Unless otherwise defined in this announcement, terms used in this announcement shall have the same meanings as those defined in the prospectus issued by the Company dated 16 May 2007 (the "Prospectus").

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)

STABILISING ACTIONS AND END OF STABILISATION PERIOD

SUMMARY

The Company announces that the stabilisation period in connection with the Global Offering ended on 20 June 2007.

The stabilising actions undertaken during the stabilisation period were:

- the purchase of a total of 23,049,000 H Shares in the price range of HK$5.11 to HK$5.76 per H Share on the Stock Exchange, representing approximately 6.24% of the total number of H Shares initially available under the Global Offering before any exercise of the Over-allotment Option; and
- the partial exercise of the Over-allotment Option in respect of 32,361,000 additional H Shares,

solely to cover over-allocations in the International Placing.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilising) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilisation period in connection with the Global Offering ended on 20 June 2007.

The stabilising actions that have been taken by the Global Co-ordinator, as stabilising manager, during the stabilisation period were:

- the purchase of a total of 23,049,000 H Shares in the price range of HK$5.11 to HK$5.76 per H Share on the Stock Exchange, representing approximately 6.24% of the total number of H Shares initially available under the Global Offering before any exercise of the Over-allotment Option; and
- the partial exercise of the Over-allotment Option in respect of 32,361,000 additional H Shares,

solely to cover over-allocations in the International Placing.

The last purchase made during the stabilisation period on the market was on 30 May 2007 at the price of HK$5.58 per H Share.

The Over-allotment Option was partially exercised by the Global Co-ordinator on behalf of the International Underwriters on 1 June 2007 in respect of 32,361,000 H Shares ("Over-allotment Shares"), representing approximately 8.76% of the H Shares initially available under the Global Offering. Pursuant to the partial exercise of the Over-allotment Option, on 7 June 2007, the Company allotted and issued the Over-allotment Shares at HK$5.80 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering. The Over-allotment Shares were used solely to cover over-allocations in the International Placing.

The details of the partial exercise of the Over-allotment Option are more particularly described in the Company's announcement dated 1 June 2007.

Listing of, and permission to deal in, the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange.

The shareholding structure of the Company immediately before and after the issue of the Over-allotment Shares pursuant to the partial exercise of the Over-allotment Option is as follows:

Description of Shares	**Immediately after the Global Offering and before the partial exercise of the Over-allotment Option**		**Immediately after the partial exercise of the Over-allotment Option**	
	(number of Shares)	*(in percentage)*	*(number of Shares)*	*(in percentage)*
Domestic Shares				
State-owned Shares (國有股)	643,094,000	58.32%	639,857,900	56.37%
Including				
(i) State-owned Shares held by the Parent	595,807,676	54.03%	592,809,525	52.22%
(ii) State-owned Shares held by other Promoters *(Note 1)*	47,286,324	4.29%	47,048,375	4.15%
Social Legal Person Shares (社會法人股) *(Note 2)*	53,336,000	4.84%	53,336,000	4.70%
H Shares				
New Shares	369,400,000	33.50%	401,761,000	35.39%
Conversion from State-owned Shares	36,940,000	3.35%	40,176,100	3.54%
Total Share Capital	1,102,770,000	100%	1,135,131,000	100%

Notes:

(1) Other Promoters include Sichuan Publication Group, Sichuan Daily Newspaper Group, Sichuan Youth and Children, and Liaoning Publication Group but exclude Chengdu Hua Sheng Group.

(2) These Shares are held by Chengdu Hua Sheng Group, a Promoter.

The net proceeds from the issue of the Over-allotment Shares pursuant to the partial exercise of the Over-allotment Option received by the Company are approximately HK$181.6 million. Please refer to the section "Future Plans and Use of Proceeds" in the Prospectus for information on the intended use of proceeds.

By order of the Board
Gong Cimin
Chairman

Hong Kong, 20 June 2007

As at the date of this announcement, (a) the executive Directors are Gong Cimin, Dai Chuanping, Yang Miao and Zhang Yexin; (b) the non-executive Directors are Wang Jianping, She Jingping, Li Jiawei, Wu Qiang, Mo Shixing and Cui Zhenyu; and (c) the independent non-executive Directors are Han Xiaoming, Cheng Sanguo and Chan Yuk Tong.

* *For identification purposes only*

"*Please also refer to the published version of this announcement in* ***South China Morning Post***."