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 AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
(III) NOTICE OF ANNUAL GENERAL MEETING,
AND
(IV) NOTICES OF CLASS MEETINGS

The notices convening the annual general meeting and the respective class meetings for holders of domestic shares ("**Domestic Shares**") and H shares ("**H 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 Wednesday, 9 June 2010 at Chengdu Hejiangting Hanwen Hotel, 138 Bingjiang Donglu, Chengdu, Sichuan, the People's Republic of China ("**PRC**"), are set out on pages 22 to 39 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 Shares share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M 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 with 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 2010

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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
"AGM"	the annual general meeting of the Company to be held at Chengdu Hejiangting Hanwen Hotel, 138 Bingjiang Donglu, Chengdu, Sichuan, the PRC at 9:30 a.m. on Wednesday, 9 June 2010 to approve, among other things, the grant to the Directors of the Repurchase Mandate and the amendments to the Articles of Association, or any adjournment thereof
"AGM Notice"	the notice for convening the AGM set out on pages 22 to 33 of this circular
"Articles" or "Articles of Association"	the articles of association of the Company
"associates"	has the meaning as defined under the Listing Rules
"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 Domestic Shares to be held immediately after the conclusion of the AGM and the class meeting for holders of H Shares to be held immediately after the conclusion of the said class meeting for holders of Domestic Shares, the respective notices of which are set out on pages 34 to 39 of this circular, or any adjournment thereof respectively
"Class Meeting Notices"	the notices for convening the Class Meetings set out on pages 34 to 39 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
"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"	16 April 2010, 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 state-owned company established in the PRC and wholly-owned by Sichuan Development, and a promoter and the controlling shareholder of the Company as at the Latest Practicable Date

"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)
"SASAC of Sichuan"	四川省政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government of the PRC)
"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)
"Sichuan Development"	四川發展(控股)有限責任公司 (Sichuan Development (Holding) Co., Ltd*), a state-owned company established in the PRC and wholly-owned and directly controlled by SASAC of Sichuan, as a holding company platform for the reorganisation plan of the state-owned assets of Sichuan Provincial Government of the PRC
"Sichuan Publication Group"	四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*), formally known as 四川出版集團 (Sichuan Publication Group*), a wholly state-owned company established in the PRC, and a promoter and a shareholder of the Company as at the Latest Practicable Date
"Sichuan Youth and Children Press"	四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*), formerly known as 四川少年兒童出版社 (Sichuan Youth and Children Press*), a sole legal person limited liability company established in the PRC, and a promoter and a shareholder of the Company as at the Latest Practicable Date

"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 2010

To the Shareholders

Dear Sir/Madam,

**(I) PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE H SHARES,
(II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
(III) NOTICE OF ANNUAL GENERAL MEETING,
AND
(IV) 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

* *For identification purposes only*

Repurchase Mandate; (ii) 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 (iii) 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 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the change of names of Sichuan Publication Group and Sichuan Youth and Children Press, promoters and shareholders of the Company, and the business development of the Company, amendments to the Articles of Association are proposed. Such proposed amendments are set out as follows:

A. Article 2 of the Articles of Association

"The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law of the People's Republic of China (the "Securities Law"), Special Provisions of the State Council Concerning the Flotation and Listing Abroad of Stocks by Joint Stock Limited Companies (the "Special Provisions") and other relevant laws and administrative regulations of the State.

The Company was established by way of promotion upon the approval by the People's Government of Sichuan Province with approval document Chuanfuhan [2005] No. 69, and was registered at Sichuan Provincial Administration of Industry and Commerce on 11 June 2005 and obtained the Enterprise Legal Person Business License with the registration number of 5100001822585.

Promoters of the Company are 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), 四川出版集團 (Sichuan Publication Group*), 四川日報報業集團 (Sichuan Daily Newspaper Group*), 四川少年兒童出版社 (Sichuan Youth and Children Press*) and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*)."

shall be amended into:

"The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law of the People's Republic of China (the "Securities Law"), Special Provisions of the State Council Concerning the Flotation and Listing Abroad of Stocks by Joint Stock Limited Companies (the "Special Provisions") and other relevant laws and administrative regulations of the State.

The Company was established by way of promotion upon the approval by the People's Government of Sichuan Province with approval document Chuanfuhan [2005] No. 69, and was registered at Sichuan Provincial Administration of Industry and Commerce on 11 June 2005 and obtained the Enterprise Legal Person Business License with the registration number of 5100001822585.

