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新華文軒出版傳媒股份有限公司

XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 811)

2022 THIRD QUARTERLY REPORT

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司) (the “**Company**”) is pleased to announce the unaudited results (the “**Third Quarterly Report**”) of the Company and its subsidiaries (collectively the “**Group**”) for the nine months ended 30 September 2022. This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

I. IMPORTANT NOTICE

The Board, the supervisory committee, the Directors, the supervisors and senior management of the Company hereby warrant that the contents of the Third Quarterly Report are true, accurate and complete, and there are no false representations, misleading statements or material omissions, and jointly and severally accept legal responsibility therein.

The head of the Company Mr. Luo Yong, the person-in-charge of accounting affairs Mr. Ma Xiaofeng, and the person-in-charge of the accounting department (chief accountant) Mr. Feng Gang, warrant the truthfulness, accuracy and completeness of the financial information in the Third Quarterly Report.

The Third Quarterly Report of the Company is unaudited. The audit committee of the Company has reviewed the results of the Group for the nine months ended 30 September 2022.

II. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Item	Reporting period (July – September)	Increase/decrease compared to the corresponding period of the prior year (%)	Increase/decrease from the beginning of the year to the end of the reporting period compared to the corresponding period of prior year (%)	
			From the beginning of the year to the end of the reporting period (January – September)	
Operating income	2,351,693,942.61	(1.88)	7,331,498,953.53	3.87
Net profit attributable to shareholders of the listed company	54,604,322.49	(47.77)	772,399,371.25	9.18
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	107,233,251.21	(1.90)	749,554,499.82	3.24
Net cash flow from operating activities	N/A	N/A	858,143,684.78	(32.44)
Basic earnings per share (RMB/share)	0.04	(47.77)	0.63	9.18
Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A
Weighted average return on net assets (%)	0.46	Decreased by 0.53 percentage point	6.65	Decreased by 0.15 percentage point
		As at the end of the reporting period	As at the end of prior year (Audited)	Increase/decrease compared to the end of the prior year (%)
Total assets		20,416,554,271.39	18,773,945,790.88	8.75
Owner's equity attributable to shareholders of the listed company		11,865,686,019.13	11,221,560,023.75	5.74

(II) Items and amounts of non-recurring profit or loss*Unit: Yuan Currency: RMB*

Item	Amount for the reporting period (July – September)	Amount from the beginning of the year to the end of the reporting period (January – September)
Profit or loss on disposal of non-current assets	74,335.76	40,416,937.20
Government subsidies (except for government subsidies which are closely related to the ordinary business scope of the Company and entitled in standard amounts or quantities in conformity with the provisions of policies of the State) attributable to profit or loss for the period	3,895,794.55	12,956,062.23
Profit or loss arising from changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and investment gains received from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments (except for those related to effective hedging businesses under the ordinary business scope of the Company)	(48,410,904.58)	(13,188,579.72)
Other non-operating income and expenses apart from the above items	(8,193,982.27)	(16,722,353.96)
Less: Effect of income tax	(4,350.65)	256,746.97
Effect of minority interests (after tax)	(1,477.17)	360,447.35
Total	(52,628,928.72)	22,844,871.43

Explanation on non-recurring profit or loss items defined as recurring profit or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Loss:

The principal business of Winshare Investment Co., Ltd., which is a wholly-owned subsidiary of the Company, is investment holding. Its investment income and profits or losses from fair value changes from disposing and holding of financial assets at fair value through profit or loss are not recognized as non-recurring profit or loss; the investment income and loss from fair value changes for January to September 2022 amounted to nil (same period of prior year: nil) and RMB111,070,115.76 (same period of prior year: RMB53,287,887.11), respectively.

The cash dividends obtained during the investment period of other equity instruments held by the Company are not recognized as non-recurring profit or loss; the cash dividends distributed from such investments for January to September 2022 amounted to RMB71,588,800.00 (same period of prior year: RMB56,742,400.00).

(III) Changes in the principal accounting information and financial indicators and reason thereof

Name of the item	Change proportion (%)	Main reasons
Net profit attributable to shareholders of the listed company during the reporting period (July – September)	(47.77)	The indicators for the reporting period decreased year-on-year was mainly due to the fact that the Company's investment funds suffered a great loss from changes in fair value in the third quarter under impact of stock market fluctuations.
Basic earnings per share (RMB/share) during the reporting period (July – September)	(47.77)	
Net cash flow from operating activities from the beginning of the year to the end of the reporting period (January – September)	(32.44)	Mainly due to the fact that the amount of teaching materials purchased by government for the autumn 2022 has not been received.

