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**winshare** 文軒

**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)

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinhua Winshare Publishing and Media Co., Ltd.\* (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2020 (the “**Year**” or “**Reporting Period**”).

**CONSOLIDATED BALANCE SHEET**

*RMB*

<b>Item</b>	<i>Notes</i>	<b>31 December 2020</b>	31 December 2019
<b>Current Assets:</b>			
Cash and bank balances	5	<b>5,785,974,800.85</b>	3,512,103,793.03
Held-for-trading financial assets	6	<b>6,510,463.20</b>	1,280,006,671.94
Notes receivable		<b>4,344,936.39</b>	2,218,450.46
Accounts receivable	7	<b>1,586,906,258.90</b>	1,761,441,147.35
Financing receivables		<b>6,201,191.14</b>	7,007,859.79
Prepayments		<b>77,465,227.71</b>	58,181,516.90
Other receivables		<b>103,776,291.44</b>	104,061,715.50
Inventories	8	<b>2,130,621,634.21</b>	2,157,448,334.24
Non-current assets due within one year	9	<b>181,722,570.04</b>	125,609,106.15
Other current assets		<b>86,231,460.17</b>	77,122,753.65
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<b>Total Current Assets</b>		<b>9,969,754,834.05</b>	9,085,201,349.01
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Item	Notes	31 December 2020	31 December 2019
<b>Non-current Assets:</b>			
Long-term receivables	9	313,418,082.51	350,957,672.37
Long-term equity investments	10	717,889,546.28	449,653,943.26
Other equity instrument investments	11	1,446,798,951.64	1,409,845,288.08
Other non-current financial assets	12	680,880,618.26	527,436,409.71
Investment properties		86,104,385.12	68,648,805.99
Fixed assets	13	2,009,270,646.85	1,322,693,949.23
Construction in progress	14	37,670,169.58	626,686,549.71
Right-of-use assets	15	447,482,542.47	437,964,136.29
Intangible assets		355,813,424.01	367,011,714.16
Development cost		18,870,289.43	15,224,896.49
Goodwill	16	500,571,581.14	500,590,036.14
Long-term prepaid expenses		12,194,296.86	24,642,631.46
Deferred tax assets		21,183,296.95	16,124,167.44
Other non-current assets	17	350,933,345.43	121,821,923.19
<b>Total Non-current Assets</b>		<b>6,999,081,176.53</b>	<b>6,239,302,123.52</b>
<b>TOTAL ASSETS</b>		<b>16,968,836,010.58</b>	<b>15,324,503,472.53</b>
<b>Current Liabilities:</b>			
Notes payable		45,838,225.28	14,054,710.75
Accounts payable	18	4,550,158,695.76	4,315,781,514.83
Contract liabilities	19	442,825,006.30	376,701,382.73
Employee benefits payable		472,779,571.05	418,106,174.73
Taxes payable		64,081,630.88	49,032,631.64
Other payables	20	655,979,050.64	297,303,824.56
Non-current liabilities due within one year		103,865,186.60	93,885,902.56
Other current liabilities		176,472,136.88	172,783,579.12
<b>Total Current Liabilities</b>		<b>6,511,999,503.39</b>	<b>5,737,649,720.92</b>

Item	Notes	31 December 2020	31 December 2019
<b>Non-current Liabilities:</b>			
Lease liabilities	21	357,266,005.19	353,248,365.44
Deferred income		45,644,566.05	58,755,458.63
Deferred tax liabilities		25,775,918.61	54,883,601.32
<b>Total Non-current Liabilities</b>		<b>428,686,489.85</b>	<b>466,887,425.39</b>
<b>TOTAL LIABILITIES</b>		<b>6,940,685,993.24</b>	<b>6,204,537,146.31</b>
<b>Shareholders' Equity:</b>			
Share capital	22	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	30	1,016,266,307.50	979,297,859.83
Surplus reserve		897,647,684.81	792,353,770.15
Retained profits	23	4,416,564,721.94	3,629,232,391.16
<b>Total Shareholder's Equity Attributable to Equity Holders of the Parent</b>		<b>10,136,844,480.57</b>	<b>9,207,249,787.46</b>
<b>Non-controlling Interests</b>		<b>(108,694,463.23)</b>	<b>(87,283,461.24)</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>10,028,150,017.34</b>	<b>9,119,966,326.22</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>16,968,836,010.58</b>	<b>15,324,503,472.53</b>

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

RMB

Item	Notes	Amount recognized in the current year	Amount recognized in the prior year
<b>I. Operating income</b>	24	<b>9,008,056,554.27</b>	8,842,457,723.79
Less: Operating costs	24	<b>5,453,686,898.97</b>	5,459,861,693.69
Taxes and levies		<b>49,186,093.62</b>	43,269,701.89
Selling expenses		<b>1,184,329,784.17</b>	1,119,679,106.03
Administrative expenses		<b>1,204,845,480.50</b>	1,253,975,538.01
Research and development expenditure		<b>3,038,699.13</b>	3,255,571.48
Finance expenses		<b>(45,819,600.44)</b>	(32,980,965.18)
Including: Interest expenses		<b>22,163,954.57</b>	19,440,321.87
Interest income		<b>78,064,013.41</b>	58,193,235.03
Add: Other income	25	<b>91,859,820.38</b>	105,188,714.79
Investment income	26	<b>169,637,327.24</b>	208,902,018.79
Including: Income from investments in associates and joint ventures		<b>67,083,656.84</b>	81,036,355.76
Gains from changes in fair values	27	<b>101,627,007.34</b>	37,980,059.49
Gain (loss) on credit impairment		<b>(144,517,397.58)</b>	(111,030,436.96)
Gain (loss) on asset impairment		<b>(68,594,494.90)</b>	(60,917,237.10)
Gains from disposal of assets		<b>255,029.19</b>	3,870,076.62
<b>II. Operating profit</b>		<b>1,309,056,489.99</b>	1,179,390,273.50
Add: Non-operating income		<b>20,438,948.12</b>	11,917,025.61
Less: Non-operating expenses		<b>78,329,940.29</b>	42,469,999.88
<b>III. Total profit</b>		<b>1,251,165,497.82</b>	1,148,837,299.23
Less: Income tax expenses	29	<b>8,170,550.61</b>	24,172,075.12

RMB

Item	<i>Notes</i>	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
<b>IV. Net profit</b>		<b>1,242,994,947.21</b>	1,124,665,224.11
(I) Categorized by the nature of continuing operations			
1. Net profit from continuing operations		<b>1,242,994,947.21</b>	1,124,665,224.11
2. Net profit from discontinued operations		–	–
(II) Categorized by ownership:			
1. Net profit attributable to shareholders of the parent		<b>1,262,778,545.44</b>	1,139,047,561.12
2. Net loss attributable to non-controlling interests		<b>(19,783,598.23)</b>	(14,382,337.01)
<b>V. Other comprehensive income, net of tax</b>	<i>30</i>	<b>36,968,447.67</b>	(42,209,008.00)
Other comprehensive income attributable to shareholders of the parent, net of tax	<i>30</i>	<b>36,968,447.67</b>	(42,209,008.00)
(I) Other comprehensive income not reclassified to profit or loss	<i>30</i>	<b>36,968,447.67</b>	(42,209,008.00)
1. Changes in fair value of other equity instrument investments	<i>30</i>	<b>36,968,447.67</b>	(42,209,008.00)
<b>VI. Total comprehensive income</b>		<b>1,279,963,394.88</b>	1,082,456,216.11
Total comprehensive income attributable to shareholders of the parent		<b>1,299,746,993.11</b>	1,096,838,553.12
Total comprehensive income attributable to non-controlling interests		<b>(19,783,598.23)</b>	(14,382,337.01)
<b>VII. Earnings per share:</b>	<i>31</i>		
(I) Basic earnings per share		<b>1.02</b>	0.92
(II) Diluted earnings per share		N/A	N/A

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

*RMB*

<b>Item</b>	<b>Amount recognized in the current year</b>	<b>Amount recognized in the prior year</b>
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	<b>9,588,783,630.79</b>	8,952,187,684.21
Receipts of tax refunds	<b>36,166,173.62</b>	60,860,279.90
Other cash receipts relating to operating activities	<b>223,123,233.54</b>	129,831,662.50
Sub-total of cash inflows from operating activities	<b>9,848,073,037.95</b>	9,142,879,626.61
Cash payments for goods purchased and services received	<b>5,556,870,229.85</b>	5,375,936,171.42
Cash payments to and on behalf of employees	<b>1,169,624,684.09</b>	1,158,611,572.77
Payments of various types of taxes	<b>153,537,186.56</b>	120,693,746.06
Other cash payments relating to operating activities	<b>1,149,235,646.98</b>	1,123,227,616.74
Sub-total of cash outflows from operating activities	<b>8,029,267,747.48</b>	7,778,469,106.99
Net Cash Flow from Operating Activities	<b>1,818,805,290.47</b>	1,364,410,519.62
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	<b>3,310,783,519.96</b>	1,957,525,803.19
Cash receipts from investment income	<b>188,342,215.83</b>	110,970,093.25
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	<b>2,963,890.24</b>	9,381,280.95
Other cash receipts relating to investing activities	<b>81,760,506.83</b>	61,455,393.92
Sub-total of cash inflows from investing activities	<b>3,583,850,132.86</b>	2,139,332,571.31
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	<b>246,466,701.71</b>	155,645,880.26
Cash payments to acquire investments	<b>2,065,455,965.68</b>	1,942,738,561.22
Other cash payments relating to investing activities	<b>240,000,000.00</b>	134,000,000.00
Sub-total of cash outflows from investing activities	<b>2,551,922,667.39</b>	2,232,384,441.48
Net Cash Flow from Investing Activities	<b>1,031,927,465.47</b>	(93,051,870.17)

Item	Amount recognized in the current year	Amount recognized in the prior year
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions	–	3,000,000.00
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries	–	3,000,000.00
Sub-total of cash inflows from financing activities	–	3,000,000.00
Cash payments for distribution of dividends and profits or settlement of interest expenses	<b>370,534,292.38</b>	370,620,994.77
Including: Payments for distribution of dividends and profits to non-controlling shareholders of subsidiaries	<b>318,070.11</b>	277,173.17
Other cash payments relating to financing activities	<b>133,263,621.06</b>	86,531,160.25
Sub-total of cash outflows from financing activities	<b>503,797,913.44</b>	457,152,155.02
Net Cash Flow from Financing Activities	<b>(503,797,913.44)</b>	(454,152,155.02)
<b>IV. Net Increase in Cash and Cash Equivalents</b>	<b>2,346,934,842.50</b>	817,206,494.43
Add: Opening balance of Cash and Cash Equivalents	<b>3,393,906,225.68</b>	2,576,699,731.25
<b>V. Closing Balance of Cash and Cash Equivalents</b>	<b>5,740,841,068.18</b>	3,393,906,225.68

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. BASIC INFORMATION ABOUT THE COMPANY

The Company was registered at Administration for Market Regulation of Sichuan Province on 11 June 2005 with the share capital of RMB733,370,000.

On 30 May 2007, the Company publicly offered 401,761,000 shares of overseas listed foreign shares (“**H Shares**”) (including overallotment) in Hong Kong and was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Upon completion of issuance, the share capital of the Company was changed to RMB1,135,131,000.00.