Promoters of the Company are 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*), 四川日報報業集團 (Sichuan Daily Newspaper Group*), 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*) and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*)."

B. Article 7 of the Articles of Association

"The Articles of Association (the "Articles of Association") are formulated by the Company based on the amendments to the articles of association (the "original Articles of Association") passed at the inauguration meeting of the Company and subsequently amended at the 2005 Extraordinary General Meeting, the 2006 First Extraordinary General Meeting and the extraordinary general meeting held on 22 April 2007 pursuant to the Company Law, the Securities Law and other laws and administrative regulations of the State.

The Articles of Association has become effective and supersede the Original Articles of Association from the date of passing the Articles of Association at the Annual General Meeting held on 16 June 2009.

From the effective date onwards, the Articles of Association shall be the legally binding document governing the Company's organizational structure and behavior, and the rights and obligations between the Company and shareholders, and among the shareholders."

shall be amended into:

"The Articles of Association (the "Articles of Association") are formulated by the Company based on the amendments to the articles of association (the "original Articles of Association") passed at the inauguration meeting of the Company and subsequently amended at the 2005 Extraordinary General Meeting, the 2006 First Extraordinary General Meeting, the extraordinary general meeting held on 22 April 2007 and the annual general meeting held on 16 June 2009 pursuant to the Company Law, the Securities Law and other laws and administrative regulations of the State.

The Articles of Association has become effective and supersede the Original Articles of Association from the date of passing the Articles of Association at the Annual General Meeting held on 9 June 2010.

From the effective date onwards, the Articles of Association shall be the legally binding document governing the Company's organizational structure and behavior, and the rights and obligations between the Company and shareholders, and among the shareholders."

C. 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: publishing management of the domestic and overseas books, newspapers, journals, electronic publications, audio-visual products and internet publications; plate-leased printing and provision of consultancy services of publications; general wholesale, wholesale and distribution, retail and chainstore operation of publications; printing, copying and production of publications; copyright trading and foreign co-operative publishing and distribution; purchase and sales of printing materials (the specialised items above which are subject to the approval of licences shall be operated with licences within the valid term); research, development, promotion and application of new media; 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."

D. Article 16 of the Articles of Association

"With the approval of the reviewing and approving department authorized by the State Council, the Company could issue a total of 733,370,000 ordinary shares, and 733,370,000 shares were issued to the promoters when the Company was established, representing 100% of the total issued ordinary shares of the Company. Among these shares, 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*) held 630,031,500 shares, representing 85.909% of the total issued ordinary shares of the Company; 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*) held 53,336,000 shares, representing 7.273% of the total issued ordinary shares of the Company; 四川出版集團 (Sichuan Publication Group*) held 25,667,950 shares, representing 3.500% of the total issued ordinary shares of the Company; 四川日報報業集團 (Sichuan Daily Newspaper Group*) held 10,000,500 shares, representing 1.364% of the total issued ordinary shares of the Company; 四川少年兒童出版社 (Sichuan Youth and Children Press*) held 7,333,700 shares, representing 1.000% of the total issued ordinary shares of the Company and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*) held 7,000,350 shares, representing 0.954% of the total issued ordinary shares of the Company."

shall be amended into:

"With the approval of the reviewing and approving department authorized by the State Council, the Company could issue a total of 733,370,000 ordinary shares, and 733,370,000 shares were issued to the promoters when the Company was established, representing 100% of the total issued ordinary shares of the Company. Among these shares, 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*) held 630,031,500 shares, representing 85.909% of the total issued ordinary shares of the Company; 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*) held 53,336,000 shares, representing 7.273% of the total issued ordinary shares of the Company; 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*) held 25,667,950 shares, representing 3.500% of the total issued ordinary shares of the Company; 四川日報報業集團 (Sichuan Daily Newspaper Group*) held 10,000,500 shares, representing 1.364% of the total issued ordinary shares of the Company; 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*) held 7,333,700 shares, representing 1.000% of the total issued ordinary shares of the Company and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*) held 7,000,350 shares, representing 0.954% of the total issued ordinary shares of the Company."

E. Article 17 of the Articles of Association

"Upon approval from the security supervision authorities of the State Council, the maximum number of ordinary shares issued under the Company's capital raising initial public offering ("IPO") after its establishment shall not exceed 424,813,821 shares, all being overseas-listed foreign shares (including those overseas-listed foreign shares issued pursuant to the exercise of Over-allotment Option), and account for 36.68% of the Company's total ordinary shares to be issued at most.

