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 together with the accompanying reply slip and form 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)

PROPOSED ADJUSTMENTS TO BUSINESS STRATEGIES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

The notice convening the extraordinary general meeting ("**EGM**") 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 Friday, 21 August 2009 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the People's Republic of China ("**PRC**"), is set out on pages 5 to 6 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. If you intend to attend the EGM, please also complete and return the accompanying reply slip in accordance with the instructions printed thereon. In case of holders of H Shares, the proxy forms and reply slips 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 and reply slips shall be lodged at the head office in the PRC of the Company, as soon as possible and in any event not later than 24 hours before the time scheduled for holding the EGM (or any adjourned meeting thereof) for the proxy forms and not later than 31 July 2009 for the reply slips. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment if you so wish.

* *For identification purposes only*

22 June 2009

CONTENTS

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

"Articles" or "Articles of Association"	the articles of association of the Company
"Board"	the board of Directors
"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 of Hong Kong Limited
"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
"EGM"	the extraordinary general meeting of the Company to be held at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, PRC on 21 August 2009 at 9:30 a.m. to approve the proposed adjustments to business strategies, or any adjournment thereof
"EGM Notice"	the notice for convening the EGM set out on pages 5 to 6 of this circular
"Group"	the Company and its subsidiaries
"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 of Hong Kong Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"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
"Share(s)"	ordinary shares 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)

* *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)

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

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

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
PRC

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

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

22 June 2009

To the Shareholders

Dear Sir/Madam,

PROPOSED ADJUSTMENTS TO BUSINESS STRATEGIES

INTRODUCTION

Reference is made to the announcement of the Company dated 16 June 2009 in relation to the above. The purposes of this circular are (i) to provide you with information regarding the ordinary resolution to be proposed at the EGM regarding the proposed adjustments to business strategies of the Company, and (ii) to give you the EGM Notice.

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PROPOSED ADJUSTMENTS TO BUSINESS STRATEGIES

Currently, the Group is principally engaged in (i) the operation of retail outlets for books and audiovisual products; (ii) distribution of textbooks and supplementary materials; and (iii) provision of ancillary support and services to publishers of books in the PRC. In view of the thorough transformation in the news and publication system in the PRC and the changes in global financial circumstances, and based on a comprehensive review and evaluation on the publication and distribution industry in the PRC and the internal capabilities of the Company, the Board proposes to adjust the business strategies of the Company in order to cope with the development of the publication and distribution industry and further strengthen the core competitiveness and the continued development of the Company.

The Board proposes to expand the Company's current principal business of publication and distribution in order to capture the opportunities associated with the change of the news and publication system in the PRC, unify the operation of the Company's publication and distribution chains, actively develop related businesses including but not limited to mass media and cultural education, and develop the Group into a leading cultural and mass media conglomerate in the PRC.

The Board considers that the proposed adjustments to the business strategies of the Company are in the interests of the Company and the Shareholders as a whole for the following reasons:

- The proposed strengthening of foundations of the existing publication and distribution business, unification of the operation of the publication and distribution chains and expansion into related business including but not limited to mass media and cultural education would enhance the Company's capabilities in its continued development.

- The proposed adjustments to the development strategies of the existing business of the Company would boost the operational capabilities of the Company's existing principal business, enhance the internal structure of the Company's principal business, increase the competitiveness and profitability of the principal business of the Company, and assist the Company to achieve a better business model and profit margins.

- The new businesses would bring additional source of income to the Company, which would further enhance the core competitiveness, profitability and continued development of the Company, and would provide better rate of returns to the Shareholders.

EGM

Set out on pages 5 to 6 of this circular is the notice convening the EGM to be held on Friday, 21 August 2009 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, PRC. An ordinary resolution is proposed to the Shareholders at the EGM to consider and, if thought fit, for approving the proposed adjustments to business strategies of the Company.

No Shareholders will be required to abstain from voting in respect of the resolution relating to the proposed adjustments to business strategies of the Company at the EGM.

A form of proxy for use at the EGM and a reply slip are enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. If you intend to attend the EGM, please also complete and return the accompanying reply slip in accordance with the instructions printed thereon. In case of holders of H Shares, the proxy forms and reply slips 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 and reply slips shall be lodged at the head office in the PRC of the Company, as soon as possible and in any event not later than 24 hours before the time scheduled for holding the EGM (or any adjourned meeting thereof) for the proxy forms and not later than 31 July 2009 for the reply slips. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment if you so wish.

VOTING BY POLL

Pursuant to Article 78 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll.

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

RECOMMENDATIONS

The Directors are of the opinion that the proposed adjustments to business strategies of the Company are in the interests of the Company and its Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

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

* *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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") 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 Friday, 21 August 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 as an ordinary resolution, with or without modifications:

"**THAT** adjustments to business strategies of the Company as set out below be and are hereby approved:

To expand the Company's current principal business of publication and distribution in order to capture the opportunities associated with the change of the news and publication system in the PRC, unify the operation of the Company's publication and distribution chains, actively develop related businesses including but not limited to mass media and cultural education, and develop the Company and its subsidiaries into a leading cultural and mass media conglomerate in the PRC."

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

Sichuan, the PRC, 22 June 2009

Notes:

1. The register of members of the Company will be closed from 22 July 2009 to 21 August 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 EGM, 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 21 July 2009.

2. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and 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 EGM 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

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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 EGM or any adjourned meetings should you so wish.

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

5. Shareholders who intend to attend the EGM 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 31 July 2009.

6. The EGM is expected to take 30 minutes. Shareholders attending the EGM 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. Yu Changjiu, Mr. Li Jiawei, Mr. Luo Jun, Mr. Wu Qiang, Mr. Zhang Chengxing, Mr. Zhao Junhuai and Mr. Zhao Miao as non-executive directors; and (c) Mr. Han Xiaoming, Mr. Cheng Sanguo and Mr. Chan Yuk Tong as independent non-executive directors.