III. SHAREHOLDER INFORMATION

Total number of shareholders of ordinary shares and shareholdings of the top ten shareholders as at 30 September 2022

Unit: share

Total number of shareholders of ordinary shares as at 30 September 2022 21,399

Shareholding of top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Shareholding percentage (%)	Number of restricted shares held	Pledged, marked or locked-up Status of shares	Number
Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司)	State	683,589,525	55.40	–	Nil	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	276,839,205	22.44	–	Unknown	–
Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業有限公司)	Domestic non-state-owned legal person	53,336,000	4.32	–	Nil	–
Brown Brothers Harriman & Co. (Note 1)	Unknown	38,626,617	3.13	–	Unknown	–
Sichuan Cultural Industry Investment Group Co., Ltd.* (四川文化產業投資集團有限責任公司)	State-owned legal person	36,896,945	2.99	–	Nil	–

Shareholding of top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Shareholding percentage (%)	Number of restricted shares held	Pledged, marked or locked-up	
					Status of shares	Number
Seafarer Capital Partner, LLC (Note 1)	Unknown	30,875,500	2.50	–	Unknown	–
Sichuan Daily Newspaper Group* (四川日報報業集團)	State-owned legal person	9,264,513	0.75	–	Nil	–
Liaoning Bohong Investment Co., Ltd.* (遼寧博鴻投資有限公司) (Note 2)	State-owned legal person	6,485,160	0.53	–	Nil	–
Industrial and Commercial Bank of China Limited – Rong Tong Domestic Demand Driven Equity Fund	Unknown	4,765,410	0.39	–	Unknown	–
LEUNG YOK FUN	Unknown	2,000,000	0.16	–	Unknown	–

Shareholding of top ten unrestricted shareholders

Name of shareholder	Number of unrestricted tradable shares held	Class and number of shares	
		Class of shares	Number
Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司)	683,589,525	RMB ordinary shares	592,809,525
		Overseas listed foreign shares	90,780,000
Hong Kong Securities Clearing Company Limited	276,839,205	RMB ordinary shares	9,278,395
		Overseas listed foreign shares	267,560,810
Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業有限公司)	53,336,000	RMB ordinary shares	53,336,000
Brown Brothers Harriman & Co. (Note 1)	38,626,617	Overseas listed foreign shares	38,626,617
Sichuan Cultural Industry Investment Group Co., Ltd.* (四川文化產業投資集團有限責任公司)	36,896,945	RMB ordinary shares	30,572,945
		Overseas listed foreign shares	6,324,000
Seafarer Capital Partner, LLC (Note 1)	30,875,500	Overseas listed foreign shares	30,875,500
Sichuan Daily Newspaper Group* (四川日報報業集團)	9,264,513	RMB ordinary shares	9,264,513
Liaoning Bohong Investment Co., Ltd.* (遼寧博鴻投資有限公司) (Note 2)	6,485,160	RMB ordinary shares	6,485,160
Industrial and Commercial Bank of China Limited – Rong Tong Domestic Demand Driven Equity Fund	4,765,410	RMB ordinary shares	4,765,410
LEUNG YOK FUN	2,000,000	Overseas listed foreign shares	2,000,000

Notes: 1. The data are sourced from the “Disclosure of Interests” notice filed on the website of the Stock Exchange as at 30 September 2022.

2. Liaoning Publication Group Co., Ltd. holds 6,485,160 A shares of the Company through its wholly-owned subsidiary, Liaoning Bohong Investment Co., Ltd.