Pursuant to the relevant PRC regulations on disposal of state-owned shares and after obtaining approval from competent authorities, the state-owned shareholders of the Company will sell 36,940,332 state-owned shares to overseas investors when overseas-listed foreign shares are issued. The state-owned shareholders of the Company will sell up to 42,481,382 state-owned shares to overseas investors if Over-allotment Option is exercised.

After the aforesaid capital raising IPO and the reduction in shareholding by state-owned shareholders, if the Over-allotment Option is not exercised, the shareholding structure of the Company will be: 1,102,770,000 ordinary shares, of which, 595,807,676 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), representing 54.03% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.84% of the total ordinary shares of the Company in issue; 24,273,646 shares will be held by 四川出版集團 (Sichuan Publication Group*), representing 2.2% of the total ordinary shares of the Company in issue; 9,457,265 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.85% of the total ordinary shares of the Company in issue; 6,935,327 shares will be held by 四川少年兒童出版社 (Sichuan Youth and Children Press*), representing 0.63% of the total ordinary shares of the Company in issue; 6,620,085 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*), representing 0.6% of the total ordinary shares of the Company in issue; and 406,340,000 shares will be held by holders of the overseas-listed foreign shares, representing 36.85% of the total ordinary shares of the Company in issue.

If the Over-allotment Option is exercised in full, the shareholding structure of the Company will comprise 1,135,131,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), representing 52.22% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.7% of the total ordinary shares of the Company in issue; 24,151,499 shares will be held by 四川出版集團 (Sichuan Publication Group*), representing 2.13% of the total ordinary shares of the Company in issue; 9,409,675 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.83% of the total ordinary shares of the Company in issue; 6,900,428 shares will be held by 四川少年兒童出版社 (Sichuan Youth and Children Press*), representing 0.61% of the total ordinary shares of the Company in issue; 6,586,773 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*), representing 0.58% of the total ordinary shares of the Company in issue; 441,937,100 shares will be held by holders of the overseas-listed foreign shares, representing 38.93% of the total ordinary shares of the Company in issue.

Upon approval from the security supervision authorities of the State Council, the holders of domestic shares of the Company may transfer its shares to overseas investors for listing and dealing on the overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to voting by separate class shareholder meetings."

shall be amended into:

"Upon approval from the security supervision authorities of the State Council, the maximum number of ordinary shares issued under the Company's capital raising initial public offering ("IPO") after its establishment shall not exceed 424,813,821 shares, all being overseas-listed foreign shares (including those overseas-listed foreign shares issued pursuant to the exercise of Over-allotment Option), and account for 36.68% of the Company's total ordinary shares to be issued at most.

Pursuant to the relevant PRC regulations on disposal of state-owned shares and after obtaining approval from competent authorities, the state-owned shareholders of the Company will sell 36,940,332 state-owned shares to overseas investors when overseas-listed foreign shares are issued. The state-owned shareholders of the Company will sell up to 42,481,382 state-owned shares to overseas investors if Over-allotment Option is exercised.

After the aforesaid capital raising IPO and the reduction in shareholding by state-owned shareholders, if the Over-allotment Option is not exercised, the shareholding structure of the Company will be: 1,102,770,000 ordinary shares, of which, 595,807,676 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), representing 54.03% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.84% of the total ordinary shares of the Company in issue; 24,273,646 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*), representing 2.2% of the total ordinary shares of the Company in issue; 9,457,265 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.85% of the total ordinary shares of the Company in issue; 6,935,327 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*), representing 0.63% of the total ordinary shares of the Company in issue; 6,620,085 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*), representing 0.6% of the total ordinary shares of the Company in issue; and 406,340,000 shares will be held by holders of the overseas-listed foreign shares, representing 36.85% of the total ordinary shares of the Company in issue.

If the Over-allotment Option is exercised in full, the capital structure of the Company will comprise 1,135,131,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), representing 52.22% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.7% of the total ordinary shares of the Company in issue; 24,151,499 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*), representing 2.13% of the total ordinary shares of the Company in issue; 9,409,675 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.83% of the total ordinary shares of the Company in issue; 6,900,428 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*), representing 0.61% of the total ordinary shares of the Company in issue; 6,586,773 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.*), representing 0.58% of the total ordinary shares of the Company in issue; 441,937,100 shares will be held by holders of the overseas-listed foreign shares, representing 38.93% of the total ordinary shares of the Company in issue.

Upon the approval of the security supervision authorities of the State Council, the holders of domestic shares of the Company may transfer its shares to overseas investors for listing and dealing on the overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to voting by separate class shareholder meetings."

