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

PRESS RELEASE

For Immediate Release

XINHUA WINSHARE ANNOUNCES 2007 INTERIM RESULTS

NET PROFIT UP 21.6% TO HK$167 MILLION DRIVEN BY ECONOMIES OF SCALE AND GROWTH OF BOOK INDUSTRY IN CHINA

(Hong Kong, 27 August 2007) – Sichuan Xinhua Winshare Chainstore Co., Ltd. ("Xinhua Winshare" or the "Company", together with its subsidiaries, the "Group", Stock Code: 811), today announced a rise in profits during its first unaudited interim results following the listing of its shares on The Stock Exchange of Hong Kong Limited ("HKEx").

For the six months ended 30 June 2007, the Group's operating profit amounted to RMB140,122,000, up 4.1% from the same period of last year. The profit attributable to shareholders was RMB167,613,000, representing an increase of 21.3% compared to the same period of 2006. Basic earnings per share were RMB0.21 (2006 same period: RMB0.19).

These profits were achieved despite a decline in the Group's turnover of 7.2% during the same period of 2006, to RMB997,441,000 which was mainly due to the decrease in sales of the distribution segment.

The Board of Directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2007 (2006 same period: Nil).

During the period, the Group's overall gross profit margin increased by 4.5 percentage points to 42.9%. The increase was mainly attributable to economies of scale resulting from centralized procurement, the growth of book industry along with increased products in ancillary support and services.

Mr. Gong Cimin, Chairman of Xinhua Winshare, said, "These satisfactory overall results during the first half of the year reflect the fact that the implementation of our development plan is on the right track, and that this plan has provided a solid foundation for the Company's future growth. At present, China's publishing industry is entering a new transitional phase. As the first listed Chinese integrated enterprise focusing on book retailing and distribution, Xinhua Winshare is in an excellent position to develop its business by taking advantage of opportunities arising from industry consolidation. We aim to generate the best returns for all shareholders of the Company."

Looking ahead, the Company will continue to expand its retail networks and improve its overall operation and management system. For the distribution segment, the Company will actively participate in the tendering for the distribution right of textbook to primary and lower secondary schools inside and outside Sichuan Province. The Company will also continue to strengthen its supplementary materials business inside and outside the province and widen the category of "cooperative products". In the near future, the Company will establish a national wide Zhongpan network through procurement and logistic platform and form strategic alliances with other distributors by cooperation or acquisition.

"We will continue to strengthen our leading position in retail and distribution of books in China. We will also fully utilize our advanced systems, our well-known brands, our extensive network, our professional operations and the advantages of our supply chain to capture opportunities arising in this industry. While constructing and strengthening our operational capabilities in our core networks, and creating a complete supply chain for the publishing and distribution sector, we will continue to look for businesses that are closely related to core business, so as to further strengthen our competitiveness and our ability to continue sustainable growth," Mr. Gong concluded.

The Company's H Shares listed on the Main Board of HKEx on 30 May 2007.

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