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WIN SHARE

# 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)**

## 2019 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 of the Company and its subsidiaries (collectively the “**Group**”) for the third quarter ended 30 September 2019 (the “**Period**”). This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities (the “**Listing Rules**”) 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

- 1.1 The Board, the supervisory committee, the Directors, 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.
- 1.2 Save for Mr. Yang Miao (executive Director) who appointed Mr. Han Xiaoming (non-executive Director) as proxy to vote on his behalf due to other business commitments, all other Directors attended the Board meeting held on 29 October 2019 at which this third quarterly report was reviewed and approved.
- 1.3 Mr. He Zhiyong (the head of the Company), Mr. Zhu Zaixiang (the person-in-charge of accounting affairs), and Ms. Wu Sufang (the person-in-charge of the accounting department), warrant the truthfulness, accuracy and completeness of the financial statements in the third quarterly report.
- 1.4 The third quarterly report of the Company is unaudited. The audit committee of the Company has reviewed the results of the Group for the third quarter ended 30 September 2019.

## II. CORPORATE INFORMATION

### 2.1 Major financial data

*Unit: Yuan Currency: RMB*

	<b>As at the end of the reporting period</b>	<b>As at the end of last year</b>	<b>Change (%)</b>
Total assets	14,786,915,232.36	13,287,712,452.79	11.28
Net assets attributable to shareholders of the listed company	8,735,869,720.06	8,480,563,534.34	3.01
	<b>From the beginning of the year to the end of the reporting period (January – September)</b>	<b>From the beginning of last year to the end of the reporting period of last year (January – September)</b>	<b>Change (%)</b>
Net cash flow from operating activities	958,997,135.04	581,257,170.79	64.99
	<b>From the beginning of the year to the end of the reporting period (January – September)</b>	<b>From the beginning of last year to the end of the reporting period of last year (January – September)</b>	<b>Change (%)</b>
Operating income	5,828,384,140.56	5,478,917,876.78	6.38
Net profit attributable to shareholders of the listed company	747,013,781.44	599,730,815.03	24.56
Net profit attributable to shareholders of the listed company after deducting non- recurring gains and losses	712,512,898.58	549,057,415.36	29.77
Weighted average return on net assets (%)	8.62	7.21	Increased by 1.41 percentage points
Basic earnings per share (RMB/share)	0.61	0.49	24.49
Diluted earnings per share (RMB/share)	N/A	N/A	N/A

## Items and amounts of non-recurring profit or loss

*Unit: Yuan Currency: RMB*

Item	Amount for the period (July – September)	Amount for the beginning of the year to the end of the reporting period (January – September)
Profit or loss on disposal of non-current assets	354,356.33	3,481,337.72
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 uniform standards of the State) attributable to profit or loss for the period	3,910,143.87	14,062,544.96
Profit or loss arising from changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and 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 ordinary business scope of the Company)	10,214,225.47	37,596,641.89
Other non-operating income and expenses apart from the above items	(7,956,936.63)	(19,049,719.43)
Effect of minority interests (after tax)	(286,873.72)	(1,580,835.79)
Effect of income tax	(5,017.31)	(9,086.49)
<b>Total</b>	<b>6,229,898.01</b>	<b>34,500,882.86</b>

2.2 Total number of shareholders, the shareholding of top ten shareholders and top ten tradable shareholders (or unrestricted shareholders) as at the end of the reporting period

*Unit: share*

Total number of shareholders (shareholder) 23,243

**Shareholding of top ten shareholders**

Name of shareholder (in full)	Shareholding as at the period end	Percentage (%)	Restricted shareholding	Pledged or locked-up Status	Pledged or locked-up Number	Nature of shareholders
Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司)	605,942,525	49.11	0	Nil		State
Hong Kong Securities Clearing Company Limited	420,724,472	34.10	0	Unknown		Overseas legal person
Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業有限公 司)	53,336,000	4.32	0	Nil		Domestic non-state- owned legal person
Sichuan Publication Group Co., Ltd.* (四 川出版集團有限責任公司)	36,601,993	2.97	0	Nil		State-owned legal person
Sichuan Daily Newspaper Group* (四川日 報報業集團)	9,264,513	0.75	0	Nil		State-owned legal person
Liaoning Publication Group Co., Ltd.* (遼 寧出版集團有限公司)	6,485,160	0.53	0	Nil		State-owned legal person
LEUNG YOK FUN	3,000,000	0.24	0	Unknown		Unknown
China Citic Bank Corporation Limited – CCB CSI 500 Enhanced Index Securities Investment Fund (中信銀行股份有限公 司 – 建信中證500指數增強型證券)	2,201,549	0.18	0	Nil		Unknown
Agricultural Bank of China Limited – CSI 500 ETF Open Index Securities Investment Fund (中國農業銀行股份有 限公司 – 中證500交易型開放式指數 證券投資基金)	1,927,322	0.16	0	Nil		Unknown
Vanguard Investment Australia Ltd. – Vanguard Emerging Market Stock Index Fund (Exchange)	1,796,153	0.15	0	Nil		Unknown

## Shareholding of top ten unrestricted shareholders

Name of shareholder	Number of unrestricted tradable shares held	Class of shares and number	
		Class	Number
Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司)	605,942,525	RMB ordinary shares	592,809,525
		Overseas listed foreign shares	13,133,000
Hong Kong Securities Clearing Company Limited	420,724,472	RMB ordinary shares	6,341,545
		Overseas listed foreign shares	414,382,927
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
Sichuan Publication Group Co., Ltd.* (四川出版集團有限責任公司)	36,601,993	RMB ordinary shares	30,277,993
		Overseas listed foreign shares	6,324,000
Sichuan Daily Newspaper Group* (四川日報報業集團)	9,264,513	RMB ordinary shares	9,264,513
Liaoning Publication Group Co., Ltd.* (遼寧出版集團有限公司)	6,485,160	RMB ordinary shares	6,485,160
LEUNG YOK FUN	3,000,000	Overseas listed foreign shares	3,000,000
China Citic Bank Corporation Limited – CCB CSI 500 Enhanced Index Securities Investment Fund (中信銀行股份有限公司 – 建信中證500指數增強型證券)	2,201,549	RMB ordinary shares	2,201,549
Agricultural Bank of China Limited – CSI 500 ETF Open Index Securities Investment Fund (中國農業銀行股份有限公司 – 中證500交易型開放式指數證券投資基金)	1,927,322	RMB ordinary shares	1,927,322
Vanguard Investment Australia Ltd. – Vanguard Emerging Market Stock Index Fund (Exchange)	1,796,153	RMB ordinary shares	1,796,153