F. Article 114 of the Articles of Association

"The Audit Committee and Remuneration and Review Committee shall be established by the board of directors of the Company. The Audit Committee shall comprise at least 3 directors who shall be non-executive directors only. The majority of the audit committee shall be independent non-executive directors and one of them shall act as the convenor with at least one independent non-executive director having professional qualifications in accounting. The Remuneration and Review Committee shall comprise at least 3 directors, with a majority of its members being independent non-executive directors and one of them shall act as the convenor.

The Strategy Planning Committee and the Nomination Committee may also be established by the board of directors as required. The majority of the members of the Nomination Committee shall be independent non-executive directors and one of them shall act as the convenor.

The main responsibilities of the Audit Committee are: (1) to recommend the engagement or removal of external audit institutions; (2) to supervise the internal audit system and its enforcement; (3) to be responsible for the communications between internal audit and external audit; (4) to audit the Company's financial information and its disclosure; (5) to review the Company's internal control system.

The board of directors shall make assessment on the work performance of the Audit Committee on a yearly basis, so as to ensure its responsibilities are effectively fulfilled.

The main responsibilities of the Remuneration and Review Committee are: (1) to examine the assessment criteria of directors and managers, conduct assessment and provide recommendations; and (2) to examine the remuneration policies and packages applicable to the directors and senior management.

The main responsibilities of the Strategy Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions.

The main responsibilities of the Nomination Committee are: (1) to formulate the standards and procedures for selecting directors and managers, and to make proposals in connection therewith; (2) to identify competent candidates for directors and managers; and (3) to evaluate candidates for directors and managers, and to make proposals in connection therewith.

The special committees may engage intermediaries for professional advice. The expenses incurred therefrom shall be borne by the Company.

Each of the special committees shall report to the board of directors and submit its proposals to the board of directors for consideration and approval."

shall be amended into:

"The Audit Committee and Remuneration and Review Committee shall be established by the board of directors of the Company. The Audit Committee shall comprise at least 3 directors who shall be non-executive directors only. The majority of the audit committee shall be independent non-executive directors and one of them shall act as the convenor with at least one independent non-executive director having professional qualifications in accounting. The Remuneration and Review Committee shall comprise at least 3 directors, with a majority of its members being independent non-executive directors and one of them acting as the convenor.

The Strategy and Investment Planning Committee, the Nomination Committee and the Editorial and Publication Committee may also be established by the board of directors as required. The majority of the members of the Nomination Committee shall be independent non-executive directors and one of them shall act as the convenor.

The main responsibilities of the Audit Committee are: (1) to recommend the engagement or removal of external audit institutions; (2) to supervise the internal audit system and its enforcement; (3) to be responsible for the communications between internal audit and external audit; (4) to audit the Company's financial information and its disclosure; (5) to review the Company's internal control system.

The board of directors shall make assessment on the work performance of the Audit Committee on a yearly basis, so as to ensure its responsibilities are effectively fulfilled.

The main responsibilities of the Remuneration and Review Committee are: (1) to examine the assessment criteria of directors and managers, conduct assessment and provide recommendations; and (2) to examine the remuneration policies and packages applicable to the directors and senior management officers.

The main responsibilities of the Strategy and Investment Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions.

The main responsibilities of the Nomination Committee are: (1) to formulate the standards and procedure for selecting directors, managers, and making proposals in connection therewith; (2) to identity for competent candidates of directors and managers; and (3) to evaluate candidates of directors and managers, and to make proposals in connection therewith.

The special committees may engage intermediaries for professional advice. The expenses incurred therefrom shall be borne by the Company.

Each of the special committees shall report to the board of directors and submit its proposals to the board of directors for consideration and approval."

AGM AND CLASS MEETINGS

Set out on pages 22 to 33 of this circular are notices convening the AGM to be held on Wednesday, 9 June 2010 at Chengdu Hejiangting Hanwen Hotel, 138 Bingjiang Donglu, 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 amendments to the Articles of Association.