IV. QUARTERLY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	30 September 2022	31 December 2021 (Audited)
Current assets:		
Cash and bank balances	6,770,508,353.76	6,040,029,278.72
Held-for-trading financial assets	–	20,945.15
Notes receivable	4,074,692.26	10,545,962.27
Accounts receivable	2,414,162,267.93	1,555,884,147.93
Financing receivables	6,466,459.73	5,132,438.00
Prepayments	85,476,049.99	79,323,179.35
Other receivables	138,233,182.67	101,641,043.44
Including: Dividends receivable	132,300.00	1,600,000.00
Inventories	3,072,695,256.48	2,742,158,426.84
Contract assets	27,751,154.89	34,660,471.53
Non-current assets due within one year	116,627,304.76	172,294,518.11
Other current assets	318,319,726.63	502,276,759.44
Total current assets	12,954,314,449.10	11,243,967,170.78
Non-current assets:		
Long-term receivables	88,423,018.96	143,479,125.91
Long-term equity investments	750,865,915.08	754,803,876.08
Other equity instrument investment	1,874,633,256.05	1,608,071,463.87
Other non-current financial assets	474,610,769.06	723,047,595.79
Investment properties	77,056,870.03	82,653,580.43
Fixed assets	2,149,718,767.77	2,014,782,433.12
Construction in progress	32,413,283.04	144,794,764.90
Right-of-use assets	397,556,700.31	345,014,851.31
Intangible assets	355,834,859.85	379,475,191.25
Development cost	3,267,655.84	2,561,158.72
Goodwill	500,571,581.14	500,571,581.14
Long-term prepaid expenses	28,005,604.05	15,260,900.36
Deferred income tax assets	30,154,341.73	23,931,737.96
Other non-current assets	699,127,199.38	791,530,359.26
Total non-current assets	7,462,239,822.29	7,529,978,620.10
Total assets	20,416,554,271.39	18,773,945,790.88

Item	30 September 2022	31 December 2021 (Audited)
Current liabilities:		
Notes payable	24,558,826.20	45,285,599.60
Accounts payable	6,000,561,826.10	5,406,581,179.99
Contract liabilities	1,014,909,419.23	542,086,414.16
Employee benefits payable	408,894,747.22	594,173,428.34
Taxes payable	96,730,598.74	62,425,209.54
Other payables	443,789,765.52	386,886,795.47
Including: Dividends payable	567,435.06	–
Non-current liabilities due within one year	92,564,895.85	101,706,168.70
Other current liabilities	225,739,718.82	201,498,906.04
Total current liabilities	8,307,749,797.68	7,340,643,701.84
Non-current liabilities:		
Lease liabilities	315,839,700.53	259,594,365.23
Deferred income	27,005,552.32	31,146,881.78
Deferred income tax liabilities	14,245,433.10	32,872,282.61
Total non-current liabilities	357,090,685.95	323,613,529.62
Total liabilities	8,664,840,483.63	7,664,257,231.46
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	1,233,841,000.00	1,233,841,000.00
Capital reserve	2,572,524,766.32	2,572,524,766.32
Other comprehensive income	1,445,398,501.70	1,178,842,757.57
Surplus reserve	1,009,210,479.29	1,009,210,479.29
Undistributed profits	5,604,711,271.82	5,227,141,020.57
Total equity attributable to shareholders (or shareholders' equity) of the parent company	11,865,686,019.13	11,221,560,023.75
Minority interest	(113,972,231.37)	(111,871,464.33)
Total owners' equity (or shareholders' equity)	11,751,713,787.76	11,109,688,559.42
Total liabilities and owners' equity (or shareholders' equity)	20,416,554,271.39	18,773,945,790.88

CONSOLIDATED INCOME STATEMENT

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Nine Months ended 30 September 2022	Nine Months ended 30 September 2021
I. Total operating income	7,331,498,953.53	7,058,417,420.20
Including: Operating income	7,331,498,953.53	7,058,417,420.20
II. Total operating costs	6,448,772,641.25	6,301,243,180.60
Including: Operating costs	4,788,074,966.27	4,443,383,784.57
Taxes and levies	27,327,608.91	26,109,246.07
Selling expenses	829,045,092.64	942,793,774.56
Administrative expenses	906,031,897.93	942,156,370.71
Research and development expenditure	6,649,769.55	2,295,913.41
Finance expenses	(108,356,694.05)	(55,495,908.72)
Including: Interest expenses	16,268,299.53	14,804,220.69
Interest income	130,662,112.59	77,443,121.25
Add: Other income	56,235,698.47	46,013,549.15
Investment income (loss)	95,382,997.55	62,312,203.74
Including: Income (loss) from investment		
in associates and joint ventures	(3,037,961.02)	(3,435,740.15)
Gain (loss) from changes in fair values	(149,046,930.36)	(63,936,829.57)
Gain (loss) from credit impairment	(136,672,102.29)	(73,037,694.38)
Gain (loss) from asset impairment	(21,190,622.59)	(22,154,942.40)
Gain on disposal of assets	40,416,937.20	2,000,110.36
III. Operating profit	767,852,290.26	708,370,636.50
Add: Non-operating income	3,391,072.86	3,732,388.17
Less: Non-operating expenses	20,112,546.42	24,548,268.52