Shareholders above with related party relationship or acting in concert

There is no related party relationship between shareholders of state-owned shares and shareholders of state-owned legal person shares in the above. Apart from that, the Company is not aware that there are any shareholders above with related party relationship or who are acting in concert.

### III. MATERIAL MATTERS

#### 3.1 Details and reasons for significant changes of principal accounting statement items and financial indicators of the Company

##### ANALYSIS ON SIGNIFICANT CHANGES IN BALANCE SHEET ITEMS

*Unit: Yuan Currency: RMB*

Item	30 September 2019	31 December 2018	Change (%)	Main reasons for changes
Bank and cash	4,466,395,087.58	2,608,612,572.01	71.22	Mainly due to the increase in net cash inflow from operating activities and recovery of part of the wealth management products purchased during the Period.
Held-for-trading financial assets	22,022,491.87	1,262,431,274.52	(98.26)	Mainly due to the expiry and recovery of part of the wealth management products purchased by the Group during the Period.
Notes receivable	–	4,418,800.18	(100.00)	Mainly due to the reclassification of notes receivable with financing feature to financing receivables at the end of the Period.
Financing receivables	7,289,624.88	–	N/A	Mainly due to the reclassification of notes receivable with financing feature to such item. The notes received by the third-party logistics business of the Group increased as compared with the beginning of the Period.
Right-of-use assets	347,068,313.48	–	N/A	Pursuant to the New Lease Standard, the right to use the leased assets by the Group as lessee during the lease term is recognised as right-of-use assets subject to depreciation.

Item	30 September 2019	31 December 2018	Change (%)	Main reasons for changes
Development expenditure	28,798,800.88	47,521,564.75	(39.40)	Mainly due to the capitalisation of part of the R&D expenses of the Group's education informationised business during the Period, which were carried forward as intangible assets.
Long-term prepaid expenses	27,911,657.61	21,063,047.60	32.51	Mainly due to the increase in renovation expenses of stores incurred during the Period.
Other non-current assets	150,195,811.35	109,813,352.57	36.77	Mainly due to the increase in prepayment for the purchase of properties and the increase in the VAT input tax that the Group expects to deduct in the following year.
Notes payable	69,594,256.70	22,176,144.64	213.82	Mainly due to the increase in the balance which was settled by the Group's education informationised business using notes as compared with the beginning of the Period.
Non-current liabilities due within one year	77,386,792.70	–	N/A	Pursuant to the New Lease Standard, the present value of the lease payment made by the Group as lessee during the lease term is recognised as lease liabilities and presented as “Non-current liabilities due within one year” and “Lease liabilities” according to liquidity.
Lease liabilities	261,112,905.60	–	N/A	Same as above.
Deferred income tax liabilities	48,824,042.48	32,156,680.02	51.83	Mainly due to the growth in profit for the Period from investment in associate, Tibet Winshare Venture Capital Fund (Limited Partnership) (“ <b>Tibet Venture Capital</b> ”), by Winshare Investment Co., Ltd. (“ <b>Winshare Investment</b> ”), a subsidiary of the Company, which resulted in the growth in deferred income tax liabilities arising from investment in associate using the equity method.

## ANALYSIS ON SIGNIFICANT CHANGES IN INCOME STATEMENT ITEMS

*Unit: Yuan Currency: RMB*

Item	January to September 2019	January to September 2018	Change (%)	Main reasons for changes
Total operating income	5,828,384,140.56	5,478,917,876.78	6.38	Mainly benefiting from the growth of revenue from the general book publication business, reading service business, education service business and logistics business.
Operating costs	3,606,739,556.74	3,488,245,092.17	3.40	The growth in operating costs was driven by the growth of costs. As a result of the change in revenue structure, the combined ratio for the Period decreased as compared with the same Period of last year.
Selling expenses	775,755,778.01	688,355,809.46	12.70	Mainly due to the increase in labour costs, logistics expenses and promotion expenses etc.
Administrative expenses	807,862,815.90	749,215,082.25	7.83	Mainly due to the increase in labour costs etc.
Research and development expenditure	2,490,350.75	10,561,519.57	(76.42)	Due to the decrease in the part expenditure on research and development commitments in the area of education informatisation business during the Period as compared with the same period of last year.
Finance expenses	(22,824,126.36)	(13,289,086.04)	N/A	Mainly due to the increase in interest income from bank deposits during the Period.
Other incomes	83,141,104.18	32,724,184.07	154.07	Mainly due to the increase in the refund of value-added tax received as a result of the difference in the timing of implementation of policies during the Period as compared with the same period of last year.