Set out on pages 34 to 39 of this circular are notices convening the Class Meetings to be held on Wednesday, 9 June 2010 at Chengdu Hejiangting Hanwen Hotel, 138 Bingjiang Donglu, 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 Shares share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M 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 with 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. Therefore, voting on all resolutions set out in the notices of AGM and Class Meetings at the AGM and Class Meetings shall 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 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 2009 as disclosed in the Company's latest published audited financial statements contained in the annual report for the year ended 31 December 2009. 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$)	*(HK$)*
2009		
April	2.90	2.28
May	2.95	2.55
June	3.15	2.65
July	3.13	2.61
August	3.08	2.70
September	3.11	2.75
October	3.32	2.77
November	3.48	3.08
December	3.35	2.87
2010		
January	3.69	3.10
February	3.40	3.16
March	3.83	3.25
April (up to the Latest Practicable Date)	4.19	3.75

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. As a result of the implementation of the reorganization plan of certain state-owned enterprises conducted by SASAC of Sichuan in 2009, the Parent has become a wholly-owned subsidiary of Sichuan Development, Sichuan Development therefore the ultimate controlling shareholder of the Company as at the Latest Practicable Date. 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 of Sichuan Development and the Parent and its associates in the Company 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 Wednesday, 9 June 2010 at Chengdu Hejiangting Hanwen Hotel, 138 Bingjiang Donglu, 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 2009;

2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2009;

3. To consider and approve the audited financial statements and the report of the auditors of the Company for the year ended 31 December 2009;

4. To consider and approve the profit distribution plan and the declaration of a final dividend for the year ended 31 December 2009;

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 2009;

* *For identification purposes only*

SPECIAL RESOLUTIONS

7. 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 Wednesday, 9 June 2010 (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 Wednesday, 9 June 2010 (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 (the "**Articles of Association**") 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 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.

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

A. Article 2 of the Articles of Association

"The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law of the People's Republic of China (the "Securities Law"), Special Provisions of the State Council Concerning the Flotation and Listing Abroad of Stocks by Joint Stock Limited Companies (the "Special Provisions") and other relevant laws and administrative regulations of the State.

The Company was established by way of promotion upon the approval by the People's Government of Sichuan Province with approval document Chuanfuhan [2005] No. 69, and was registered at Sichuan Provincial Administration of Industry and Commerce on 11 June 2005 and obtained the Enterprise Legal Person Business License with the registration number of 5100001822585.

Promoters of the Company are 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), 四川出版集團 (Sichuan Publication Group*), 四川日報報業集團 (Sichuan Daily Newspaper Group*), 四川少年兒童出版社 (Sichuan Youth and Children Press*) and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*)."

shall be amended into:

"The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law of the People's Republic of China (the "Securities Law"), Special Provisions of the State Council Concerning the Flotation and Listing Abroad of Stocks by Joint Stock Limited Companies (the "Special Provisions") and other relevant laws and administrative regulations of the State.

The Company was established by way of promotion upon the approval by the People's Government of Sichuan Province with approval document Chuanfuhan [2005] No. 69, and was registered at Sichuan Provincial Administration of Industry and Commerce on 11 June 2005 and obtained the Enterprise Legal Person Business License with the registration number of 5100001822585.

Promoters of the Company are 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*), 四川日報報業集團 (Sichuan Daily Newspaper Group*), 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*) and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*)."

B. Article 7 of the Articles of Association

"The Articles of Association (the "Articles of Association") are formulated by the Company based on the amendments to the articles of association (the "original Articles of Association") passed at the inauguration meeting of the Company and subsequently amended at the 2005 Extraordinary General Meeting, the 2006 First Extraordinary General Meeting and the extraordinary general meeting held on 22 April 2007 pursuant to the Company Law, the Securities Law and other laws and administrative regulations of the State.

The Articles of Association has become effective and supersede the Original Articles of Association from the date of passing the Articles of Association at the Annual General Meeting held on 16 June 2009.

From the effective date onwards, the Articles of Association shall be the legally binding document governing the Company's organizational structure and behavior, and the rights and obligations between the Company and shareholders, and among the shareholders."

shall be amended into:

"The Articles of Association (the "Articles of Association") are formulated by the Company based on the amendments to the articles of association (the "original Articles of Association") passed at the inauguration meeting of the Company and subsequently amended at the 2005 Extraordinary General Meeting, the 2006 First Extraordinary General Meeting, the extraordinary general meeting held on 22 April 2007 and the annual general meeting held on 16 June 2009 pursuant to the Company Law, the Securities Law and other laws and administrative regulations of the State.

The Articles of Association has become effective and supersede the Original Articles of Association from the date of passing the Articles of Association at the Annual General Meeting held on 9 June 2010.

From the effective date onwards, the Articles of Association shall be the legally binding document governing the Company's organizational structure and behavior, and the rights and obligations between the Company and shareholders, and among the shareholders."