As approved by Reply on Approval of IPO of Xinhua Winshare Publishing and Media Co., Ltd. (Zheng Jian Xu Ke [2016] No.1544) issued by China Securities Regulatory Commission, the Company publicly offered 98,710,000 shares of RMB ordinary share (“**A Shares**”) to the public on 8 August 2016 and was listed on the Shanghai Stock Exchange. Upon the completion of IPO, the share capital of the Company changed into RMB1,233,841,000.00.

The legal representative of the Company is He Zhiyong. The registered address of the Company is No. 1, 1/F, Block 4, No. 239, Jinshi Road, Jinjiang District, Chengdu, Sichuan Province. The headquarters of the Company is located at No.6 Wenxuan Road, Rongbei Shangmao Avenue, Jinniu District, Chengdu, Sichuan Province.

The Group is mainly engaged in: sales of books, newspapers, journals, electronic publications; wholesale of audio-visual products (for exclusive purpose of chain store); manufacture of electronic publications and audio-visual products; production of audio tapes, video tapes; logistics; and wholesale and retail of pre-packaged food, dairy products (not including infant formula, solely operated by branch office management); printing of publications, printed matters of package and decoration and other printed matters; (the valid period of the above business scope is subject to the approval of licenses). Plate-leased printing and supply of textbooks; investments in publications and assets management; leasing of properties; business services; wholesale and retail of goods; import and export business; education ancillary services, catering business and ticketing agency. (the items above exclude pre-licensing items while the post-licensing items are subject to the approval of licenses and shall be operated according to the licenses).

The parent of the Company is Sichuan Xinhua Publishing and Distribution Group Co., Ltd. (“**Sichuan Xinhua Publishing and Distribution Group**”). The de facto controller of the Company is State-owned Assets Supervision and Administration Commission of Sichuan Province (“**Sichuan SASAC**”).

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### Basis of preparation

The Group has adopted the Accounting Standards for Business Enterprises (“**ASBE**”) and relevant regulations issued by the Ministry of Finance (“**MoF**”). In addition, the Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 General Provisions on Financial Reporting (Revised in 2014), Hong Kong Companies Ordinance and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### Going concern

The Group assessed its ability to continue as a going concern for the 12 months subsequent to 31 December 2020, and found no events or circumstances that may cast significant doubts upon it. Hence the financial statements have been prepared on going concern basis.

### 3. TAX INCENTIVES AND OFFICIAL APPROVALS

#### Enterprise income tax

In accordance with the “Notice on Several Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises for Continuous Implementation of Cultural System Reform” (Cai Shui [2019] No. 16) issued by the MoF, State Administration of Taxation and Publicity Department of the Communist Party of China, the Company and its subsidiaries Beijing Shuchuan Xinhua Bookstore Book Distribution Co., Ltd., Sichuan Xinhua Online Network Co., Ltd., Sichuan Xinhua Culture Communication Co., Ltd. and the Company’s thirteen publishing houses enjoy enterprise income tax exemption for five years from 1 January 2019.

As approved and confirmed by Chengdu Development and Reform Commission pursuant to its government approval letter [2016] No.38, the Company’s subsidiary, Sichuan Winshare Education Technology Co., Ltd., which falls within the encouraged industries included in the Notice to the Enterprise Income Tax on the Implementation of the Catalogue of Encouraged Industries in the Western Region (Guo Shui [2015] No.14), is subject to the enterprise income tax calculated at the rate of 15% of the assessable income. Beijing Aerospace Cloud Education Technology Co., Ltd. (“**Beijing Aerospace Cloud**”), a subsidiary of the Company, which obtained the high-tech enterprise certificate of No. GR201911008465 on 2 December 2019, is subject to the enterprise income tax calculated at 15% of the assessable income.

#### Value-added tax

In accordance with the Notice on Persistently Promoting Cultural Value-added Tax Preferential Policies (Cai Shui [2018] No. 53) issued by MoF and State Administration of Taxation, the Group enjoys the following value-added tax preferential policies: (1) for the period from 1 January 2018 to 31 December 2020, the Group is entitled to 100% refund upon levy and 50% refund upon levy of value-added tax for its publications; (2) for period from 1 January 2018 through 31 December 2020, the Group is exempt from value-added tax on the wholesale and retail of books.

### 4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Accounting Standards for Business Enterprises Interpretation No.13

On 10 December 2019, the MoF issued the Accounting Standards for Business Enterprises (“ASBE”) Interpretation No.13 (“**Interpretation No.13**”) based on the document Cai Kuai [2019] No. 21. Firstly, Interpretation No.13 further supplements ASBE No. 36 – Related Party Disclosures and clarifies the circumstances that constitute a related party as follows: (1) if the entity is a joint venture or associate of the enterprise and other member companies of its affiliated group (including the parent and subsidiaries); (2) if the entity is a joint venture of the enterprise and other joint venture or associate of the enterprise. Secondly, Interpretation No.13 amends ASBE No. 20 – Business Combinations to clarify the definition of a business, provide guidance on whether the process of processing treatment is substantive, and introduce an optional concentration test for simplified assessment purpose. None of these developments has had a material effect on the Group’s and the Company’s financial statements for the year ended 31 December 2020.

#### 4.2 Accounting treatment requirements for rent concessions related to 2019 coronavirus disease (“COVID-19”) epidemic

On 19 June 2020, the MoF issued the “Provisions on the Accounting Treatment of COVID-19 Related Rent Concessions” based on the document Cai Kuai [2020] No. 10 (the “**Circular No. 10**”), which stipulates that the enterprise may conduct accounting treatment in accordance with ASBE No. 21 – Leases if the rent concessions meet certain conditions, or select to adopt the simplified method as stipulated in Circular No. 10 for accounting treatment. If the enterprise selects to adopt the simplified method for accounting treatment, it is not necessary to evaluate whether there is a lease modification or re-evaluate the lease classification. The enterprise shall apply such selection consistently to similar lease contracts and shall not change at as it wishes.

Except as a lessor which the Circular No. 10 does not apply, the Group has determined to apply the simplified approach to all rent concessions to the extent applicable. The impact of relevant rent concessions using the simplified method on the Group's current profit and loss for 2020 is as follows:

	<i>RMB</i>
<b>Item</b>	<b>2020</b>
Administrative expenses	(1,270,011.77)
Income tax expenses	—
Net profit	1,270,011.77
<b>Total comprehensive income</b>	<b>1,270,011.77</b>

## 5. CASH AND BANK BALANCES

	31 December 2020			31 December 2019		
<i>Item</i>	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash on hand:						
RMB	2,033,235.17	1.0000	2,033,235.17	2,569,899.73	1.0000	2,569,899.73
Bank balances:						
RMB ( <i>Note 1</i> )	5,737,135,430.61	1.0000	5,737,135,430.61	3,468,962,227.91	1.0000	3,468,962,227.91
USD	18,346.38	6.5249	119,708.29	22,988.19	6.9762	160,370.24
EUR	85.27	8.0250	684.29	85.27	7.8155	666.43
HKD	35,578.73	0.8416	29,943.06	27,371.58	0.8958	24,519.46
Other cash and bank balances:						
RMB ( <i>Note 2</i> )	46,655,799.43	1.0000	46,655,799.43	40,386,109.26	1.0000	40,386,109.26
<b>Total</b>			<b>5,785,974,800.85</b>			<b>3,512,103,793.03</b>

*Note 1:* As at the end of the current year, the balance of bank deposits included term deposits with maturity over three months and accrued interests amounting to RMB1,678,331,780.82 (31 December 2019: RMB81,760,506.83) with interest rates ranging from 1.95% to 3.85%. During the current year, the management held such term deposits with the intention of flexible arrangement of funds and withdrawal of funds at any time according to the capital needs.

*Note 2:* As at the end of the current year, other cash and bank balances included the balances with “Alipay” App account and “WeChat” App account of RMB1,522,066.76 (31 December 2019: RMB3,949,048.74) and the balance of restricted cash and bank balances was RMB45,133,732.67 (31 December 2019: RMB36,437,060.52). As at the end of the current year, the Group's cash and bank balances with restricted ownership consisted of security deposit for issuance of bank acceptance bills of RMB10,926,115.05; security deposit placed in bank for the issuance of guarantee letter of RMB8,527,574.17; special fund for housing reform and housing repair of RMB24,727,430.45; and bank deposits frozen as a result of the litigation of Beijing Aerospace Cloud, a subsidiary, of RMB952,613.00.

## 6. HELD-FOR-TRADING FINANCIAL ASSETS

RMB

Item	31 December 2020 Carrying amount	31 December 2019 Carrying amount
Financial assets at FVTPL ( <i>Note</i> )	6,510,463.20	1,280,006,671.94
Including: Bank wealth management products	6,500,000.00	1,280,000,000.00
Investment in A-share listed companies	<u>10,463.20</u>	<u>6,671.94</u>
<b>Total</b>	<b><u>6,510,463.20</u></b>	<b><u>1,280,006,671.94</u></b>

*Note:* The Group's classification of financial instruments at FVTPL is mainly composed of purchased bank wealth management products with a maturity period within one year and investment in A-share listed companies. The fair value of bank wealth management products is determined using the method of discounted cash flow.

## 7. ACCOUNTS RECEIVABLE

### (1) Disclosure by aging

RMB

Aging	31 December 2020			31 December 2019				
	Amount	Percentage (%)	Credit loss provision	Carrying amount	Amount	Percentage (%)	Credit loss provision	Carrying amount
Within 1 year	1,692,271,225.55	81.12	201,121,723.66	1,491,149,501.89	1,849,180,130.42	87.29	144,259,504.85	1,704,920,625.57
More than 1 year but not exceeding 2 years	233,683,796.55	11.20	137,927,039.54	95,756,757.01	136,342,076.79	6.44	79,821,555.01	56,520,521.78
More than 2 years but not exceeding 3 years	63,142,430.17	3.03	63,142,430.17	-	56,242,467.72	2.65	56,242,467.72	-
More than 3 years	97,111,418.39	4.65	97,111,418.39	-	76,780,471.03	3.62	76,780,471.03	-
<b>Total</b>	<b>2,086,208,870.66</b>	<b>100.00</b>	<b>499,302,611.76</b>	<b>1,586,906,258.90</b>	<b>2,118,545,145.96</b>	<b>100.00</b>	<b>357,103,998.61</b>	<b>1,761,441,147.35</b>

The aging of accounts receivable above is based on the date of goods delivery.

### (2) Credit loss provision made or reversed in the current year

Credit loss provision in the current year was RMB146,054,695.27, and the reversal of credit loss provision is RMB3,804,778.47.

### (3) Credit loss provision actually written off in the current year

Credit loss provision written-off and the reversal of write-off in the current year was RMB51,303.65.