Item	January to September 2019	January to September 2018	Change (%)	Main reasons for changes
Investment income	159,470,460.74	89,314,203.51	78.55	Mainly due to the growth in profit for the Period from Tibet Venture Capital, an associate of the Group, which increased the gain from investment in associate using the equity method, and the increase in dividend received by the Company during the Period as compared with the same period of last year.
Asset impairment loss (loss expressed with “( )”)	(27,467,844.39)	8,375,898.18	N/A	Mainly due to reasons including the extension of the term of publication and the launch of new editions of publications for some commodities, which resulted in the increase in provision for decline in value of inventory during the Period as compared with the same period of last year.
Gain on asset disposal	3,481,337.72	1,486,429.22	134.21	Mainly due to the increase in gain on the disposal of vehicles for office use and gain on disposal of properties by a subsidiary of the Company during the Period.
Non-operating income	1,779,758.59	6,722,489.80	(73.53)	Mainly due to the default penalty of overdue payment on housing demolition and relocation received by a subsidiary of the Group in the same period of last year.
Non-operating costs	20,829,478.02	12,919,844.63	61.22	Mainly due to the increase in donation expenses during the Period as compared with the same period of last year.
Income tax expenses	18,362,306.30	(4,685,779.42)	N/A	Mainly due to the changes in deferred income tax expenses arising from the growth of gain from investment in associates including Tibet Venture Capital recognised by Winshare Investment, a subsidiary of the Company using the equity method during the Period.
Other comprehensive income net, after tax	(121,555,295.72)	(326,195,155.90)	N/A	Mainly due to the fluctuations in the market price of shares of listed companies including Wan Xin Media and Bank of Chengdu held by the Company.

## ANALYSIS ON SIGNIFICANT CHANGES IN CASH-FLOW ITEMS

*Unit: Yuan Currency: RMB*

Item	January to September 2019	January to September 2018	Change (%)	Main reasons for changes
Cash received from tax refund	58,932,737.22	1,028,409.17	5,630.48	Mainly due to the increase in the refund of value-added tax received during the Period as compared with the same period of last year as a result of the difference in the timing of implementation of policies.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,126,916.65	2,848,878.96	185.27	Mainly due to the increase in cashflow arising from disposal of vehicles for office use and disposal of properties by a subsidiary during the Period.
Net cash received from disposal of subsidiaries and other operating units	-	393,915.64	(100.00)	Due to the cancellation and recovery of investment in associate of a subsidiary of the Group in the same period of last year.
Other cash receipts relating to investing activities	60,020,764.08	20,000,000.00	200.10	Mainly due to the increase in term deposits of three months or above due and recovered during the Period as compared with the same period of last year.
Cash paid to acquire fixed assets, intangible assets and other long-term assets	93,106,672.86	66,689,472.31	39.61	Mainly due to the increase in payments to purchase inventory and store renovation incurred during the Period as compared with the same period of last year.

<b>Item</b>	<b>January to September 2019</b>	<b>January to September 2018</b>	<b>Change (%)</b>	<b>Main reasons for changes</b>
Cash paid to acquire investments	605,401,946.25	1,788,081,271.85	(66.14)	Mainly due to the decrease in wealth management products newly purchased during the Period as compared with the same period of last year.
Other cash payments relating to investing activities	275,463,520.53	–	N/A	Mainly due to the increase in cash outflow arising from additional term deposits of three months or above during the Period as compared with the same period of last year.
Cash receipts from capital contributions	3,000,000.00	5,035,000.00	(40.42)	Due to the receipts of capital contributions from minority shareholders by a subsidiary.
Other cash receipts relating to financing activities	41,571,320.91	–	N/A	Mainly due to the inclusion of cash from repayment of lease liabilities principal and interests recognised under the New Lease Standard during the Period under financing activities.

## IV. APPENDICES

### 4.1 Financial statements

#### Consolidated Balance Sheet 30 September 2019

*Unit: Yuan Currency: RMB Audit type: unaudited*

Item	30 September 2019	31 December 2018
<b>Current assets:</b>		
Cash and bank balances	4,466,395,087.58	2,608,612,572.01
Held-for-trading financial assets	22,022,491.87	1,262,431,274.52
Notes receivable	–	4,418,800.18
Accounts receivable	1,707,930,506.52	1,612,611,248.17
Financing for receivables	7,289,624.88	–
Prepayments	81,910,987.45	71,487,222.26
Other receivables	121,926,407.52	99,002,826.00
Including: Interests receivable	3,335,876.70	326,203.09
Inventories	2,430,092,769.33	1,921,544,765.26
Other current assets	74,317,843.07	70,874,065.89
<b>Total current assets</b>	<b>8,911,885,718.22</b>	<b>7,650,982,774.29</b>
<b>Non-current assets:</b>		
Long-term receivables	235,394,693.09	267,742,224.79
Long-term equity investments	420,344,847.43	374,130,558.86
Other equity instrument investment	1,330,512,104.47	1,452,054,632.09
Other non-current financial assets	468,017,773.15	507,656,767.91
Investment properties	51,891,192.11	53,919,142.25
Fixed assets	1,323,044,998.12	1,284,362,282.11
Construction in progress	621,740,041.56	671,459,973.65
Right-of-use assets	347,068,313.48	–
Intangible assets	358,333,504.31	334,741,307.45
Development cost	28,798,800.88	47,521,564.75
Goodwill	500,590,036.14	500,590,036.14
Long-term prepaid expenses	27,911,657.61	21,063,047.60
Deferred income tax assets	11,185,740.44	11,674,788.33
Other non-current assets	150,195,811.35	109,813,352.57
<b>Total non-current assets</b>	<b>5,875,029,514.14</b>	<b>5,636,729,678.50</b>
<b>Total assets</b>	<b>14,786,915,232.36</b>	<b>13,287,712,452.79</b>