C. 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; 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."

shall be amended into:

"The business scope of the Company includes: publishing management of the domestic and overseas books, newspapers, journals, electronic publications, audio-visual products and internet publications; plate-leased printing and provision of consultancy services of publications; general wholesale, wholesale and distribution, retail and chainstore operation of publications; printing, copying and production of publications; copyright trading and foreign co-operative publishing and distribution; purchase and sales of printing materials (the specialised items above which are subject to the approval of licences and shall be operated with licences within the valid term); research, development, promotion and application of new media; 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."

D. Article 16 of the Articles of Association

"With the approval of the reviewing and approving department authorized by the State Council, the Company could issue a total of 733,370,000 ordinary shares, and 733,370,000 shares were issued to the promoters when the Company was established, representing 100% of the total issued ordinary shares of the Company. Among these shares, 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*) held 630,031,500 shares, representing 85.909% of the total issued ordinary shares of the Company; 成都市華盛（集團）實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*) held 53,336,000 shares, representing 7.273% of the total issued ordinary shares of the Company; 四川出版集團 (Sichuan Publication Group*) held 25,667,950 shares, representing 3.500% of the total issued ordinary shares of the Company; 四川日報報業集團 (Sichuan Daily Newspaper Group*) held 10,000,500 shares, representing 1.364% of the total issued ordinary shares of the Company; 四川少年兒童出版社 (Sichuan Youth and Children Press*) held 7,333,700 shares, representing 1.000% of the total issued ordinary shares of the Company and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*) held 7,000,350 shares, representing 0.954% of the total issued ordinary shares of the Company."

shall be amended into:

"With the approval of the reviewing and approving department authorized by the State Council, the Company could issue a total of 733,370,000 ordinary shares, and 733,370,000 shares were issued to the promoters when the Company was established, representing 100% of the total issued ordinary shares of the Company. Among these shares, 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*) held 630,031,500 shares, representing 85.909% of the total issued ordinary shares of the Company; 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*) held 53,336,000 shares, representing 7.273% of the total issued ordinary shares of the Company; 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*) held 25,667,950 shares, representing 3.500% of the total issued ordinary shares of the Company; 四川日報報業集團 (Sichuan Daily Newspaper Group*) held 10,000,500 shares, representing 1.364% of the total issued ordinary shares of the Company; 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*) held 7,333,700 shares, representing 1.000% of the total issued ordinary shares of the Company and 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*) held 7,000,350 shares, representing 0.954% of the total issued ordinary shares of the Company."

E. Article 17 of the Articles of Association

"Upon approval from the security supervision authorities of the State Council, the maximum number of ordinary shares issued under the Company's capital raising initial public offering ("IPO") after its establishment shall not exceed 424,813,821 shares, all being overseas-listed foreign shares (including those overseas-listed foreign shares issued pursuant to the exercise of Over-allotment Option), and account for 36.68% of the Company's total ordinary shares to be issued at most.

Pursuant to the relevant PRC regulations on disposal of state-owned shares and after obtaining approval from competent authorities, the state-owned shareholders of the Company will sell 36,940,332 state-owned shares to overseas investors when overseas-listed foreign shares are issued. The state-owned shareholders of the Company will sell up to 42,481,382 state-owned shares to overseas investors if Over-allotment Option is exercised.

After the aforesaid capital raising IPO and the reduction in shareholding by state-owned shareholders, if the Over-allotment Option is not exercised, the shareholding structure of the Company will be: 1,102,770,000 ordinary shares, of which, 595,807,676 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co.

Ltd.*), representing 54.03% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.84% of the total ordinary shares of the Company in issue; 24,273,646 shares will be held by 四川出版集團 (Sichuan Publication Group*), representing 2.2% of the total ordinary shares of the Company in issue; 9,457,265 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.85% of the total ordinary shares of the Company in issue; 6,935,327 shares will be held by 四川少年兒童出版社 (Sichuan Youth and Children Press*), representing 0.63% of the total ordinary shares of the Company in issue; 6,620,085 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*), representing 0.6% of the total ordinary shares of the Company in issue; and 406,340,000 shares will be held by holders of the overseas-listed foreign shares, representing 36.85% of the total ordinary shares of the Company in issue.