## (4) Top five debtors with the largest balances of accounts receivable at the end of the year

RMB

Name of entity	Relationship with the Company	31 December 2020	Aging	As a percentage of the total accounts receivable (%)	Credit loss provision as at 31 December 2020
People's Education Press Co., Ltd.	Third-party	120,502,705.86	Within 1 year, 1-2 years	5.78	3,598,932.36
Education Technology and Sports Bureau of Pingchang County	Third party	78,852,108.05	Within 1 year, 1-2 years, 2-3 years	3.78	26,072,296.12
Science and Technology Bureau of Dongpo District, Meishan City	Third party	69,455,790.12	1-2 years	3.33	2,209,467.97
Sichuan Longyang Tianfu New District Construction Investment Co., Ltd.	Third party	35,223,903.84	Within 1 year, 1-2 years	1.69	468,726.70
Education and Technical Equipment Institute of Enyang District, Bazhong City	Third party	25,254,795.80	Within 1 year, 1-2 years, 2-3 years	1.21	9,138,585.75
<b>Total</b>		<b>329,289,303.67</b>		<b>15.79</b>	<b>41,488,008.90</b>

## 8. INVENTORIES

### (1) Categories of inventories

Item	31 December 2020			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Goods on hand	2,180,053,344.97	240,104,806.50	1,939,948,538.47	2,143,044,979.35	209,060,781.56	1,933,984,197.79
Work-in-progress	140,412,358.95	–	140,412,358.95	170,609,926.07	–	170,609,926.07
Raw materials	53,532,538.00	3,271,801.21	50,260,736.79	56,126,011.59	3,271,801.21	52,854,210.38
<b>Total</b>	<b>2,373,998,241.92</b>	<b>243,376,607.71</b>	<b>2,130,621,634.21</b>	<b>2,369,780,917.01</b>	<b>212,332,582.77</b>	<b>2,157,448,334.24</b>

RMB

### (2) Provision for impairment of inventories

Categories of inventories	1 January 2020	Provision for the current year	Decrease in the current year	31 December 2020
	Write-off/reversal	Write-off/reversal	Write-off/reversal	Write-off/reversal
Goods on hand	209,060,781.56	61,388,572.04	30,344,547.10	240,104,806.50
Raw materials	3,271,801.21	–	–	3,271,801.21
<b>Total</b>	<b>212,332,582.77</b>	<b>61,388,572.04</b>	<b>30,344,547.10</b>	<b>243,376,607.71</b>

RMB

*Note:* As the expected net realizable value was below the cost of inventories at the end of the year, a provision for impairment of inventories amounting to RMB61,388,572.04 (2019: RMB60,917,237.10) was made in the current year. The provision for impairment of inventories written off due to retirement of inventories during the current year amounted to RMB12,442,528.67 (2019: RMB16,848,658.36). A reversal of provision for impairment of inventories amounting to RMB17,902,018.43 (2019: RMB8,076,720.08) was made since the goods where provision for impairment of inventories was made were sold. The provision totaled RMB30,344,547.10 (2019: RMB24,925,378.44).

9. LONG-TERM RECEIVABLES

RMB

Item	31 December 2020		31 December 2019	
	Book balance	Credit loss provision	Book balance	Credit loss provision
Goods sold by installments (Note)	495,140,652.55	-	476,566,778.52	-
Less: Long-term receivables included under non-current assets due within one year	181,722,570.04	-	125,609,106.15	-
<b>Net</b>	<b>313,418,082.51</b>	<b>-</b>	<b>350,957,672.37</b>	<b>-</b>
				Carrying amount
				476,566,778.52
				125,609,106.15
				350,957,672.37

Note: Receivables of goods sold by installments are the Group's receivables of sales of education informatized business, which shall be collected by installments in accordance with the contract. The agreed period in the contract is 2 to 5 years and the Group has discounted the installments at a discount rate of 4.75% to 5.00%.

## 10. LONG-TERM EQUITY INVESTMENTS

### (1) Details of long-term equity investments are as follows:

Investee	Changes for the current year							Closing balance of impairment provision		
	1 January 2020	Increase in investments	Decrease in investments	Investment income recognized under equity method	Adjustment of other comprehensive income	Changes in other equity	Distribution of cash dividends or profits declared		Provision for impairment loss	Others
<b>Joint Ventures</b>										
Hainan Publishing House Co., Ltd.	165,107,228.38	-	-	36,567,452.18	-	-	-	-	-	201,674,680.56
Sichuan Fudou Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Shenzhen Xuancai Venture Capital Investment Fund Management Co., Ltd.	7,675,583.46	-	-	4,674,438.01	-	-	-	-	-	12,350,021.47
(“Shenzhen Xuancai”)(Note 1)										
Liangshan Xinhua Winshare Education Technology Co. Ltd. (“Liangshan Xinhua”)(Note 2)	19,637,833.39	-	-	375,459.93	-	-	-	-	-	20,013,293.32
<b>Subtotal</b>	<b>192,420,645.23</b>	<b>-</b>	<b>-</b>	<b>41,617,350.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>234,037,995.35</b>
<b>Associates</b>										
Sichuan Winshare BLOGIS Supply Chain Co., Ltd. (“Sichuan Wenbao”)(Note 3)	44,325,539.63	-	-	1,568,832.95	-	-	-	-	-	45,894,372.58
Commercial Press (Chengdu) Co., Ltd.	2,846,167.54	-	-	444,283.82	-	-	-	-	-	3,290,451.36
Ren Min Eastern (Beijing) Book Industry Co., Ltd.	11,063,418.98	-	-	1,396,974.36	-	-	(1,200,000.00)	-	-	11,260,393.34
Guizhou Xinhua Winshare Book Audio-Visual Product Chainstore Co., Ltd.	-	-	-	-	-	-	-	-	-	-
(“Guizhou Winshare”)										
Ming Bo Education Technology Holdings Co., Ltd.	39,914,422.65	-	-	(9,403,035.08)	-	-	-	-	-	30,511,387.57
Shanghai Jingjie Information Technology Co., Ltd.	454,528.04	-	-	(454,528.04)	-	-	-	-	-	-
Sichuan Winshare Preschool Educational Management Co., Ltd.	6,718,343.79	-	-	508,634.75	-	-	-	(1,604,619.30)	-	5,622,359.24
Chengdu Winshare Venture Capital Investment Fund Management Co., Ltd.	30,599,541.14	-	-	6,032,870.05	-	-	-	-	-	36,632,411.19
Education and Science Forum	484,419.10	-	-	374,776.35	-	-	(72,000.00)	-	-	787,195.45

RMB

## Changes for the current year

Investee	1 January 2020	Changes for the current year						Closing balance of impairment provision		
		Increase in investments	Decrease in investments	Investment income recognized under equity method	Adjustment of other comprehensive income	Changes in other equity	Distribution of cash dividends or profits declared		Provision for impairment loss	Others
Fuzhou Winshare Technology Partnership (Limited Partnership) ("Fuzhou Winshare") (Note 4)	82,616,683.15	7,205,633.80	(30,854,180.55)	31,991,024.07	-	-	(84,341,236.50)	-	-	6,617,923.97
Sichuan Jiayang Sihuo Film Co., Ltd. Xinhua Yingxuan (Beijing) Screen Culture Co., Ltd.	130,463.57	-	-	(3,230.21)	-	-	-	-	-	127,233.36
Tianjin Tianxi Zhongda Cultural Development Co., Ltd. ("Tianxi Zhongda") (Note 5)	18,116,255.53	-	-	(7,248,801.83)	-	-	-	(5,042,726.27)	-	5,824,727.43
Winshare Yinshi (Beijing) Cultural Communication Co., Ltd. ("Winshare Yinshi") (Note 6)	19,581,323.06	-	-	454,005.49	-	-	-	-	-	20,035,328.55
Hainan Phoenix Xinhua Publishing and Distribution Co., Ltd. ("Hainan Phoenix") (Note 7)	382,191.85	-	-	(195,499.96)	-	-	-	-	-	186,691.89
	-	317,061,075.00	-	-	-	-	-	-	-	317,061,075.00
Subtotal	257,233,298.03	324,266,708.80	(30,854,180.55)	25,466,306.72	-	-	(85,613,236.50)	(6,647,345.57)	-	483,851,550.93
Total	449,653,943.26	324,266,708.80	(30,854,180.55)	67,083,656.84	-	-	(85,613,236.50)	(6,647,345.57)	-	717,889,546.28

- Note 1:* According to the articles of association of Shenzhen Xuancai, Winshare Investment Co., Ltd. (“**Winshare Investment**”), a subsidiary of the Company, has 40% of the voting rights in the shareholders’ meeting and the other two shareholders will enjoy 30% of the voting rights respectively. Resolutions of annual financial budget plans, final accounts, profit distribution and make up losses made by the shareholders’ meeting of Shenzhen Xuancai shall be approved by over 75% of the votes from the shareholders. Therefore, Winshare Investment and the other two shareholders have joint control over Shenzhen Xuancai which is a joint venture of the Group.
- Note 2:* In March 2017, the Company and Xichang Xinhua Bookstore entered into an investment agreement, jointly establishing Liangshan Xinhua, with a shareholding proportion of 49% and 51% respectively. According to the articles of association, the resolution of Liangshan Xinhua on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses etc. must be approved by the shareholders representing two-thirds of the voting power. Therefore, the Company and the other shareholder have common control over Liangshan Xinhua. Therefore, Liangshan Xinhua is a joint venture of the Group.
- Note 3:* In June 2017, Sichuan Wenchuan Logistics Co., Ltd. (“**Wenchuan Logistics**”), a subsidiary of the Company, entered into the Investment Agreement with BLOGIS Holdings Limited and Chengdu Longchuang Investment Management Center (Limited Partnership) to jointly establish Sichuan Wenbao with a shareholding proportion of 45%, 40% and 15%, respectively. According to the articles of association, the resolutions of Sichuan Wenbao on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses etc. must be approved by the shareholders representing 50% of the voting power at the general meeting of Sichuan Wenbao. Therefore, Sichuan Wenbao is an associate of the Group.
- Note 4:* As a limited partner, Winshare Investment, a subsidiary of the Company, contributed 56.34% of the total subscribed capital to Fuzhou Winshare (formerly known as Tibet Winshare Venture Capital Fund Partnership (Limited Partnership)). According to the partnership agreement of Fuzhou Winshare, the Investment Decision-making Committee is responsible for the decision of fund projects. Winshare Investment holds 25% of the voting rights in the Investment Decision-making Committee, by which it can exert significant influence on Fuzhou Winshare. Therefore, Fuzhou Winshare is an associate of the Group.

During the current year, new investment amounted to RMB7,205,633.80. The Company received dividends of RMB84,341,236.50 due to the liquidation and exit, and recovered RMB30,854,180.55 in total upon liquidation and exit of the investment project.

*Note 5:* In July 2019, Sichuan Tiandi Publishing House Co., Ltd. (“**Tiandi Publishing House**”), a subsidiary of the Company and Shanghai Zhengda Ximalaya Network Technology Co., Ltd. entered into an investment agreement, jointly establishing Tianxi Zhongda, with a shareholding proportion of 40% and 60% respectively. According to the articles of association, the resolutions of Tianxi Zhongda on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses etc. must be approved by the shareholders representing more than 50% of the voting power. Therefore, Tianxi Zhongda is an associate of the Group.

*Note 6:* In August 2019, the Company entered into an investment agreement with Beijing Guoling Smart Health and Elderly Care Industry Development Centre and Fenglinhong (Beijing) Cultural Communication Co., Ltd., jointly establishing Winshare Yinshi, with a shareholding proportion of 40%, 30% and 30% respectively. According to the articles of association, the resolutions of Winshare Yinshi on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses etc. must be approved by the shareholders representing 50% of the voting power. Therefore, Winshare Yinshi is an associate of the Group.

*Note 7:* On 30 December 2020, Hainan Xinhua Bookstore Group Co., Ltd. (“**Hainan Xinhua Group**”) transferred 25% equity interests in Hainan Phoenix to the Company by way of transfer under an agreement. According to the articles of association of Hainan Phoenix, the Company has appointed two directors to Hainan Phoenix and is able to exercise significant influence over Hainan Phoenix. Therefore, Hainan Phoenix is an associate of the Group.

