**Board**") of directors (the "**Directors**") of the Company to repurchase H Shares of the Company (the "**H Shares**") subject to the following conditions:

   (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;

   (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;

   (c) the approval in paragraph (a) above shall be conditional upon:

      (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the annual general meeting for holders of shares of the Company to be held on Tuesday, 16 June 2009 (or on such adjourned date as may be applicable); and the class meeting for holders of domestic shares of the Company to be held on Tuesday, 16 June 2009 (or on such adjourned date as may be applicable); and

      (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;

* *For identification purposes only*

(d) for the purpose of this special resolution, "Relevant Period" means the period from the passing of this special resolution until whichever is the earlier of:

(i) the conclusion of the first annual general meeting of the Company following the passing of this special resolution;

(ii) the expiration of a period of twelve months following the passing of this special resolution; or

(iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of domestic shares of the Company at their respective class meetings; and

(e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:

(i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and

(ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

By order of the Board
Sichuan Xinhua Winshare Chainstore Co., Ltd.*
GONG Cimin
Chairman

Sichuan, the PRC, 23 April 2009

Notes:

1. The register of members of the Company will be closed from 16 May 2009 to 16 June 2009 (both dates inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the H Shares Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 15 May 2009.

2. Shareholders who are entitled to attend and vote at the H Shares Class Meeting 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 member of the Company.

3. In order to be valid, the proxy form must be deposited by hand or by post to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1806–1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the H Shares Class Meeting 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 H Shares Class Meeting or any adjourned meetings should you so wish.

4. Shareholders or their proxies shall produce their identity documents when attending the H Shares Class Meeting.

5. Shareholders who intend to attend the H Shares Class Meeting should complete the reply slip and return it by hand or by post to the Company's H share registrar on or before 26 May 2009.

6. The H Shares Class Meeting is expected to take 20 minutes. Shareholders attending the H Shares Class Meeting shall be responsible for their own travel and accommodation expenses.

As at the date of this notice, the Board comprises (a) Mr. Gong Cimin and Mr. Zhang Bangkai as executive directors; (b) Ms. Wang Jianping, Mr. Zhang Chengxing, Mr. Li Jiawei, Mr. Luo Jun, Mr. Yu Changjiu, Mr. Wu Qiang, Mr. Zhao Miao and Mr. Zhao Junhuai as non-executive directors; and (c) Mr. Han Xiaoming, Mr. Cheng Sanguo and Mr. Chan Yuk Tong as independent non-executive directors.

* *For identification purposes only*