If the Over-allotment Option is exercised in full, the shareholding structure of the Company will comprise 1,135,131,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), representing 52.22% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.7% of the total ordinary shares of the Company in issue; 24,151,499 shares will be held by 四川出版集團 (Sichuan Publication Group*), representing 2.13% of the total ordinary shares of the Company in issue; 9,409,675 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.83% of the total ordinary shares of the Company in issue; 6,900,428 shares will be held by 四川少年兒童出版社 (Sichuan Youth and Children Press*), representing 0.61% of the total ordinary shares of the Company in issue; 6,586,773 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*), representing 0.58% of the total ordinary shares of the Company in issue; 441,937,100 shares will be held by holders of the overseas-listed foreign shares, representing 38.93% of the total ordinary shares of the Company in issue.

Upon approval from the security supervision authorities of the State Council, the holders of domestic shares of the Company may transfer its shares to overseas investors for listing and dealing on the overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to voting by separate class shareholder meetings."

shall be amended into:

"Upon approval from the security supervision authorities of the State Council, the maximum number of ordinary shares issued under the Company's capital raising initial public offering ("IPO") after its establishment shall not exceed 424,813,821 shares, all being overseas-listed foreign shares (including those overseas-listed foreign shares issued pursuant to the exercise of Over-allotment Option), and account for 36.68% of the Company's total ordinary shares to be issued at most.

Pursuant to the relevant PRC regulations on disposal of state-owned shares and after obtaining approval from competent authorities, the state-owned shareholders of the Company will sell 36,940,332 state-owned shares to overseas investors when overseas-listed foreign shares are issued. The state-owned shareholders of the Company will sell up to 42,481,382 state-owned shares to overseas investors if Over-allotment Option is exercised.

After the aforesaid capital raising IPO and the reduction in shareholding by state-owned shareholders, if the Over-allotment Option is not exercised, the shareholding structure of the Company will be: 1,102,770,000 ordinary shares, of which, 595,807,676 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), representing 54.03% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.84% of the total ordinary shares of the Company in issue; 24,273,646 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*), representing 2.2% of the total ordinary shares of the Company in issue; 9,457,265 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.85% of the total ordinary shares of the Company in issue; 6,935,327 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*), representing 0.63% of the total ordinary shares of the Company in issue; 6,620,085 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co. Ltd.*), representing 0.6% of the total ordinary shares of the Company in issue; and 406,340,000 shares will be held by holders of the overseas-listed foreign shares, representing 36.85% of the total ordinary shares of the Company in issue.

If the Over-allotment Option is exercised in full, the capital structure of the Company will comprise 1,135,131,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co. Ltd.*), representing 52.22% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co. Ltd.*), representing 4.7% of the total ordinary shares of the Company in issue; 24,151,499 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Company Limited*), representing 2.13% of the total ordinary shares of the Company in issue; 9,409,675 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group*), representing 0.83% of the total ordinary shares of the Company in issue; 6,900,428 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children Company Limited*), representing 0.61% of the total ordinary shares of the Company in issue; 6,586,773 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.*), representing 0.58% of the total ordinary shares of the Company in issue; 441,937,100 shares will be held by holders of the overseas-listed foreign shares, representing 38.93% of the total ordinary shares of the Company in issue.

Upon the approval of the security supervision authorities of the State Council, the holders of domestic shares of the Company may transfer its shares to overseas investors for listing and dealing on the overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to voting by separate class shareholder meetings."

F. Article 114 of the Articles of Association

"The Audit Committee and Remuneration and Review Committee shall be established by the board of directors of the Company. The Audit Committee shall comprise at least 3 directors who shall be non-executive directors only. The majority of the audit committee shall be independent non-executive directors and one of them shall act as the convenor with at least one independent non-executive director having professional qualifications in accounting. The Remuneration and Review Committee shall comprise at least 3 directors, with a majority of its members being independent non-executive directors and one of them shall act as the convenor.

The Strategy Planning Committee and the Nomination Committee may also be established by the board of directors as required. The majority of the members of the Nomination Committee shall be independent non-executive directors and one of them shall act as the convenor.

The main responsibilities of the Audit Committee are: (1) to recommend the engagement or removal of external audit institutions; (2) to supervise the internal audit system and its enforcement; (3) to be responsible for the communications between internal audit and external audit; (4) to audit the Company's financial information and its disclosure; (5) to review the Company's internal control system.

The board of directors shall make assessment on the work performance of the Audit Committee on a yearly basis, so as to ensure its responsibilities are effectively fulfilled.

The main responsibilities of the Remuneration and Review Committee are: (1) to examine the assessment criteria of directors and managers, conduct assessment and provide recommendations; and (2) to examine the remuneration policies and packages applicable to the directors and senior management.

The main responsibilities of the Strategy Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions.