(2) **Details of unrecognized investment losses are as follows:**

*RMB*

Item	31 December 2020		31 December 2019	
	Unrecognized investment losses for the current year	Accumulated unrecognized investment losses	Unrecognized investment losses for the prior year	Accumulated unrecognized investment losses
Guizhou Winshare	–	5,557,990.70	–	5,557,990.70
Sichuan Fudou Technology Co., Ltd.	1,728,044.32	2,565,245.82	837,201.50	837,201.50
<b>Total</b>	<b>1,728,044.32</b>	<b>8,123,236.52</b>	<b>837,201.50</b>	<b>6,395,192.20</b>

## 11. OTHER EQUITY INSTRUMENT INVESTMENTS

### (1) Details of other equity instrument investments

Other equity instrument investments designated at FVTOCI

Item	<i>RMB</i>	
	31 December 2020 <i>Carrying amount</i>	31 December 2019 <i>Carrying amount</i>
Anhui Xinhua Media Co., Ltd. (“ <b>Wan Xin Media</b> ”)	592,040,000.00	683,027,200.00
Jiangsu Hagong Intelligent Robot Co., Ltd. (“ <b>HGZN</b> ”)	783,557.83	842,694.27
Bank of Chengdu Co., Ltd. (“ <b>Bank of Chengdu</b> ”)	853,600,000.00	725,600,000.00
Others	375,393.81	375,393.81
<b>Total</b>	<b>1,446,798,951.64</b>	<b>1,409,845,288.08</b>

### (2) Details of equity instruments investments not held for trading

Item	<i>RMB</i>				
	Dividend income recognized for the current year	Accumulated profits (losses)	Amount transferred from other comprehensive income to retained earnings during the current year	Reasons for equity instruments investments not held for trading designated at FVTOCI	Reasons for transfer from other comprehensive income to retained earnings for the current year
Wan Xin Media	19,942,400.00	405,624,672.00	–	The investment is not	N/A
HGZN	2,016.02	0.74	–	held for the purpose of	N/A
Bank of Chengdu	33,600,000.00	613,600,000.00	–	selling it in the near term	N/A
Others	–	(2,958,365.24)	–	for short-term gains.	N/A
<b>Total</b>	<b>53,544,416.02</b>	<b>1,016,266,307.50</b>	<b>–</b>		N/A

## 12. OTHER NON-CURRENT FINANCIAL ASSETS

Item	<i>RMB</i>	
	31 December 2020 <i>Carrying amount</i>	31 December 2019 <i>Carrying amount</i>
Citic M&A Investment Fund (Shenzhen) Partnership (Limited Partnership) (“ <b>Citic M&amp;A Fund</b> ”) (Note 1)	191,250,814.72	111,887,206.48
Winshare Hengxin (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) (“ <b>Winshare Hengxin</b> ”) (Note 2)	233,637,441.71	292,338,697.14
Qingdao Goldstone Zhixin Investment Center (Limited Partnership) (“ <b>Qingdao Goldstone</b> ”) (Note 3)	111,676,675.26	102,430,506.09
Ningbo Meishan Free Trade Port Winshare Dingsheng Equity Investment Partnership (Limited Partnership) (Note 4)	141,315,686.57	20,780,000.00
Xinhua Internet E-commerce Co., Ltd. (“ <b>Xinhua Internet</b> ”) (Note 5)	3,000,000.00	–
<b>Total</b>	<b>680,880,618.26</b>	<b>527,436,409.71</b>

- Note 1:* Changes in fair value for the current year were gains of RMB82,545,597.96, and were included in gains from changes in fair values. Other major changes were the recovery of the exit money totaling RMB3,181,989.72 due to liquidation of investment project.
- Note 2:* Changes in fair value for the current year were gains of RMB11,665,657.76, and were included in gains from changes in fair value. Other major changes were the recovery of the exit money totaling RMB70,366,913.19 due to liquidation of investment project.
- Note 3:* Changes in fair value for the current year were gains of RMB9,246,169.17, and were included in gains from changes in fair value. During the current year, Winshare Investment received dividends of RMB1,789,460.56 from Qingdao Goldstone, which were included in investment income.
- Note 4:* During the current year, new investment cost amounted to RMB122,369,501.66, and changes in fair value were losses of RMB1,833,815.09, and were included in the losses from changes in fair value. During current the year, Winshare Investment received dividends of RMB254,784.87 from Ningbo Meishan Free Trade Port Winshare Dingsheng Equity Investment Partnership (Limited Partnership), which were included in investment income.
- Note 5:* In November 2020, the Company entered into an investment agreement with Xinhua Bookstore Headquarters Co., Ltd. and Wan Xin Media to make an investment of RMB3,000,000.00 in Xinhua Internet. The shareholding of the Company was 1.6585%.

### 13. FIXED ASSETS

#### (1) Fixed assets

Item	<i>RMB</i>				
	Buildings	Machinery and equipment	Electronic equipment and others	Transportation vehicles	Total
Cost as at 31 December 2020	2,402,615,618.26	338,320,051.47	173,278,320.62	91,251,940.43	3,005,465,930.78
Accumulated depreciated as at 31 December 2020	554,421,359.42	231,096,216.69	135,712,607.01	74,406,523.52	995,636,706.64
Provision for impairment of fixed assets as at 31 December 2020	558,577.29	-	-	-	558,577.29
Carrying amount as at 31 December 2020	1,847,635,681.55	107,223,834.78	37,565,713.61	16,845,416.91	2,009,270,646.85

- (2) As at the end of the current year, fixed assets of which certificates of title have not been obtained amounted to RMB302,173,116.32 in aggregate, and fixed assets of which certificates of title have not been obtained had no significant impact on the Group's operations.
- (3) There were no temporary idle fixed assets included in the Group's major operational fixed assets at the end of the current year.

## 14. CONSTRUCTION IN PROGRESS

(1) Details of construction in progress are as follows:

*RMB*

Item	31 December 2020			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Publishing and Media Creativity Center	-	-	-	594,470,914.98	-	594,470,914.98
Nanjiang Commercial Building (renovation project)	-	-	-	-	-	-
Ziyang textbooks transfer station project	32,988,295.59	-	32,988,295.59	32,169,611.14	-	32,169,611.14
Lezhi branch complex	500,000.00	-	500,000.00	-	-	-
Publishing and Media Creativity Center secondary installation project	4,135,850.40	-	4,135,850.40	-	-	-
Others	46,023.59	-	46,023.59	46,023.59	-	46,023.59
<b>Total</b>	<b>37,670,169.58</b>	<b>-</b>	<b>37,670,169.58</b>	<b>626,686,549.71</b>	<b>-</b>	<b>626,686,549.71</b>

## (2) Changes in construction in progress for the current year

RMB

Name of item	Budget amount	1 January 2020	Increase in the current year	Transfer in fixed assets for the current year	Transfer out others	31 December 2020	Amount injected as a proportion of budget amount (%)	Construction progress (%)	Amount of accumulated capitalized interest for the current year	Including capitalized interest for the current year	Interest capitalization rate for the year (%)	Source of funds
Publishing and Media Creativity Center	736,000,000.00	594,470,914.98	4,293,410.05	544,923,244.14	53,841,080.89	-	81.35	100.00	-	-	-	self-financing
Nanjing Commercial Building (under renovation on site)	9,651,048.00	-	8,677,706.24	8,677,706.24	-	-	89.91	100.00	-	-	-	self-financing
Ziyang textbooks transfer station project	35,730,000.00	32,169,611.14	818,684.45	-	-	32,988,295.59	92.33	92.33	-	-	-	self-financing
Lezhi branch complex	19,700,000.00	-	3,369,198.17	2,869,198.17	-	500,000.00	98.28	98.28	-	-	-	self-financing
Publishing and Media Creativity Center secondary installation project	249,000,000.00	-	4,135,850.40	-	-	4,135,850.40	1.66	1.66	-	-	-	self-financing
Others	-	46,023.59	181,992.92	181,992.92	-	46,023.59	-	-	-	-	-	self-financing
Total	1,050,081,048.00	626,686,549.71	21,476,842.23	556,652,414.47	53,841,080.89	37,670,169.58						

## 15. RIGHT-OF-USE ASSETS

### (1) Details of right-of-use assets

		<i>RMB</i>
<b>Item</b>		<b>Buildings</b>
I.	Cost	
	1. 1 January 2020	532,674,371.21
	2. Increase in the current year	131,259,003.82
	3. Decrease in the current year	35,033,521.90
	4. 31 December 2020	628,899,853.13
II.	Accumulated depreciation	
	1. 1 January 2020	94,710,234.92
	2. Increase in the current year	118,026,681.65
	(1) Provision	118,026,681.65
	3. Decrease in the current year	31,319,605.91
	4. 31 December 2020	181,417,310.66
III.	Carrying amount	
	1. 31 December 2020	447,482,542.47
	2. 1 January 2020	437,964,136.29

The lease term of buildings of the Group ranged from one to fifteen years.

### (2) Amounts recognized in profit or loss

		<i>RMB</i>
<b>Building</b>		<b>Amount recognized in the current year</b>
	Depreciation expense for right-of-use assets ( <i>Note 1</i> )	118,026,681.65
	Rent reduction qualified under Circular No. 10	(1,270,011.77)
	Interest expense on lease liabilities ( <i>Note 2</i> )	22,100,032.30
	Short-term lease expenses	12,154,626.95
	Lease expense for low-value assets	–
	Variable lease payments not included in the measurement of lease liabilities ( <i>Note 3</i> )	–
	Income from sublease of right-of-use assets	–

*Note 1:* During the current year, there was no depreciation expense for right-of-use assets capitalized.

*Note 2:* During the current year, there was no interest expense on lease liabilities capitalized.

*Note 3:* During the current year, there were no variable lease payments not included in the measurement of lease liabilities.

### (3) The total cash outflow for leases in the current year was RMB144,474,457.49.

## 16. GOODWILL

### (1) Original carrying amount of goodwill

RMB

Name of the investee and item resulting in goodwill	1 January 2020	Increase in the current year	Decrease in the current year	31 December 2020
Acquisitions of 15 publishing entities ( <i>Note</i> )	500,571,581.14	–	–	500,571,581.14
Others	3,870,061.53	–	18,455.00	3,851,606.53
<b>Total</b>	<b>504,441,642.67</b>	<b>–</b>	<b>18,455.00</b>	<b>504,423,187.67</b>

*Note:* Goodwill of RMB500,571,581.14 was generated from the Group's acquisition of 15 publishing entities on 31 August 2010, which has been distributed to related asset groups, including 3 of the 15 publishing entities of the publication segment.

The recoverable amount of these asset groups is determined based on the present value of its expected future cash flows. The future cash flows are determined based on the financial budget approved by the management for the five-year period. All budget gross profits during the budget period is determined based on the average gross profit achieved in the five years (from 2016 to 2020) before the historical year. The revenue growth rate of operating income after 5 years is from nil to 2% (31 December 2019: nil to 2%). Discount rate of 14% to 15% (31 December 2019: 14% to 15%) is proposed according to the specific risk of publishing business.

The management believes that any reasonable changes in the above assumptions would under no circumstances result in the sum of the respective carrying amount of such asset group exceeds its recoverable amount.