Item	30 September 2019	31 December 2018
<b>Current Liabilities:</b>		
Notes payable	69,594,256.70	22,176,144.64
Accounts payable	4,420,301,363.80	3,598,337,771.59
Contract liabilities	388,171,356.80	338,681,880.89
Employee benefits payable	241,177,105.22	338,084,927.10
Taxes payable	61,828,639.86	48,138,758.54
Other payables	325,705,415.16	286,639,643.77
Non-current liabilities due within on year	77,386,792.70	–
Other current liabilities	174,626,774.85	147,256,743.30
<b>Total current liabilities</b>	<b>5,758,791,705.09</b>	<b>4,779,315,869.83</b>
<b>Non-current Liabilities:</b>		
Lease liabilities	261,112,905.60	–
Deferred income	63,103,602.08	70,210,541.84
Deferred income tax liabilities	48,824,042.48	32,156,680.02
<b>Total non-current liabilities</b>	<b>373,040,550.16</b>	<b>102,367,221.86</b>
<b>Total liabilities</b>	<b>6,131,832,255.25</b>	<b>4,881,683,091.69</b>
<b>Owners' equity (or shareholders' equity)</b>		
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	899,951,572.11	1,021,506,867.83
Surplus reserve	711,068,358.95	711,068,358.95
Undistributed profits	3,318,484,022.68	2,941,622,541.24
Total equity attributable to shareholders (or shareholders' equity) of the parent company	8,735,869,720.06	8,480,563,534.34
Minority interest	(80,786,742.95)	(74,534,173.24)
<b>Total owners' equity (or shareholders' equity)</b>	<b>8,655,082,977.11</b>	<b>8,406,029,361.10</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>14,786,915,232.36</b>	<b>13,287,712,452.79</b>

Legal Representative of the Company: He Zhiyong

Person-in-charge of accounting affairs: Zhu Zaixiang

Person-in-charge of the accounting department: Wu Sufang

**Balance Sheet of the Parent Company**  
30 September 2019

*Unit: Yuan    Currency: RMB    Audit type: unaudited*

<b>Item</b>	<b>30 September 2019</b>	<b>31 December 2018</b>
<b>Current assets:</b>		
Cash and bank balances	3,496,601,252.17	1,747,274,865.08
Held-for-trading financial assets	22,491.87	1,260,641,274.52
Accounts receivable	664,646,763.33	952,202,293.41
Prepayments	40,909,826.48	14,540,721.77
Other receivables	651,577,332.66	785,461,799.31
Including: Interests receivable	3,335,876.70	326,203.09
Dividends receivable	–	280,000,000.00
Inventories	1,235,246,277.44	461,402,357.67
Other current assets	49,121,208.84	33,369,425.01
<b>Total current assets</b>	<b>6,138,125,152.79</b>	<b>5,254,892,736.77</b>
<b>Non-current assets:</b>		
Long-term receivables	72,422,977.33	117,235,224.30
Long-term equity investments	3,490,604,589.23	3,481,334,206.35
Other equity instrument investment	1,329,241,600.00	1,450,835,200.00
Other non-current financial assets	96,857,014.97	94,837,468.07
Investment properties	20,125,092.11	20,788,699.30
Fixed assets	890,838,394.77	845,414,947.25
Construction in progress	621,031,905.14	667,163,884.76
Right-of-use assets	308,413,260.43	–
Intangible assets	142,252,659.66	143,191,480.50
Development cost	3,019,999.92	–
Long-term prepaid expenses	13,656,083.74	17,116,365.91
Other non-current assets	568,101,087.36	552,718,628.57
<b>Total non-current assets</b>	<b>7,556,564,664.66</b>	<b>7,390,636,105.01</b>
<b>Total assets</b>	<b>13,694,689,817.45</b>	<b>12,645,528,841.78</b>

Item	30 September 2019	31 December 2018
<b>Current Liabilities:</b>		
Accounts payable	4,315,388,624.08	3,596,410,411.15
Contract liabilities	325,217,628.58	251,659,068.56
Employee benefits payable	145,219,936.28	213,806,252.35
Taxes payable	34,780,600.89	18,328,608.19
Other payables	639,005,843.55	489,001,781.64
Non-current liabilities due within one year	59,935,662.58	–
Other current liabilities	38,554,447.44	18,023,264.95
<b>Total current liabilities</b>	<b>5,558,102,743.40</b>	<b>4,587,229,386.84</b>
<b>Non-current Liabilities:</b>		
Lease liabilities	240,687,095.76	–
Deferred income	8,244,333.70	10,841,255.11
<b>Total non-current liabilities</b>	<b>248,931,429.46</b>	<b>10,841,255.11</b>
<b>Total liabilities</b>	<b>5,807,034,172.86</b>	<b>4,598,070,641.95</b>
<b>Owners' equity (or shareholders' equity)</b>		
Paid-in capital (or share capital)	1,233,841,000.00	1,233,841,000.00
Capital reserve	2,631,057,328.10	2,631,057,328.10
Other comprehensive income	901,514,606.10	1,023,108,206.10
Surplus reserve	710,233,608.82	710,233,608.82
Undistributed profits	2,411,009,101.57	2,449,218,056.81
<b>Total owners' equity (or shareholders' equity)</b>	<b>7,887,655,644.59</b>	<b>8,047,458,199.83</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>13,694,689,817.45</b>	<b>12,645,528,841.78</b>

