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)

UNUSUAL TRADING VOLUME AND PRICE MOVEMENTS

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The board of directors (the "**Board**") of Sichuan Xinhua Winshare Chainstore Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") has noted a decrease in the share price of the Company and an increase in trading volume of the shares of the Company today, and confirms that, save as disclosed herein, the Board is not aware of any matter which has or may have caused such changes.

In relation to an earthquake measuring 7.8 on the Richlet scale that occurred in Wenchuan County, Sichuan Province at 2:28 p.m. (Beijing time) on 12 May 2008 (the "**Earthquake**"), the Board wishes to provide the shareholders of the Company and other potential investors with an update on the impact of the Earthquake on the Group.

The Board is not yet able to assess the damages caused to the Group's business and operations by the Earthquake due to disruption in transportation and communication in certain areas in Sichuan Province.

The relevant government authorities have ordered the suspension of the daily operations of the Group in the affected areas until the affected areas are pronounced to be safe. The above may possibly cause adverse effect to the financial results of the Group for the year ending 31 December 2008, the extent of which cannot be ascertained and/or quantified at present. The Company will provide further update in relation to the impact of the Earthquake on the business and operations of the Group as soon as practicable.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

Save and except for (i) the information as disclosed above and (ii) the Company is in the course of negotiating a proposed connected transaction and a proposed continuing connected transaction, which may or may not materialise, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Sichuan, the PRC, 13 May 2008

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 Zhao Junhuai; and (c) the independent non-executive Directors are Han Xiaoming, Cheng Sanguo and Chan Yuk Tong.

* *For identification purposes only*