### (2) Provision for impairment loss of goodwill

RMB

Name of the investee and item resulting in goodwill	1 January 2020	Increase in the current year	Decrease in the current year	31 December 2020
Others	3,851,606.53	–	–	3,851,606.53

## 17. OTHER NON-CURRENT ASSETS

	<i>RMB</i>	
<b>Item</b>	<b>31 December 2020</b>	31 December 2019
	<i>Carrying amount</i>	<i>Carrying amount</i>
Prepaid purchase price for land	<b>35,355,838.00</b>	35,355,837.99
VAT input tax to be deducted ( <i>Note 1</i> )	<b>60,228,693.74</b>	48,592,877.42
Prepaid purchase price for property	<b>13,904,800.00</b>	17,105,497.00
Term deposits ( <i>Note 2</i> )	<b>241,444,013.69</b>	–
Others	–	20,767,710.78
	<hr/>	<hr/>
<b>Total</b>	<b>350,933,345.43</b>	121,821,923.19
	<hr/> <hr/>	<hr/> <hr/>

*Note 1:* The VAT input tax to be deducted is the amount of VAT input tax to be deducted by the Group within one year in the future.

*Note 2:* The term deposits are fixed deposits that the Group cannot withdraw in advance or does not intend to withdraw in advance within one year, with interest rates ranging from 3.50% to 4.07%.

## 18. ACCOUNTS PAYABLE

Details of aging analysis of accounts payable are as follows:

	<i>RMB</i>	
<b>Item</b>	<b>31 December 2020</b>	31 December 2019
Within 1 year	<b>3,597,085,730.79</b>	3,237,967,685.53
More than 1 year but not exceeding 2 years	<b>611,824,665.46</b>	747,755,788.80
More than 2 years but not exceeding 3 years	<b>166,494,831.79</b>	205,784,181.87
More than 3 years	<b>174,753,467.72</b>	124,273,858.63
	<hr/>	<hr/>
<b>Total</b>	<b>4,550,158,695.76</b>	4,315,781,514.83
	<hr/> <hr/>	<hr/> <hr/>

Aging analysis of accounts payable is carried out based on the time of purchasing goods or receiving labor services. Accounts payable aged more than one year are mainly final payments to suppliers.

## 19. CONTRACT LIABILITIES

### (1) Presentation of contract liabilities:

	<i>RMB</i>	
Item	31 December 2020	31 December 2019
Advanced receipts for sold goods	440,976,479.36	373,162,442.02
Membership card points	1,848,526.94	3,538,940.71
<b>Total</b>	<b>442,825,006.30</b>	<b>376,701,382.73</b>

- (2) The Group's recognized revenue of RMB375,886,882.13, including the carrying amount of contract liabilities at the beginning of the year, for the current year includes contract liabilities of RMB373,162,442.02 arising from advanced receipts for sold goods, and contract liabilities of RMB2,724,440.11 arising from membership card points. It is expected that carrying amount of advanced receipts for sold goods at the end of the year will be recognized as revenue in 2021.

### (3) Analysis on related contract liabilities

The Group's receipts in advance for goods sold are mainly advanced receipts from books sold to customers such as students and presale of book purchase cards in retail stores, and these transaction funds are recognized as contract liabilities upon receipt. For advanced receipts from book sales, revenue is recognized by the Group upon transfer of control of related goods to customers.

The Group's retail stores adopt a reward policy of membership loyalty cards for customers. For customers with consumption points exceeding a certain level, points can be converted into cash for purchase in the retail stores. The Group allocates sale consideration to the sold goods and issued points in accordance with corresponding respective selling prices. Sale consideration allocated to reward points is recognized as contract liabilities, and as revenue upon redemption.

## 20. OTHER PAYABLES

	<i>RMB</i>	
Item	31 December 2020	31 December 2019
Amounts due to related parties	48,205,419.86	6,210,151.46
Security deposit/deposit/quality warranty/performance security	55,047,287.60	67,405,502.62
Construction and infrastructure construction expenses	21,121,626.42	25,973,935.91
Amounts due to/from other entities	46,607,276.02	43,115,718.18
Investment payables ( <i>Note</i> )	317,061,075.00	–
Others	167,936,365.74	154,598,516.39
<b>Total</b>	<b>655,979,050.64</b>	<b>297,303,824.56</b>

Other payables aged more than one year are mainly security deposit and deposit.

*Note:* On 30 December 2020, Hainan Xinhua Group transferred its 25% equity interests in Hainan Phoenix to the Company by way of agreement transfer at a total consideration of RMB317,061,075.00. For details, please refer to note 10 to the consolidated financial statements of this results announcement.

## 21. LEASE LIABILITIES

RMB

	31 December 2020	31 December 2019
Rents	461,131,191.79	447,134,268.00
Less: Lease liabilities included in non-current liabilities due within one year	<u>103,865,186.60</u>	<u>93,885,902.56</u>
<b>Net</b>	<b><u>357,266,005.19</u></b>	<b><u>353,248,365.44</u></b>

## 22. SHARE CAPITAL

RMB

Item	1 January 2020	Issue of new shares	Changes for the current year			Subtotal	31 December 2020
			Bonus issue	Capitalization of surplus reserve	Others		
Promoter's shares	692,468,091.00	-	-	-	-	-	692,468,091.00
Foreign shares listed overseas	441,937,100.00	-	-	-	-	-	441,937,100.00
Domestically-listed ordinary shares	<u>99,435,809.00</u>	-	-	-	-	-	<u>99,435,809.00</u>
<b>Total</b>	<b><u>1,233,841,000.00</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,233,841,000.00</u></b>

RMB

Item	1 January 2019	Issue of new shares	Changes for the prior year			Subtotal	31 December 2019
			Bonus issue	Capitalization of surplus reserve	Others		
Promoter's shares	692,468,091.00	-	-	-	-	-	692,468,091.00
National Council for Social Security Fund	725,809.00	-	-	-	(725,809.00)	(725,809.00)	-
Foreign shares listed overseas	441,937,100.00	-	-	-	-	-	441,937,100.00
Domestically-listed ordinary shares	<u>98,710,000.00</u>	-	-	-	725,809.00	725,809.00	<u>99,435,809.00</u>
<b>Total</b>	<b><u>1,233,841,000.00</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,233,841,000.00</u></b>

## 23. RETAINED PROFITS

RMB

Item	Current year	Prior year	Proportion of appropriation or distribution
Retained profits at the beginning of the year	3,629,232,391.16	2,941,622,541.24	
Add: Net profit attributable to shareholders of the parent for the current year	1,262,778,545.44	1,139,047,561.12	
Less: Appropriation to statutory surplus reserve	105,293,914.66	81,285,411.20	(1)
Distribution of dividends on ordinary shares	370,152,300.00	370,152,300.00	(2)
Retained profits at the end of the year	<b>4,416,564,721.94</b>	3,629,232,391.16	

**(1) Appropriation to statutory surplus reserve**

According to the Articles of Association, the Company is required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital.

The statutory surplus reserve can be used to offset the loss of the Company, expanding production and operation or transferring to paid-in capital, but the retained statutory surplus reserve shall not be lower than 25% of the registered capital.

**(2) Cash dividends approved at shareholders' meeting**

On 21 May 2020, the resolution regarding the Company's 2019 Annual Profit Distribution Proposal was approved at 2019 annual general meeting of the Company. The profit distribution was based on the Company's total share capital of 1,233,841,000 shares before the implementation of the proposal. The cash dividend per share was RMB0.30 (tax-inclusive) (prior year: RMB0.30 (tax-inclusive)) and the total cash dividends of RMB370,152,300.00 (tax-inclusive) (prior year: RMB370,152,300.00 (tax-inclusive)) were distributed.

**(3) Appropriation to surplus reserve by subsidiaries**

At the end of the current year, the balance of the Group's retained profits includes the surplus reserve of RMB163,620,261.97 (31 December 2019: RMB134,816,191.16) appropriated to subsidiaries.

**24. OPERATING INCOME AND OPERATING COSTS**

**(1) Operating income and operating costs**

	<i>RMB</i>	
<b>Item</b>	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Principal operating income	<b>8,873,374,924.36</b>	8,647,468,762.45
Other operating income ( <i>Note</i> )	<b>134,681,629.91</b>	194,988,961.34
Total income	<b>9,008,056,554.27</b>	8,842,457,723.79
Operating costs	<b>5,453,686,898.97</b>	5,459,861,693.69

*Note:* Included in other operating income was commissions from concessionaire sales of RMB39,135,568.21. Among which, gross revenue from concessionaire sales was RMB277,165,035.13 and gross cost from concessionaire sales was RMB238,029,466.92 (2019: commissions from concessionaire sales amounted to RMB47,650,918.49. Among which, gross revenue from concessionaire sales was RMB341,709,690.76 and gross cost from concessionaire sales was RMB294,058,772.27).

(2) Details of operating income and operating costs are as follows:

RMB

Item	Operating income		Operating costs	
	Amount recognized in the current year	Amount recognized in the prior year	Amount recognized in the current year	Amount recognized in the prior year
<b>Publication segment</b>				
Textbooks and supplementary materials	1,441,306,485.11	1,365,400,296.92	813,140,144.13	823,110,321.45
General books	677,624,735.81	888,276,334.06	473,711,913.12	578,860,240.65
Printing and supplies	266,244,949.59	292,929,038.01	237,648,319.21	262,440,383.00
Newspapers and journals	35,957,382.82	39,269,642.68	18,485,622.62	20,059,435.06
Others	41,918,353.79	53,326,441.08	16,953,471.60	30,474,307.93
<b>Subtotal</b>	<b>2,463,051,907.12</b>	<b>2,639,201,752.75</b>	<b>1,559,939,470.68</b>	<b>1,714,944,688.09</b>
<b>Distribution segment</b>				
Education services	5,386,014,599.89	4,999,021,879.42	3,311,627,315.62	3,151,508,386.35
Including: Textbooks and supplementary materials	4,771,902,213.75	4,330,236,742.33	2,789,297,332.30	2,584,392,969.07
Education informatized and Equipment business	555,158,358.25	668,785,137.09	479,971,492.60	567,115,417.28
Online sales	1,671,227,992.84	1,512,497,368.84	1,409,378,272.69	1,293,068,239.71
Retailing	630,614,254.64	739,842,209.34	391,406,109.28	455,348,770.66
Others	224,440,913.83	383,730,284.89	195,996,946.44	302,106,935.09
<b>Subtotal</b>	<b>7,912,297,761.20</b>	<b>7,635,091,742.49</b>	<b>5,308,408,644.03</b>	<b>5,202,032,331.81</b>
<b>Others</b>	<b>409,067,036.90</b>	<b>393,467,244.10</b>	<b>362,920,869.25</b>	<b>339,700,734.20</b>
Less: Inter-segment elimination	1,776,360,150.95	1,825,303,015.55	1,777,582,084.99	1,796,816,060.41
<b>Total</b>	<b>9,008,056,554.27</b>	<b>8,842,457,723.79</b>	<b>5,453,686,898.97</b>	<b>5,459,861,693.69</b>

25. OTHER INCOME

RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Book publishing subsidies	28,500,217.97	26,172,041.86
VAT first levied then returned	36,166,173.62	53,182,436.43
Other financial subsidies	27,193,428.79	25,834,236.50
<b>Total</b>	<b>91,859,820.38</b>	<b>105,188,714.79</b>

## 26. INVESTMENT INCOME

RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Income from long-term equity investments	66,836,347.91	101,036,355.76
Including: Income from investments under equity method	67,083,656.84	81,036,355.76
Investment income (loss) on disposal of long-term equity investments	(247,308.93)	20,000,000.00
Investment income from other non-current financial assets	2,044,245.43	4,817,239.26
Investment income from other equity instrument investments	53,544,416.02	49,859,237.00
Investment income from disposal of financial assets at FVTPL	47,212,317.88	33,689,186.77
Others	—	19,500,000.00
<b>Total</b>	<b>169,637,327.24</b>	<b>208,902,018.79</b>

## 27. GAINS FROM CHANGES IN FAIR VALUE

RMB

Source of gains from changes in fair value	Amount recognized in the current year	Amount recognized in the prior year
Financial assets at FVTPL	101,627,007.34	37,980,059.49

## 28. SEGMENT REPORTING

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 2 reporting segments, which are publication segment and distribution segment. The reporting segments are determined based on the Group's business type. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance.