Legal Representative of the Company: He Zhiyong

Person-in-charge of accounting affairs: Zhu Zaixiang

Person-in-charge of the accounting department: Wu Sufang

**Consolidated Income Statement**  
From January to September 2019

*Unit: Yuan Currency: RMB Audit type: unaudited*

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
<b>I. Total operating income</b>	<b>1,953,998,752.36</b>	<b>1,901,239,177.22</b>	<b>5,828,384,140.56</b>	<b>5,478,917,876.78</b>
Including: Operating income	1,953,998,752.36	1,901,239,177.22	5,828,384,140.56	5,478,917,876.78
<b>II. Total operating costs</b>	<b>1,796,599,519.54</b>	<b>1,765,171,483.87</b>	<b>5,193,294,603.61</b>	<b>4,946,060,171.50</b>
Including: Operating costs	1,275,587,450.75	1,247,833,029.47	3,606,739,556.74	3,488,245,092.17
Taxes and levies	9,068,015.44	6,834,957.23	23,270,228.57	22,971,754.09
Selling expenses	203,193,288.68	204,048,197.05	775,755,778.01	688,355,809.46
Administrative expenses	324,950,926.15	305,784,704.62	807,862,815.90	749,215,082.25
Research and development expenditure	561,265.79	1,705,472.62	2,490,350.75	10,561,519.57
Finance expenses	(16,761,427.27)	(1,034,877.12)	(22,824,126.36)	(13,289,086.04)
Including: Interest expenses	4,232,283.16	6,435.62	13,406,112.76	6,435.62
Interest income	21,209,233.92	7,743,420.47	39,382,507.19	22,486,066.84
Add: Other income	9,178,115.54	6,505,661.40	83,141,104.18	32,724,184.07
Investment income				
(loss expressed with “( )”)	36,714,201.78	10,580,569.81	159,470,460.74	89,314,203.51
Including: Income from investment in associates and joint ventures	3,466,355.51	2,115,209.94	51,827,259.92	4,324,304.76
Gains from changes in fair values (loss expressed with “( )”)	(1,997,545.69)	(4,160,583.02)	(18,475,567.81)	(16,815,529.24)
Loss from credit impairment (loss expressed with “( )”)	(19,553,901.51)	(7,073,228.03)	(58,698,838.95)	(55,438,826.74)
Loss from asset impairment (loss expressed with “( )”)	(7,115,782.77)	14,172,235.01	(27,467,844.39)	8,375,898.18
Gain on disposal of assets (loss expressed with “( )”)	354,356.33	74,032.72	3,481,337.72	1,486,429.22
<b>III. Operating profit (loss expressed with “( )”)</b>	<b>174,978,676.50</b>	<b>156,166,381.24</b>	<b>776,540,188.44</b>	<b>592,504,064.28</b>
Add: Non-operating income	153,880.97	1,960,653.81	1,779,758.59	6,722,489.80
Less: Non-operating expenses	8,110,817.60	3,952,987.42	20,829,478.02	12,919,844.63
<b>IV. Total profit (total loss expressed with “( )”)</b>	<b>167,021,739.87</b>	<b>154,174,047.63</b>	<b>757,490,469.01</b>	<b>586,306,709.45</b>
Less: Income tax expenses	1,435,048.88	(1,013,925.87)	18,362,306.30	(4,685,779.42)



Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
<b>V. Net profit (net loss expressed with “( )”)</b>	<b>165,586,690.99</b>	<b>155,187,973.50</b>	<b>739,128,162.71</b>	<b>590,992,488.87</b>
(I) Categorized by the nature of continuing operation				
1. Net profit from continuing operation (net loss expressed with “( )”)	165,586,690.99	155,187,973.50	739,128,162.71	590,992,488.87
(II) Categorized by ownership				
1. Net profit attributable to shareholders of the parent company (net loss expressed with “( )”)	167,511,009.09	150,834,373.64	747,013,781.44	599,730,815.03
2. Profit/loss attributable to minority shareholders (net loss expressed with “( )”)	(1,924,318.10)	4,353,599.86	(7,885,618.73)	(8,738,326.16)
<b>VI. Other comprehensive income, net of tax</b>	<b>(126,301,248.43)</b>	<b>(86,871,667.26)</b>	<b>(121,555,295.72)</b>	<b>(326,195,155.90)</b>
Other comprehensive income attributable to owners of the parent company, net of tax	(126,301,248.43)	(86,871,667.26)	(121,555,295.72)	(326,195,155.90)
(I) Other comprehensive income not reclassified to profit or loss	(126,301,248.43)	(86,871,667.26)	(121,555,295.72)	(326,195,155.90)
1. Fair value changes of other equity instrument investment	(126,301,248.43)	(86,871,667.26)	(121,555,295.72)	(326,195,155.90)
<b>VII. Total comprehensive income</b>	<b>39,285,442.56</b>	<b>68,316,306.24</b>	<b>617,572,866.99</b>	<b>264,797,332.97</b>
Total comprehensive income attributable to owners of the parent company	41,209,760.66	63,962,706.38	625,458,485.72	273,535,659.13
Total comprehensive income attributable to minority shareholders	(1,924,318.10)	4,353,599.86	(7,885,618.73)	(8,738,326.16)
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share (RMB/share)	0.14	0.12	0.61	0.49
(II) Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A

Legal Representative of the Company: He Zhiyong

Person-in-charge of accounting affairs: Zhu Zaixiang

Person-in-charge of the accounting department: Wu Sufang

**Income Statement of the Parent Company**  
From January to September 2019

*Unit: Yuan    Currency: RMB    Audit type: unaudited*

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
<b>I. Operating income</b>	<b>1,075,267,990.68</b>	<b>1,173,627,678.75</b>	<b>3,426,972,662.48</b>	<b>4,734,910,031.45</b>
Less: Operating costs	673,976,399.32	763,819,238.70	1,975,660,684.25	3,378,896,254.58
Taxes and levies	3,221,700.92	530,965.96	10,082,446.97	8,066,666.41
Selling expenses	168,939,768.05	193,622,013.46	568,391,704.10	515,257,989.14
Administrative expenses	212,317,800.26	195,782,157.33	589,041,993.85	538,484,376.97
Research and development expenditure	–	–	11,904.76	–
Finance expenses	(13,579,517.20)	2,000,136.11	(12,368,949.21)	(4,431,485.15)
Including: Interest expenses	5,528,294.60	1,369,674.67	17,548,809.61	2,500,697.28
Interest income	18,324,590.37	4,794,395.54	30,566,513.28	13,897,535.93
Add: Other income	1,336,736.52	410,364.26	2,937,847.11	1,415,467.93
Investment income (loss expressed with “( )”)	23,006,332.95	7,949,859.17	103,459,209.29	82,883,064.61
Including: Income from investment in associates and joint ventures	(3,640,948.85)	(65,328.41)	2,270,382.88	8,505,774.95
Gains from changes in fair values (loss expressed with “( )”)	1,986,471.14	(376,165.25)	4,159,362.54	9,177,576.19
Loss from credit impairment (loss expressed with “( )”)	(18,465,182.19)	(312,203.91)	(45,211,371.83)	(38,984,976.99)
Loss from asset impairment (loss expressed with “( )”)	(3,316,834.48)	(255,788.25)	(12,931,590.00)	(4,738,053.60)
Gain on disposal of assets (loss expressed with “( )”)	46,406.97	19,707.14	2,401,335.91	15,541.53