Item	Nine Months ended 30 September 2022	Nine Months ended 30 September 2021
IV. Total profit	751,130,816.70	687,554,756.15
Less: Income tax expenses	(19,735,222.57)	(16,758,404.98)
V. Net profit	770,866,039.27	704,313,161.13
(I) Categorized by the nature of continuing operation		
1. Net profit from continuing operation	770,866,039.27	704,313,161.13
(II) Categorized by ownership		
1. Net profit attributable to shareholders of the parent company	772,399,371.25	707,458,601.99
2. Profit or loss attributable to minority shareholders	(1,533,331.98)	(3,145,440.86)
VI. Other comprehensive income, net of tax	266,555,744.13	82,733,983.98
(I) Other comprehensive income attributable to owners of the parent company, net of tax	266,555,744.13	82,733,983.98
1. Other comprehensive income that cannot be reclassified to profit or loss	266,555,744.13	82,733,983.98
(1) Fair value changes of other equity instrument investment	266,555,744.13	82,733,983.98
VII. Total comprehensive income	1,037,421,783.40	787,047,145.11
(I) Total comprehensive income attributable to owners of the parent company	1,038,955,115.38	790,192,585.97
(II) Total comprehensive income attributable to minority shareholders	(1,533,331.98)	(3,145,440.86)
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.63	0.57
(II) Diluted earnings per share (RMB/share)	N/A	N/A

CONSOLIDATED CASH FLOW STATEMENT

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Nine Months ended 30 September 2022	Nine Months ended 30 September 2021
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	7,248,333,532.24	7,539,494,301.63
Tax refund received	104,591,282.15	28,038,726.91
Other cash receipts relating to operating activities	211,352,679.80	155,263,254.79
Sub-total of cash inflows from operating activities	7,564,277,494.19	7,722,796,283.33
Cash paid for goods purchased and services received	4,783,941,405.21	4,488,352,861.14
Cash paid to and on behalf of employees	1,184,166,444.62	1,056,688,728.06
Payments of taxes	89,240,618.81	110,386,929.07
Other cash payments relating to operating activities	648,785,340.77	797,155,995.67
Sub-total of cash outflows from operating activities	6,706,133,809.41	6,452,584,513.94
Net cash flow from operating activities	858,143,684.78	1,270,211,769.39
II. Cash flows from investing activities:		
Cash receipts from disposal of investments	291,262,769.87	307,140,159.08
Cash receipts from investment income	108,741,676.70	75,950,144.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	39,073,900.53	2,454,571.65
Other cash payments relating to investing activities	555,500,000.00	-
Sub-total of cash inflows from investing activities	994,578,347.10	385,544,875.13
Cash paid to acquire fixed assets, intangible assets and other long-term assets	131,635,871.48	175,491,021.59
Cash paid to acquire investments	191,783,240.51	627,882,074.09
Other cash payments relating to investing activities	300,000,000.00	700,000,074.50
Sub-total of cash outflows from investing activities	623,419,111.99	1,503,373,170.18
Net cash flow from investment activities	371,159,235.11	(1,117,828,295.05)

Item	Nine Months ended 30 September 2022	Nine Months ended 30 September 2021
III. Cash flows from financing activities:		
Cash paid for distribution of dividends, or profit and for interest expenses	394,829,120.00	382,490,710.00
Cash paid relating to other financing activities	100,682,524.88	73,244,257.87
Sub-total of cash outflows from financing activities	495,511,644.88	455,734,967.87
Net cash flow from financing activities	(495,511,644.88)	(455,734,967.87)
IV. Net increase in cash and cash equivalents		
Add: Opening balance of cash and cash equivalents	733,791,275.01	(303,351,493.53)
	5,997,769,686.81	5,740,841,068.18
V. Closing balance of cash and cash equivalents		
	6,731,560,961.82	5,437,489,574.65

By Order of the Board
XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*
Luo Yong
Chairman

Sichuan, the PRC, 27 October 2022

As at the date of this announcement, the Board comprises (a) Mr. Luo Yong, Mr. Liu Longzhang and Mr. Li Qiang as executive directors; (b) Mr. Dai Weidong, Mr. Ke Jiming and Mr. Zhang Peng as non-executive directors; and (c) Mr. Lau Tsz Bun, Mr. Fang Bingxi and Mr. Li Xu as independent non-executive directors.

** For identification purposes only*