Major products and services delivered or provided by each of the reporting segments of the Group are:

Publication segment: Publishing of publications like books, newspapers and journals, audio-visual products and digital products; provision of printing services and supply of printing materials;

Distribution segment: Distribution of textbooks and supplementary materials to schools, teachers and students and supply of education informatized and equipment service for secondary and primary schools; retailing, distribution and online sales of publications;

Other segment of the Group covers provision of capital operations, logistic service and advertising service etc. However, these operating businesses do not separately satisfy the definition of reportable segment. The relevant financial information of such operating businesses is consolidated and presented as "others" in the following table.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

**(1) Segment reporting information Prior year*****Current year****RMB*

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
External revenue	837,043,013.24	7,903,362,375.69	267,651,165.34	-	-	9,008,056,554.27
Inter-segment revenue	1,626,008,893.88	8,935,385.51	141,415,871.56	-	(1,776,360,150.95)	-
Total operating income	<u>2,463,051,907.12</u>	<u>7,912,297,761.20</u>	<u>409,067,036.90</u>	<u>-</u>	<u>(1,776,360,150.95)</u>	<u>9,008,056,554.27</u>
Operating profit	644,015,860.41	505,089,489.57	63,168,659.41	70,826,960.07	25,955,520.53	1,309,056,489.99
Non-operating income	7,994,922.35	12,238,767.66	205,258.11	-	-	20,438,948.12
Non-operating expenses	459,715.40	77,870,023.64	201.25	-	-	78,329,940.29
Total profit	<u>651,551,067.36</u>	<u>439,458,233.59</u>	<u>63,373,716.27</u>	<u>70,826,960.07</u>	<u>25,955,520.53</u>	<u>1,251,165,497.82</u>
Total assets	<u>7,371,667,566.98</u>	<u>11,186,850,518.16</u>	<u>1,353,835,243.58</u>	<u>1,661,074,111.66</u>	<u>(4,604,591,429.80)</u>	<u>16,968,836,010.58</u>
Total liabilities	<u>2,916,032,420.21</u>	<u>7,926,779,537.40</u>	<u>533,620,715.55</u>	<u>51,007,446.99</u>	<u>(4,486,754,126.91)</u>	<u>6,940,685,993.24</u>
Supplementary information						
Depreciation	18,567,984.12	157,167,861.58	28,762,545.67	-	-	204,498,391.37
Amortization	4,780,270.46	45,174,173.42	2,645,226.02	-	-	52,599,669.90
Interest income	1,374,739.76	75,927,465.95	761,807.70	-	-	78,064,013.41
Loss on credit impairment recognized in the current period	17,972,499.80	123,643,050.79	2,901,846.99	-	-	144,517,397.58
Impairment losses of assets recognized in the current period	32,049,043.11	36,078,004.53	467,447.26	-	-	68,594,494.90
Investment income from long-term equity investment under equity method	825,551.63	21,990,940.13	44,267,165.08	-	-	67,083,656.84
Long-term equity investments under equity method	20,949,757.36	595,445,059.71	101,494,729.21	-	-	717,889,546.28
Capital expenditure	8,523,451.78	252,914,152.65	1,940,977.24	-	-	263,378,581.67
Including: Construction in progress expense	120,205.80	21,356,636.43	-	-	-	21,476,842.23
Expenditure arising from purchase of fixed assets	3,409,610.38	211,820,665.53	1,940,977.24	-	-	217,171,253.15
Expenditure arising from purchase of intangible assets	2,931,257.33	5,302,032.10	-	-	-	8,233,289.43
Development cost	<u>2,062,378.27</u>	<u>14,434,818.59</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,497,196.86</u>

**Prior year****RMB**

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
External revenue	959,930,906.72	7,627,126,999.41	255,399,817.66	-	-	8,842,457,723.79
Inter-segment revenue	1,679,270,846.03	7,964,743.08	138,067,426.44	-	(1,825,303,015.55)	-
Total operating income	<u>2,639,201,752.75</u>	<u>7,635,091,742.49</u>	<u>393,467,244.10</u>	<u>-</u>	<u>(1,825,303,015.55)</u>	<u>8,842,457,723.79</u>
Operating profit	627,543,359.31	428,819,553.10	88,926,056.91	36,239,083.78	(2,137,779.60)	1,179,390,273.50
Non-operating income	10,003,586.83	1,536,875.36	376,563.42	-	-	11,917,025.61
Non-operating expenses	145,593.37	42,266,175.12	58,231.39	-	-	42,469,999.88
Total profit	<u>637,401,352.77</u>	<u>388,090,253.34</u>	<u>89,244,388.94</u>	<u>36,239,083.78</u>	<u>(2,137,779.60)</u>	<u>1,148,837,299.23</u>
Total assets	<u>6,617,201,364.15</u>	<u>9,181,371,495.94</u>	<u>1,267,018,555.19</u>	<u>2,661,706,818.85</u>	<u>(4,402,794,761.60)</u>	<u>15,324,503,472.53</u>
Total liabilities	<u>2,533,218,655.53</u>	<u>7,290,420,207.51</u>	<u>555,526,752.70</u>	<u>84,373,468.75</u>	<u>(4,259,001,938.18)</u>	<u>6,204,537,146.31</u>
Supplementary information						
Depreciation	24,011,151.15	135,231,091.67	24,025,494.65	-	-	183,267,737.47
Amortization	3,684,265.11	43,704,920.24	3,653,723.37	-	-	51,042,908.72
Interest income	4,464,344.45	51,516,501.41	2,212,389.17	-	-	58,193,235.03
Loss on credit impairment recognized in the current period	19,963,538.20	89,394,729.80	1,672,168.96	-	-	111,030,436.96
Impairment losses of assets recognized in the current period	21,304,789.62	39,612,447.48	-	-	-	60,917,237.10
Investment income from long-term equity investment under equity method	(14,884.31)	16,256,747.96	64,794,492.11	-	-	81,036,355.76
Long-term equity investments under equity method	20,196,205.73	264,240,390.15	165,217,347.38	-	-	449,653,943.26
Capital expenditure	10,918,849.42	89,006,405.21	12,610,579.48	-	-	112,535,834.11
Including: Construction in progress expense	898,059.40	31,153,785.87	2,838,005.41	-	-	34,889,850.68
Expenditure arising from purchase of fixed assets	6,692,599.50	28,899,606.92	9,730,174.07	-	-	45,322,380.49
Expenditure arising from purchase of intangible assets	3,328,190.52	7,439,294.08	42,400.00	-	-	10,809,884.60
Development cost	-	21,513,718.34	-	-	-	21,513,718.34

(2) **External revenue by geographical area of source and non-current assets by geographical location**

More than 99% of the Group's income is sourced from a PRC customer and most of the Group's assets are located in China, therefore the regional data are not disclosed.

(3) **Concentration on major customers**

The Group's revenue from its single largest customer for the current year is RMB1,011,905,166.86 (prior year: RMB992,769,471.65), which is attributable to the distribution segment. Apart from the aforesaid single largest customer, the Group has no external customer from which the revenue accounts for 10% or more of the total revenue in the current year and prior year.

Inter-segment transfers are measured on the basis of prices negotiated between different segment entities. Segment revenue and segment expenses are determined on the basis of actual revenue and expenses of each segment. Segment assets and liabilities are allocated according to the attributable assets employed by a segment in its operating activities and the attributable liabilities resulting from the operating activities of a segment.

**29. INCOME TAX EXPENSES**

	<i>RMB</i>	
<b>Item</b>	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Current tax calculated according to tax laws and relevant requirements	42,322,578.72	5,894,196.92
Deferred income tax expenses	<u>(34,152,028.11)</u>	<u>18,277,878.20</u>
<b>Total</b>	<b><u>8,170,550.61</u></b>	<b><u>24,172,075.12</u></b>

Reconciliation of income tax expenses to the accounting profit is as follows:

	<i>RMB</i>	
<b>Item</b>	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Accounting profit	1,251,165,497.82	1,148,837,299.23
Income tax expenses calculated at 25%	312,791,374.49	287,209,324.81
Tax concessions	(319,139,430.75)	(290,711,911.87)
Effect of non-deductible expenses	33,659,426.99	31,129,108.86
Effect of non-assessable income	(13,386,104.01)	(12,464,809.25)
Effect of utilization of deductible losses for which no deferred income tax asset was recognized in the prior period	(8,612,514.64)	(6,943,950.37)
Effect of utilization of deductible temporary differences for which no deferred income tax asset was recognized in the prior period	(9,652,406.87)	(12,542,463.64)
Effect of deductible temporary differences or deductible losses for which no deferred income tax asset was recognized during the current period	<u>12,510,205.40</u>	<u>28,496,776.58</u>
<b>Total</b>	<b><u>8,170,550.61</u></b>	<b><u>24,172,075.12</u></b>

### 30. OTHER COMPREHENSIVE INCOME

RMB

Item	1 January 2020	Changes for the current year					31 December 2020
		Amount before income tax for the current year	Less: amount included in other comprehensive income in the prior period that is transferred to profit or loss for the period	Less: Income tax expenses	Post-tax amount attributable to owner of the parent	Post-tax amount attributable to non-controlling shareholders	
Other comprehensive income that cannot be reclassified into profit or loss	979,297,859.83	36,953,663.56	-	(14,784.11)	36,968,447.67	-	1,016,266,307.50
Including: Changes in fair value of other equity instrument investments	979,297,859.83	36,953,663.56	-	(14,784.11)	36,968,447.67	-	1,016,266,307.50

RMB

Item	1 January 2019	Changes for the prior year					31 December 2019
		Amount before income tax for the current year	Less: amount included in other comprehensive income in the prior period that is transferred to profit or loss for the period	Less: Income tax expenses	Post-tax amount attributable to owner of the parent	Post-tax amount attributable to non-controlling shareholders	
Other comprehensive income that cannot be reclassified into profit or loss	1,021,506,867.83	(42,209,344.01)	-	(336.01)	(42,209,008.00)	-	979,297,859.83
Including: Changes in fair value of other equity instrument investments	1,021,506,867.83	(42,209,344.01)	-	(336.01)	(42,209,008.00)	-	979,297,859.83

### 31. CALCULATION PROCESS OF BASIC EARNINGS PER SHARE

For the purpose of calculating basic earnings per share, net profit for the current period attributable to ordinary shareholders is as follows:

RMB

	Amount recognized in the current year	Amount recognized in the prior year
Net profit for the current period attributable to ordinary shareholders	1,262,778,545.44	1,139,047,561.12
Including: Net profit from continuing operations	1,262,778,545.44	1,139,047,561.12

For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process is as follows:

	<i>Shares</i>	
	<b>Current year</b>	Prior year
Number of ordinary shares outstanding at the beginning of year	<b>1,233,841,000</b>	1,233,841,000
Number of ordinary shares outstanding at the end of year	<b>1,233,841,000</b>	1,233,841,000

Earnings per share:

	<i>RMB</i>	
	<b>Current year</b>	Prior year
Number of ordinary shares outstanding at the end of year divided by net profit for the current period attributable to ordinary shareholders	<b>1.02</b>	0.92
Number of ordinary shares outstanding at the end of year divided by net profit for the current period attributable to ordinary shareholders and attributable to continuing operations	<b>1.02</b>	0.92

The Company has no dilutive potential ordinary shares.