Item	Third quarter of 2019 (July – September)	Third quarter of 2018 (July – September)	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
<b>II. Operating profit (loss expressed with “( )”)</b>	<b>34,985,770.24</b>	<b>25,308,940.35</b>	<b>350,967,670.78</b>	<b>348,404,849.17</b>
Add: Non-operating income	16,082.88	41,808.10	1,302,425.93	1,359,735.92
Less: Non-operating expenses	7,822,205.13	3,811,709.84	20,326,751.95	12,352,947.58
<b>III. Total profit (total loss expressed with “( )”)</b>	<b>27,179,647.99</b>	<b>21,539,038.61</b>	<b>331,943,344.76</b>	<b>337,411,637.51</b>
<b>IV. Net profit (net loss expressed with “( )”)</b>	<b>27,179,647.99</b>	<b>21,539,038.61</b>	<b>331,943,344.76</b>	<b>337,411,637.51</b>
(I) Net profit from continuing operation (net loss expressed with “( )”)	27,179,647.99	21,539,038.61	331,943,344.76	337,411,637.51
<b>V. Other comprehensive income, net of tax</b>	<b>(126,244,800.00)</b>	<b>(86,435,200.00)</b>	<b>(121,593,600.00)</b>	<b>(325,672,000.00)</b>
(I) Other comprehensive income not reclassified to profit or loss	(126,244,800.00)	(86,435,200.00)	(121,593,600.00)	(325,672,000.00)
1. Fair value changes of other equity instrument investment	(126,244,800.00)	(86,435,200.00)	(121,593,600.00)	(325,672,000.00)
<b>VI. Total comprehensive income</b>	<b>(99,065,152.01)</b>	<b>(64,896,161.39)</b>	<b>210,349,744.76</b>	<b>11,739,637.51</b>
<b>VII. Earnings per share:</b>				
(I) Basic earnings per share (RMB/share)	0.02	0.02	0.27	0.27
(II) Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A

Legal Representative of the Company: He Zhiyong

Person-in-charge of accounting affairs: Zhu Zaixiang

Person-in-charge of the accounting department: Wu Sufang

## Consolidated Cash Flow Statement

From January to September 2019

*Unit: Yuan Currency: RMB Audit type: unaudited*

<b>Item</b>	<b>First three quarters of 2019 (January – September)</b>	<b>First three quarters of 2018 (January – September)</b>
<b>I. Cash flows from operating activities:</b>		
Cash receipts from sale of goods and rendering of services	6,114,101,295.98	5,685,681,463.81
Tax refund received	58,932,737.22	1,028,409.17
Other cash receipts relating to operating activities	205,380,673.13	163,769,058.38
Sub-total of cash inflows from operating activities	6,378,414,706.33	5,850,478,931.36
Cash paid for goods purchased and services received	3,711,702,181.77	3,666,727,196.59
Cash paid to and on behalf of employees	953,905,208.66	787,109,651.82
Payments of taxes	74,413,654.68	98,764,318.78
Other cash payments relating to operating activities	679,396,526.18	716,620,593.38
Sub-total of cash outflows from operating activities	5,419,417,571.29	5,269,221,760.57
Net cash flow from operating activities	958,997,135.04	581,257,170.79
<b>II. Cash flows from investing activities:</b>		
Cash receipts from disposal of investments	1,880,421,404.00	1,749,941,678.78
Cash receipts from investment income	114,725,708.98	92,735,877.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,126,916.65	2,848,878.96
Net cash received from disposal of subsidiaries and other operating units	–	393,915.64
Other cash receipts relating to investing activities	60,020,764.08	20,000,000.00
Sub-total of cash inflows from investing activities	2,063,294,793.71	1,865,920,350.56
Cash paid to acquire fixed assets, intangible assets and other long-term assets	93,106,672.86	66,689,472.31
Cash paid to acquire investments	605,401,946.25	1,788,081,271.85
Other cash payments relating to investing activities	275,463,520.53	–
Sub-total of cash outflows from investing activities	973,972,139.64	1,854,770,744.16
Net cash flow from investment activities	1,089,322,654.07	11,149,606.40

Item	First three quarters of 2019 (January – September)	First three quarters of 2018 (January – September)
<b>III. Cash flows from financing activities:</b>		
Cash receipts from capital contributions	3,000,000.00	5,035,000.00
Including: Cash received by subsidiaries from receiving minority investment	3,000,000.00	5,035,000.00
Other cash receipts relating to financing activities	–	12,545.29
Sub-total of cash inflows from financing activities	3,000,000.00	5,047,545.29
Cash paid for dividend, profit appropriation or interest	370,429,473.16	359,977,106.29
Including: Dividends and profits paid to minority shareholders by subsidiaries	277,173.16	202,228.29
Cash paid for other financing activities	41,571,320.91	–
Sub-total of cash outflows from financing activities	412,000,794.07	359,977,106.29
Net cash flow from financing activities	(409,000,794.07)	(354,929,561.00)
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	–	–
<b>V. Net increase in cash and cash equivalents</b>	<b>1,639,318,995.04</b>	<b>237,477,216.19</b>
Add: Opening balance of cash and cash equivalents	2,576,699,731.25	1,825,572,649.15
<b>VI. Closing balance of cash and cash equivalents</b>	<b>4,216,018,726.29</b>	<b>2,063,049,865.34</b>

