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)**

# GENERAL DISCLOSURE UNDER RULE 13.09 OF THE LISTING RULES

# PROPOSED INVESTMENT IN AND CONSTRUCTION OF WESTERN CHINA CULTURAL PRODUCTS LOGISTICS CENTRE

This announcement is made pursuant to the general disclosure requirements under Rule 13.09 of the Listing Rules.

The Board is pleased to announce that resolutions were passed at the Board meeting held on 1 April 2010, which approved, *inter alia*, the Investment Project (the fundamentals of which are set out below).

The New Logistics Centre is proposed to be located at Chengdu International Container Logistics Park (成都國際集裝箱物流園區) in Qing-Bai-Jiang District, Chengdu City. It is expected that the New Logistics Centre will occupy a total site area of approximately 180,000 square metres and have a total gross floor area of approximately 130,000 square metres. The estimated total investment budget for the Investment Project is approximately RMB420 million (subject to the relevant governmental authorities' approval (if necessary)). Upon completion, the storage capacity of the New Logistics Centre could reach a maximum of approximately 600,000 types of products and its circulating capacity could reach approximately RMB16 billion for every year, which can meet the Group's increasing logistics service demand for about 10-20 years in the future.

It is anticipated that the Company will enter into a series of transactions contemplated under the Investment Project with other relevant parties. In the event these contemplated transactions materialize, they may constitute notifiable transactions and/or connected transactions under the Listing Rules, and the Company will comply with all the relevant requirements pursuant to the Listing Rules in respect of these transactions as and when appropriate.

**Shareholders and potential investors of the Company are advised to exercise caution when trading in the Shares.**

## BACKGROUND

The Board is pleased to announce that resolutions were passed at the Board meeting held on 1 April 2010, which approved, *inter alia*, the investment in and construction of the New Logistics Centre.

## FUNDAMENTALS OF THE INVESTMENT PROJECT

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| Proposed Name: | Western China Cultural Products Logistics Centre (西部文化商品物流配送中心) |
| Proposed Location: | Chengdu International Container Logistics Park (成都國際集裝箱物流園區) in Qing-Bai-Jiang District, Chengdu City |
| Estimated Total Site Area: | Approximately 180,000 square metres |
| Estimated Gross Floor Area: | Approximately 130,000 square metres |
| Estimated Total Investment Budget: | Approximately RMB420 million (subject to the relevant governmental authorities' approval (if necessary)), comprising approximately RMB60 million for the land cost, approximately RMB250 million for the construction cost and approximately RMB110 million for equipment and machine cost |
| Proposed Storage Capacity: | Approximately 600,000 types of products |
| Proposed Circulating Capacity: | Approximately RMB16 billion for every year |
| Proposed Construction Period: | Approximately 28 calendar months since the commencement date of the construction |
| Expected Source of Fund: | Comprise the Group's internal sources, bank loans and other appropriate financing activities |

## PURPOSE OF THE INVESTMENT PROJECT

Due to various factors including the urban development planning by the local government and the future transportation planning of Chengdu City, Chengdu Logistics Centre, the Group's current logistics centre, will not be geographically suitable to meet the future expansion of the Group's logistics business. The Group's increasing logistics service demand and continuous business growth also requires a new logistics centre located in an ideal place.

The Investment Project corresponds with the Group's strategic development and will help to expand the Group's logistics network. The New Logistics Centre, upon completion, can meet the Group's increasing logistics service demand for about 10-20 years in the future, which will lay a solid foundation for the Group's new-type logistics business (major business).

In addition, the New Logistics Centre is proposed to be located at Chengdu International Container Logistics Park (成都國際集裝箱物流園區), which is one of the three main logistics parks planned and supported by the Chengdu government. Therefore, the Directors consider that the Investment Project is in line with the government's industry policies, and it will undoubtedly benefit from the support of the local government in terms of the industry policies.

## GENERAL

The Group is principally engaged in (i) the operation of retail outlets for books and audio-visual products; (ii) distribution of textbooks and supplementary materials; and (iii) provision of ancillary support and services to publishers of books in the PRC.

It is anticipated that the Company will enter into a series of transactions contemplated under the Investment Project with other relevant parties. In the event these contemplated transactions materialize, they may constitute notifiable transactions and/or connected transactions under the Listing Rules, and the Company will comply with all the relevant requirements pursuant to the Listing Rules in respect of these transactions as and when appropriate.

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## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

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| "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; |
| "Director(s)" | the director(s) of the Company; |
| "Group" | the Company and its subsidiaries; |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC; |
| "Investment Project" | the investment in and construction of the New Logistics Centre; |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange; |
| "New Logistics Centre" | Western China Cultural Products Logistics Centre (西部文化商品物流配送中心), a logistics centre of the Group to be constructed and located at Chengdu International Container Logistics Park (成都國際集裝箱物流園區) in Qing-Bai-Jiang District, Chengdu City; |

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| "PRC" | the People's Republic of China; |
| "RMB" | Renminbi, the lawful currency of the PRC; |
| "Shares" | ordinary share(s) of the Company with a nominal value of RMB1.00 each; |
| "Shareholder(s)" | shareholder(s) of the Company; |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited; and |
| "%" | per cent. |

By Order of the Board
**SICHUAN XINHUA WINSHARE CHAINSTORE CO., LTD.***
**Gong Cimin**
*Chairman*

Sichuan, the PRC, 1 April 2010

*As at the date of this announcement, 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 nonexecutive directors; and (c) Mr. Han Xiaoming, Mr. Cheng Sanguo and Mr. Chan Yuk Tong as independent non-executive directors.*

*  *For identification purposes only*