### **32. EVENTS AFTER THE BALANCE SHEET DATE**

Subsequent to the balance sheet date, the Group had the following significant events:

At the board meeting of the Company held on 30 March 2021, the resolution regarding the profit distribution for 2020 was passed where the undistributed profit at the end of 2020 was distributed at the price of RMB0.31 (tax inclusive) and the proposed dividend amounted to RMB382,490,710.00 (tax inclusive). The resolution shall take effect upon obtaining approval at the annual general meeting for 2020 to be held in May 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (I) BUSINESS REVIEW

#### Industry Overview

The year 2020 was the final year of building a moderately prosperous society in all respects and the 13th Five-Year Plan, as well as the year of planning for the layout of the 14th Five-Year Plan. The country attaches great importance to cultural construction. “National Reading” has been included in the Government Work Report for the seventh consecutive year. The Fifth Plenary Session of the 19th Central Committee of the Communist Party of China clearly stated the strategic goal of building China into a strong cultural country by 2035. The central and local government have promulgated a series of preferential policies to support system development, industrial upgrade, media integration, talent training, finance and tax concession, etc., facilitating the publishing industry to adjust the industrial layout, accelerate the integration and transformation, and comprehensively promote high-quality development.

The outbreak of COVID-19, which has raged across the globe, has brought disruptions to the publishing industry to varying extents in aspects such as content collection, production and printing, offline sales and logistics distribution. According to the monitoring data publicly published by Beijing Openbook Co., Ltd. (“**Open Book**”), in 2020, China’s book retail market experienced negative growth in terms of sales value for the first time in two decades, representing a year-on-year decrease of 5.08%. Among which, revenue from online store channel increased by 7.27% year-on-year, while revenue from physical bookstore channel decreased by 33.8% year-on-year due to the impact of COVID-19. Objectively speaking, the outbreak of COVID-19 has also accelerated the transformation and upgrade of the publishing industry, made the publishing industry pay more attention on integrated development, expedited the layout of digital publishing business, and promoted the exploration of new technologies, new formats and new models.

#### RESULTS

During the Year, the Group steadily promoted the strategies of “Revitalizing the publishing industry in Sichuan” and “Revitalizing the physical bookstores” as guided by the philosophies of high-quality development, innovative development, integrated development and people-oriented development with a view to enhancing the overall market competitiveness of the Company. Facing the sudden outbreak of the COVID-19 at the beginning of the Year, the Group proactively took effective measures of epidemic prevention and control, resumed work and production in an orderly manner and responded to the impact of the COVID-19 on the Group’s business operations.

In 2020, affected by the outbreak of COVID-19, the book retailing market across the nation experienced negative growth for the first time in two decades. As a result, the Group’s revenue from general books publication and retailing segments also declined to varying extents. However, through optimizing and adjusting the business strategy for the general book publication and retailing segments, further strengthening the channel expansion and service capabilities of textbooks and supplementary materials and online business, the overall operating results of the Group still achieved growth as compared with the previous year

with the joint efforts of all employees. During the Reporting Period, revenue amounted to RMB9,008 million, representing an increase of 1.87% as compared with that in the same period last year, which was mainly attributable to the increase in revenue from textbooks and supplementary materials business, online sales business and third-party logistics business. Net profit amounted to RMB1,243 million, representing an increase of 10.52% as compared with that in the same period last year, which was mainly attributable to the increase in gross profit resulting from the increase in revenue from education service business and the increase in the gains from changes in fair value of projects held by funds such as Citic M&A Fund during the Year.

### **Revenue**

During the Year, the Group's revenue amounted to RMB9,008 million, representing an increase of 1.87% as compared to RMB8,842 million in the same period last year, which was mainly attributable to the growth of revenue from textbooks and supplementary materials business, online sales business and third-party logistics business.

### **Operating costs**

During the Year, the operating costs of the Group amounted to RMB5,454 million, which was basically the same as compared to RMB5,460 million in the same period last year. Among which, the principal operating costs amounted to RMB5,443 million, representing an increase of 0.65% as compared with that in the same period last year.

### **Gross profit margin**

During the Year, the consolidated gross profit margin of the Group was 39.46%, increased by 1.21 percentage points from 38.25% in the same period last year. Among which, the gross profit margin of principal businesses was 38.66%, increased by 1.19 percentage points from 37.47% in the same period last year, mainly due to the change in revenue structure.

Details of the principal businesses by product and by region are as follows:

RMB

Principal business by product						
Product	Revenue	Operating costs	Gross profit margin (%)	Change of revenue as compared with last year (%)	Change of operating costs as compared with last year (%)	Change of gross profit margin as compared with last year (ppt)
<b>I. Publication</b>	2,438,246,255.06	1,551,898,585.47	36.35	(6.26)	(8.17)	1.32
Textbooks and supplementary materials	1,441,306,485.11	813,140,144.13	43.58	5.56	(1.21)	3.86
General books	677,624,735.81	473,711,913.12	30.09	(23.71)	(18.16)	(4.74)
Printing and supplies	265,410,976.62	237,469,000.32	10.53	(9.33)	(9.40)	0.06
Newspapers and journals	35,957,382.82	18,485,622.62	48.59	(8.43)	(7.85)	(0.33)
Others	17,946,674.70	9,091,905.28	49.34	17.53	56.18	(12.54)
<b>II. Distribution</b>	7,798,516,004.39	5,305,502,942.80	31.97	4.34	2.53	1.21
Education service	5,386,014,599.89	3,311,627,315.62	38.51	7.74	5.08	1.55
Of which: Textbooks and supplementary materials	4,771,902,213.75	2,789,297,332.30	41.55	10.20	7.93	1.23
Education informatized and equipment business	555,158,358.25	479,971,492.60	13.54	(16.99)	(15.37)	(1.66)
Online sales	1,626,416,022.43	1,409,378,272.69	13.34	10.79	8.99	1.42
Retailing	591,478,686.43	391,163,312.82	33.87	(14.55)	(14.05)	(0.38)
Others	194,606,695.64	193,334,041.67	0.65	(38.21)	(29.74)	(11.99)
<b>III. Others</b>	404,927,646.99	362,688,358.77	10.43	3.98	6.85	(2.41)
Inter-segment elimination total	(1,768,314,982.08)	(1,777,393,405.74)				
<b>Total</b>	<b>8,873,374,924.36</b>	<b>5,442,696,481.30</b>	<b>38.66</b>	<b>2.61</b>	<b>0.65</b>	<b>1.19</b>

Principal business by region						
Region	Revenue	Operating costs	Gross profit margin (%)	Change of revenue as compared with last year (%)	Change of operating costs as compared with last year (%)	Change of gross profit margin as compared with last year (ppt)
Within Sichuan Province	6,487,255,761.37	3,392,041,608.32	47.71	5.19	2.76	1.24
Outside Sichuan Province	2,386,119,162.99	2,050,654,872.98	14.06	(3.81)	(2.65)	(1.02)
<b>Total</b>	<b>8,873,374,924.36</b>	<b>5,442,696,481.30</b>	<b>38.66</b>	<b>2.61</b>	<b>0.65</b>	<b>1.20</b>

## **ANALYSIS OF OPERATING DATA**

### **1. Overview of Principal Business Segments**

Based on the internal organizational structure, management requirements and internal reporting system of the Group, the operating businesses of the Group are divided into two reporting segments, namely the publication segment and the distribution segment. These segments are classified by the nature of business of the Company. The management of the Group regularly assesses the operating performance of these segments to determine its resource allocation and to assess its results.

The major products and services provided under each reporting segment of the Group are as follows:

**Publication segment:** Publishing of publications including books, newspapers and journals, audio-visual products and digital products; provision of printing services and supply of printing materials; and

**Distribution segment:** Distribution of textbooks and supplementary materials to schools, teachers and students and supply of education informatized and equipment service for secondary and primary schools; retailing, distribution and online sales of publications.

**Overview of operation of the principal business segments is as follows:**

RMB0,000

	Sales volume (10,000 copies)		Sales value (Note)		Revenue		Operating costs		Gross profit margin		
	Last year	Current period	Last year	Current period	Last year	Current period	Last year	Current period	Last year (%)	Current period (%)	Change (ppt)
<b>Publication segment:</b>											
Self-compiled textbooks and supplementary materials	11,934.00	11,877.94	125,083.71	130,375.56	63,718.23	66,141.74	32,725.35	31,890.91	48.64	51.78	3.14
Plate-lease textbooks and supplementary materials	14,561.23	14,945.24	111,372.57	114,652.44	67,242.87	72,294.15	44,679.48	44,525.79	33.56	38.41	4.86
Printing of textbooks and supplementary materials on behalf of others	1,373.58	1,508.83	8,363.56	8,534.99	5,578.93	5,694.76	4,906.20	4,897.31	12.06	14.00	1.94
General books	7,763.48	5,960.29	269,939.22	239,813.53	88,827.63	67,762.47	57,886.02	47,371.19	34.83	30.09	(4.74)
	45,081.66	47,808.39	450,465.07	497,051.13	433,023.67	477,190.22	258,439.30	278,929.73	40.32	41.55	1.23
<b>Distribution segment:</b>											
Textbooks and supplementary materials	10,328.07	9,203.40	416,471.86	440,028.57	246,379.48	240,761.68	203,381.78	199,412.44	17.45	17.17	(0.28)

Note: Sales value refers to the list price of books printed on the back of each book.

## 2. Operating data of various business segments

### (1) Publication segment

#### *Major cost breakdown of the publication segment*

*RMB0'000*

	Publication of textbooks and supplementary materials			Publication of general books		
	Last year	Current period	Growth rate (%)	Last year	Current period	Growth rate (%)
Plate-leased textbooks and supplementary materials expenses	7,553.27	8,441.48	11.76	N/A	N/A	N/A
Copyright fee	3,141.48	3,163.64	0.71	N/A	N/A	N/A
Author's remuneration	3,073.11	3,455.49	12.44	18,614.00	14,810.28	(20.43)
Printing costs	21,926.87	24,162.04	10.19	23,895.38	19,544.58	(18.21)
Paper costs	44,560.15	40,111.19	(9.98)	11,269.16	9,489.68	(15.79)
Documentation fee	877.39	929.68	5.96	2,996.89	3,084.39	2.92
Others	1,178.76	1,050.49	(10.88)	1,110.59	442.26	(60.18)

*Note:* With respect to the binding of printed materials, the production of general books is priced two ways: free materials only and free binding and materials. Of which, the settlement price for free materials only refers to the printing fee only. For free binding and materials production, the printer will be responsible for paper purchase and the settlement price is inclusive of the printing fee and cost of paper. The printing costs herein are inclusive of the printing fee and cost of paper materials.