Legal Representative of the Company: He Zhiyong

Person-in-charge of accounting affairs: Zhu Zaixiang

Person-in-charge of the accounting department: Wu Sufang

**Cash Flow Statement of the Parent Company**  
From January to September 2019

*Unit: Yuan    Currency: RMB    Audit type: unaudited*

Item	<b>First three quarters of 2019 (January – September)</b>	<b>First three quarters of 2018 (January – September)</b>
<b>I. Cash flows from operating activities:</b>		
Cash receipts from sale of goods and rendering of services	3,975,703,150.74	4,512,737,519.99
Other cash receipts relating to operating activities	89,083,514.02	94,545,268.34
Sub-total of cash inflows from operating activities	4,064,786,664.76	4,607,282,788.33
Cash paid for goods purchased and services received	2,330,044,890.56	2,655,758,610.92
Cash paid to and on behalf of employees	652,328,878.11	525,714,131.54
Payments of taxes	10,863,103.05	21,038,250.82
Other cash payments relating to operating activities	608,648,849.54	557,532,233.77
Sub-total of cash outflows from operating activities	3,601,885,721.26	3,760,043,227.05
Net cash flow from operating activities	462,900,943.50	847,239,561.28
<b>II. Cash flows from investing activities:</b>		
Cash receipts from disposal of investments	1,621,430,324.89	1,688,931,678.78
Cash receipts from investment income	384,667,493.84	81,329,023.91
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,121,143.65	560,300.36
Other cash receipts relating to investing activities	85,000,000.00	66,299,824.81
Sub-total of cash inflows from investing activities	2,095,218,962.38	1,837,120,827.86
Cash paid to acquire fixed assets, intangible assets and other long-term assets	65,822,675.27	55,242,573.37
Cash paid to acquire investments	367,411,946.25	1,982,129,571.85
Other cash payments relating to investing activities	254,000,000.00	55,000,000.00
Sub-total of cash outflows from investing activities	687,234,621.52	2,092,372,145.22
Net cash flow from investment activities	1,407,984,340.86	(255,251,317.36)

<b>Item</b>	<b>First three quarters of 2019 (January – September)</b>	<b>First three quarters of 2018 (January – September)</b>
<b>III. Cash flows from financing activities:</b>		
Other cash receipts relating to financing activities	83,000,000.00	148,500,000.00
Sub-total of cash inflows from financing activities	83,000,000.00	148,500,000.00
Cash paid for dividend, profit appropriation or interest	370,152,300.00	359,774,878.00
Cash paid for other financing activities	31,406,597.27	–
Sub-total of cash outflows from financing activities	401,558,897.27	359,774,878.00
Net cash flow from financing activities	(318,558,897.27)	(211,274,878.00)
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	–	–
<b>V. Net increase in cash and cash equivalents</b>	<b>1,552,326,387.09</b>	<b>380,713,365.92</b>
Add: Opening balance of cash and cash equivalents	1,747,274,865.08	1,105,004,995.34
<b>VI. Closing balance of cash and cash equivalents</b>	<b>3,299,601,252.17</b>	<b>1,485,718,361.26</b>

Legal Representative of the Company: He Zhiyong

Person-in-charge of accounting affairs: Zhu Zaixiang

Person-in-charge of the accounting department: Wu Sufang

## Consolidated Balance Sheet

*Unit: Yuan    Currency: RMB*

Item	31 December 2018	1 January 2019	Adjustment
<b>Current assets:</b>			
Cash and bank balances	2,608,612,572.01	2,608,612,572.01	
Held-for-trading financial assets	1,262,431,274.52	1,262,431,274.52	
Notes receivable	4,418,800.18	4,418,800.18	
Accounts receivable	1,612,611,248.17	1,612,611,248.17	
Prepayments	71,487,222.26	68,401,867.95	(3,085,354.31)
Other receivables	99,002,826.00	99,002,826.00	
Including: Interests receivable	326,203.09	326,203.09	
Inventories	1,921,544,765.26	1,921,544,765.26	
Other current assets	70,874,065.89	70,874,065.89	
<b>Total current assets</b>	<b>7,650,982,774.29</b>	<b>7,647,897,419.98</b>	<b>(3,085,354.31)</b>
<b>Non-current assets:</b>			
Long-term receivables	267,742,224.79	267,742,224.79	
Long-term equity investments	374,130,558.86	374,130,558.86	
Other equity instrument investment	1,452,054,632.09	1,452,054,632.09	
Other non-current financial assets	507,656,767.91	507,656,767.91	
Investment properties	53,919,142.25	53,919,142.25	
Fixed assets	1,284,362,282.11	1,284,362,282.11	
Construction in progress	671,459,973.65	671,459,973.65	
Right-of-use assets	–	346,721,404.32	346,721,404.32
Intangible assets	334,741,307.45	334,741,307.45	
Development cost	47,521,564.75	47,521,564.75	
Goodwill	500,590,036.14	500,590,036.14	
Long-term prepaid expenses	21,063,047.60	19,664,332.90	(1,398,714.70)
Deferred income tax assets	11,674,788.33	11,674,788.33	
Other non-current assets	109,813,352.57	109,813,352.57	
<b>Total non-current assets</b>	<b>5,636,729,678.50</b>	<b>5,982,052,368.12</b>	<b>345,322,689.62</b>
<b>Total assets</b>	<b>13,287,712,452.79</b>	<b>13,629,949,788.10</b>	<b>342,237,335.31</b>