The main responsibilities of the Nomination Committee are: (1) to formulate the standards and procedures for selecting directors and managers, and to make proposals in connection therewith; (2) to identify competent candidates for directors and managers; and (3) to evaluate candidates for directors and managers, and to make proposals in connection therewith.

The special committees may engage intermediaries for professional advice. The expenses incurred therefrom shall be borne by the Company.

Each of the special committees shall report to the board of directors and submit its proposals to the board of directors for consideration and approval."

shall be amended into:

"The Audit Committee and Remuneration and Review Committee shall be established by the board of directors of the Company. The Audit Committee shall comprise at least 3 directors who shall be non-executive directors only. The majority of the audit committee shall be independent non-executive directors and one of them shall act as the convenor with at least one independent non-executive director having professional qualifications in accounting. The Remuneration and Review Committee shall comprise at least 3 directors, with a majority of its members being independent non-executive directors and one of them acting as the convenor.

The Strategy and Investment Planning Committee, the Nomination Committee and the Editorial and Publication Committee may also be established by the board of directors as required. The majority of the members of the Nomination Committee shall be independent non-executive directors and one of them shall act as the convenor.

The main responsibilities of the Audit Committee are: (1) to recommend the engagement or removal of external audit institutions; (2) to supervise the internal audit system and its enforcement; (3) to be responsible for the communications between internal audit and external audit; (4) to audit the Company's financial information and its disclosure; (5) to review the Company's internal control system.

The board of directors shall make assessment on the work performance of the Audit Committee on a yearly basis, so as to ensure its responsibilities are effectively fulfilled.

The main responsibilities of the Remuneration and Review Committee are: (1) to examine the assessment criteria of directors and managers, conduct assessment and provide recommendations; and (2) to examine the remuneration policies and packages applicable to the directors and senior management officers.

The main responsibilities of the Strategy and Investment Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions.

The main responsibilities of the Nomination Committee are: (1) to formulate the standards and procedure for selecting directors, managers, and making proposals in connection therewith; (2) to identity for competent candidates of directors and managers; and (3) to evaluate candidates of directors and managers, and to make proposals in connection therewith.

The special committees may engage intermediaries for professional advice. The expenses incurred therefrom shall be borne by the Company.

Each of the special committees shall report to the board of directors and submit its proposals to the board of directors for consideration and approval."

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.

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

Sichuan, the PRC, 23 April 2010

* *For identification purposes only*

Notes:

1. The register of members of the Company will be closed from 10 May 2010 to 9 June 2010 (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 certificate(s) must be lodged with the Company's H Shares 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 7 May 2010.

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

3. In order to be valid, the proxy form must be deposited by hand or by post, for the holders of H Shares of the Company, to the Company's H Shares share registrar, Computershare Hong Kong Investor Services Limited at 17M 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 Shares 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 20 May 2010.

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.

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 (the "**Domestic Shares Class Meeting**") for holders of Domestic Shares (the "**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**") will be held at 10:15 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 Wednesday, 9 June 2010 at Chengdu Hejiangting Hanwen Hotel, 138 Bingjiang Donglu, 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 Wednesday, 9 June 2010 (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 Wednesday, 9 June 2010 (or on such adjourned date as may be applicable); and

* *For identification purposes only*

(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.

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

Sichuan, the PRC, 23 April 2010

* *For identification purposes only*

Notes:

1. The register of members of the Company will be closed from 10 May 2010 to 9 June 2010 (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 certificate(s) must be lodged with the head office of the Company in the PRC no later than 4:30 p.m. on 7 May 2010.

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 shareholder 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 20 May 2010.

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 10:40 a.m. (or immediately after the class meeting for holders of Domestic Shares of the Company to be convened and held on the same date and at the same place) on Wednesday, 9 June 2010 at Chengdu Hejiangting Hanwen Hotel, 138 Bingjiang Donglu, 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 Wednesday, 9 June 2010 (or on such adjourned date as may be applicable); and the class meeting for holders of domestic shares of the Company (the "**Domestic Shares**") to be held on Wednesday, 9 June 2010 (or on such adjourned date as may be applicable); and

* *For identification purposes only*

(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.

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

Sichuan, the PRC, 23 April 2010

* *For identification purposes only*

Notes:

1. The register of members of the Company will be closed from 10 May 2010 to 9 June 2010 (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 certificate(s) must be lodged with the Company's H Shares 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 7 May 2010.

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 shareholder 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 Shares share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the 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 Shares share registrar on or before 20 May 2010.

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*