Item	31 December 2018	1 January 2019	Adjustment
<b>Current Liabilities:</b>			
Accounts payable	22,176,144.64	22,176,144.64	
Advances from customers	3,598,337,771.59	3,598,337,771.59	
Contract liabilities	338,681,880.89	338,681,880.89	
Employee benefits payable	338,084,927.10	338,084,927.10	
Taxes payable	48,138,758.54	48,138,758.54	
Other payables	286,639,643.77	286,639,643.77	
Non-current liabilities due within one year	–	67,529,069.63	67,529,069.63
Other current liabilities	147,256,743.30	147,256,743.30	
<b>Total current liabilities</b>	<b>4,779,315,869.83</b>	<b>4,846,844,939.46</b>	<b>67,529,069.63</b>
<b>Non-current Liabilities:</b>			
Lease liabilities	–	274,708,265.68	274,708,265.68
Deferred income	70,210,541.84	70,210,541.84	
Deferred income tax liabilities	32,156,680.02	32,156,680.02	
<b>Total non-current liabilities</b>	<b>102,367,221.86</b>	<b>377,075,487.54</b>	<b>274,708,265.68</b>
<b>Total liabilities</b>	<b>4,881,683,091.69</b>	<b>5,223,920,427.00</b>	<b>342,237,335.31</b>
<b>Owners' equity (or shareholders' equity):</b>			
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	1,021,506,867.83	1,021,506,867.83	
Surplus reserve	711,068,358.95	711,068,358.95	
Undistributed profits	2,941,622,541.24	2,941,622,541.24	
Total equity attributable to shareholders (or shareholders' equity) of the parent company	8,480,563,534.34	8,480,563,534.34	
Minority interest	(74,534,173.24)	(74,534,173.24)	
<b>Total owners' equity (or shareholders' equity)</b>	<b>8,406,029,361.10</b>	<b>8,406,029,361.10</b>	
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>13,287,712,452.79</b>	<b>13,629,949,788.10</b>	<b>342,237,335.31</b>

## Balance Sheet of the Parent Company

*Unit: Yuan    Currency: RMB*

Item	31 December 2018	1 January 2019	Adjustment
<b>Current assets:</b>			
Cash and bank balances	1,747,274,865.08	1,747,274,865.08	
Held-for-trading financial assets	1,260,641,274.52	1,260,641,274.52	
Accounts receivable	952,202,293.41	952,202,293.41	
Prepayments	14,540,721.77	11,613,268.31	(2,927,453.46)
Other receivables	785,461,799.31	785,461,799.31	
Including: Interests receivable	326,203.09	326,203.09	
Dividends receivable	280,000,000.00	280,000,000.00	
Inventories	461,402,357.67	461,402,357.67	
Other current assets	33,369,425.01	33,369,425.01	
<b>Total current assets</b>	<b>5,254,892,736.77</b>	<b>5,251,965,283.31</b>	<b>(2,927,453.46)</b>
<b>Non-current assets:</b>			
Long-term receivables	117,235,224.30	117,235,224.30	
Long-term equity investments	3,481,334,206.35	3,481,334,206.35	
Other equity instrument investment	1,450,835,200.00	1,450,835,200.00	
Other non-current financial assets	94,837,468.07	94,837,468.07	
Investment properties	20,788,699.30	20,788,699.30	
Fixed assets	845,414,947.25	845,414,947.25	
Construction in progress	667,163,884.76	667,163,884.76	
Right-of-use assets	–	341,330,008.88	341,330,008.88
Intangible assets	143,191,480.50	143,191,480.50	
Long-term prepaid expenses	17,116,365.91	17,020,316.16	(96,049.75)
Other non-current assets	552,718,628.57	552,718,628.57	
<b>Total non-current assets</b>	<b>7,390,636,105.01</b>	<b>7,731,870,064.14</b>	<b>341,233,959.13</b>
<b>Total assets</b>	<b>12,645,528,841.78</b>	<b>12,983,835,347.45</b>	<b>338,306,505.67</b>

Item	31 December 2018	1 January 2019	Adjustment
<b>Current Liabilities:</b>			
Accounts payable	3,596,410,411.15	3,596,410,411.15	
Contract liabilities	251,659,068.56	251,659,068.56	
Employee benefits payable	213,806,252.35	213,806,252.35	
Taxes payable	18,328,608.19	18,328,608.19	
Other payables	489,001,781.64	489,001,781.64	
Non-current liabilities due within one year	–	65,449,243.85	65,449,243.85
Other current liabilities	18,023,264.95	18,023,264.95	
<b>Total current liabilities</b>	<b>4,587,229,386.84</b>	<b>4,652,678,630.69</b>	<b>65,449,243.85</b>
<b>Non-current Liabilities:</b>			
Lease liabilities	–	272,857,261.82	272,857,261.82
Deferred income	10,841,255.11	10,841,255.11	
<b>Total non-current liabilities</b>	<b>10,841,255.11</b>	<b>283,698,516.93</b>	<b>272,857,261.82</b>
<b>Total liabilities</b>	<b>4,598,070,641.95</b>	<b>4,936,377,147.62</b>	<b>338,306,505.67</b>
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	1,233,841,000.00	1,233,841,000.00	
Capital reserve	2,631,057,328.10	2,631,057,328.10	
Other comprehensive income	1,023,108,206.10	1,023,108,206.10	
Surplus reserve	710,233,608.82	710,233,608.82	
Undistributed profits	2,449,218,056.81	2,449,218,056.81	
<b>Total owners' equity (or shareholders' equity)</b>	<b>8,047,458,199.83</b>	<b>8,047,458,199.83</b>	
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>12,645,528,841.78</b>	<b>12,983,835,347.45</b>	<b>338,306,505.67</b>

By order of the Board  
**Xinhua Winshare Publishing and Media Co., Ltd.\***  
**He Zhiyong**  
*Chairman*

Sichuan, the PRC, 29 October 2019

*As at the date of this announcement, the Board comprises (a) Mr. He Zhiyong, Mr. Chen Yunhua and Mr. Yang Miao as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Peng and Mr. Han Xiaoming as non-executive Directors; and (c) Mr. Chan Yuk Tong, Ms. Xiao Liping and Mr. Fang Bingxi as independent non-executive Directors.*

\* For identification purposes only