#### ***Textbooks and supplementary materials publication business***

Sichuan Education Publishing House, a subsidiary of the Company, obtained the permit for book publication (Xin Chu Tu Zheng [Chuan] No.004) from the State Administration of Press, Publication, Radio, Film and Television of the PRC with a validity from 1 January 2014 to 31 December 2021, and is qualified for the publication of supplementary materials on all subjects of primary and secondary schools.

During the Year, as to the publication of textbooks and supplementary materials, according to the changes in national education policies and the demand from compulsory education for teaching practice, the Group carried out revision, re-editing and upgrade for more than 30 series of books including *Information Technology* (《資訊技術》), *Lovely Sichuan* (《可愛的四川》) and *Guidelines on Chinese Calligraphy under Compulsory Education* (《義務教育書法練習指導》) to improve product quality in four aspects including content, design, editing and printing. At the same time, the Company focused on the development of a series of supplementary materials such as *Manual for Labor Practice of Primary and Middle School Students* (《中小學生勞動實踐指導手冊》), *Mental Health Education* (《心理健康教育》), *New Academic Test for the Junior High School Students at a Glance* (《直通新中考》), *Rongcheng School* (《蓉城學堂》), *Topic Reading/Listening Breakthroughs – Learn English from Me* (《話題閱讀／聽力突破-跟我學英語》), *Smart Parent* (《智慧家長》) and *Reading on Forest Fire Fighting* (《森林草原防火教育讀本》), and a series of extracurricular reading materials for students such as “Reading Curriculum of Masterpieces by Famous Authors” (名家名作閱讀課程化書系), which received good market response.

The Group actively and steadily pushed ahead the integrated development of media. Supplemental materials on media convergence including *AR Tips for Exam Preparation (Junior High Geography • China)* (《AR備考秘笈(初中地理·中國冊)》) and *AR Tips for Exam Preparation (Junior High Geography • World)* (《AR備考秘笈(初中地理·世界冊)》) received wide market recognition, with nearly 200,000 copies sold annually. Audiobooks on national standard textbooks such as *English for Primary School Students* (《小學英語》), *129 Ancient Poetries Must Read for Primary School Students* (《小學生必背古詩文129篇》), *75+80 Ancient Poetries Must Read for Primary School Students* (《小學生必背古詩詞75+80首》), *A Century Years Old Children’s Folk Rhymes* (《百歲童謠》) and “Reading Curriculum of Masterpieces by Famous Authors” (名家名作閱讀課程化書系) were launched on Himalaya FM. The number of users of the “Sichuan Education Learning App” developed exceeded millions. The textbooks and supplementary materials published by the Group are mainly sold in Sichuan Province.

During the Year, the value from the sales of textbooks and supplementary materials under the Group’s publication segment amounted to RMB2,535,630,000. The sales revenue amounted to RMB1,441,306,500, representing an increase of 5.56% as compared with that in the same period last year. The cost of sales amounted to RMB813,140,100, representing a decrease of 1.21% as compared with that in the same period last year. The gross profit margin was 43.58%, increased by 3.86 percentage points from the same period last year, which was mainly due to the change in the sales structure of the Group’s own education publications and its effective cost control.

## **General book publication business**

Adhering to the “three key publishing” concepts, the Group shifted from high quantity growth to high quality growth. According to the statistics released by Open Book, in 2020, the Group was ranked 9th among 37 publishing and media groups in China in terms of the market share of general book publication, decreased by two places as compared with that in the same period last year, and was ranked 5th among regional publishing groups, which remained the same as that in the same period last year. Throughout the Year, a total of 48 book genres of the Group were among the Top 500 best-selling book genres in China, increased by 12 genres as compared to that in the same period last year. There were 139 book genres with sales volume of 50,000 to 500,000 copies, increased by 33 book genres as compared with that in the same period last year. This has laid a foundation for the second phase of revitalizing the publishing industry. In addition, Sichuan Education Publishing House, a subsidiary of the Group, actively expanded the general book publication market with a sustainable product mix. Among which, three single products achieved sales volume of more than 600,000 copies and there were 72 book genres with sales volume of 20,000 to 50,000 copies.

The Group made great efforts in theme publishing and continued to push ahead key publication projects. More than 20 “anti-epidemic” books were launched and electronic versions were available for free download by readers. The Group centered around poverty alleviation and planned the publication of more than 20 key books such as *Road of Gulu* (《古路之路》) and *Sound of Happy Singing* (《幸福歌聲傳四方》). The full “Collection of Historical Celebrities in Sichuan” (“四川歷史名人叢書”) other than the literature series was published and launched into the market. Nearly 20 “Third Pole” engineering books including *Tibetan Calligraphy* (《藏文書法大典》) and “156” key engineering books including *Wind from the East* (《風從東方來》). The Cliff Village (《懸崖村》) was granted “China’s Book of the Year 2019” (2019年度“中國好書”) and the Steer Award at the 12th national ethnic minority literature awards. The *Golden Bird* (《金鳥》) was granted the Bing Xin Children’s Literature Award for 2020. Eight books including *Unbroken History of Civilization – An Interpretation to 5,000 Years of Archaeology Recognized by China* (《不斷裂的文明史--對中國國家認同的五千年考古學解讀》) were granted “Sichuan’s Book of the Year 2020” (2020年“四川好書”).

The Group continued to improve quality and increase efficiency of its “going out” efforts. Both the paper book and e-book of *Popular Science Reading on COVID-19 Prevention for Primary and Secondary School Students* (《中小學生新冠肺炎防護科普讀本》) in Arabian were exported. Exported books such as *Meet Africa: Understanding the World – China Youth Practice under the “Belt and Road” Initiative (Arabian)* (《遇見非洲：理解世界--“一帶一路”倡議的中國青年實踐》(阿拉伯文)) was shortlisted for the “Silk Road Book Project”. Exported books such as *China’s Character (Polish)* (《中國的品格》(波蘭文)) and *White Deer Plain Chronicles (Armenian)* (《白鹿原紀事》(亞美尼亞文)) were shortlisted for the “Classic China International Publication Project”. Multiple book genres exported including *Cliff Village* (《懸崖村》), *Gaoqiang* (《高腔》), *Path and Choice* (《道路與選擇》), *Big Pudong* (《大浦東》) and *Road of Gulu* (《古路之路》) were shortlisted for the external publication project of the Central Propaganda Department. *China’s Character* (《中國的品格》) was translated into 16 languages for overseas export. The “South Asia Publishing Center” established by Sichuan Fine Arts Publishing House was shortlisted for the outstanding case of “Belt and Road” publishing cooperation by The Publishers Association of China.

During the Year, the value from the sales of general books under the Group's publication segment amounted to RMB2,398,135,300. The sales revenue amounted to RMB677,624,700, decreased by 23.71% from the same period last year, mainly due to the impact of the outbreak of COVID-19 in the first half of the Year, which brought significant impacts on the editing, printing and distribution of self-published books. The cost of sales was RMB473,711,900, decreased by 18.16% from the same period last year; the gross profit margin was 30.09%, decreased by 4.74 percentage points from the same period last year, which was mainly due to the increased marketing efforts by the Group's general book publishing units in response to the impact of COVID-19 on sales.

### ***Newspapers and journal business***

The Group has 13 newspaper and journal brands (comprising 2 newspapers and 11 journals, including newspapers and journals run by the publishing houses), covering culture, children, popular science, fashion and other categories. The audience covers all age groups from infants to middle-aged and elderly people. Among which, *Hilarious School Diaries* (《米小圈》) had a monthly circulation of more than 250,000 copies and *Red Scarf* (《紅領巾》) had a monthly circulation exceeding 120,000 copies. Capitalizing on the major business model of "traditional publication + new media platform", the newspapers and journals segment realized integrated development between traditional media and new media.

During the Year, 8,915,100 copies of newspapers and journals were sold by the Group. The sales revenue amounted to RMB35,957,400, decreased by 8.43% from the same period last year. The selling expenses amounted to RMB18,485,600, decreased by 7.85% from the same period last year. The gross profit margin was 48.59%, which was basically the same as 48.92% for the same period last year.

## **(2) Distribution segment**

### ***Textbooks and supplementary materials distribution business***

The Company is the only enterprise in Sichuan Province possessing the qualifications to engage in the distribution of primary to secondary textbooks. Being the sole source supplier in Sichuan Province regarding the supply of textbooks to primary and secondary school students during their compulsory education, the Company enters into the "purchase contract regarding free textbooks for students in urban-rural areas during compulsory education" (城鄉義務教育階段學生免費教科書採購合同書) with Sichuan's provincial education office each school year. In 2020, the Company entered into the "purchase contract regarding free textbooks for students in urban-rural areas during compulsory education in Sichuan Province from 2020 to 2021" (四川省2020-2021學年城鄉義務教育階段學生免費教科書採購合同).

During the Year, 478,083,900 copies of textbooks and supplementary materials with sales value of RMB4,970,511,300 were sold by the Group. The sales revenue amounted to RMB4,771,902,200, increased by 10.20% as compared with that in the same period last year. The cost of sales amounted to RMB2,789,297,300, representing an increase of 7.93% as compared with that in the same period last year. The gross profit margin was 41.55%, increased by 1.23 percentage points from the same period last year.

### ***Education informatized and equipment business***

In 2020, the Group provided products and services including subject classroom, innovation education space and smart campus. The Group achieved sales revenue of RMB555,158,400 from the education informatized and equipment business throughout the Year, representing a decrease of 16.99% as compared with that in the same period last year, mainly attributable to the delay in project inspection and acceptance as a result of the outbreak of COVID-19. The cost of sales amounted to RMB479,971,500, representing a decrease of 15.37% as compared with that in the same period last year. Gross profit margin was 13.54% decreased by 1.66 percentage points from that same period last year.

### ***General books distribution business***

In 2020, the Group improved the online and offline channel system. While improving the operation of offline physical bookstores, the Group pushed ahead the online business development of traditional physical bookstores through online distribution, community operation and live-streaming sales, and explored new marketing models in the book industry. In addition to upgrading the new pattern of omni-channel and multi-scenario online reading services, the Group exercised refined operation on self-built official website, Tmall and JD.com platforms, improved the operational capability of channels such as Pinduoduo, and actively explored the business model in relation to channels such as TikTok and Kuaishou. Despite China's book retailing market experienced negative growth in terms of sales value for the first time in the past two decades, the sales values of the Group's general books segment increased by 5.66% as compared with that in the same period last year.

During the Year, 92,034,000 copies of general books with sales value of RMB4,400,285,700 were sold by the Group. The sales revenue amounted to RMB2,407,616,800, decreased by 2.28% as compared with that in the same period last year. The cost of sales amounted to RMB1,994,124,400, decreased by 1.95% as compared with that in the same period last year. The gross profit margin was 17.17%, which was basically the same as the same period last year.

During the Year, the revenue from online sales amounted to RMB1,626,416,000, increased by 10.79% as compared with that in the same period last year, mainly benefitting from the enhancement of capabilities of the Group in areas of product mix operation, sales organization and logistics service. Among which, the sales revenue secured through third-party e-commerce platforms amounted to RMB1,274,113,600, accounting for 78.34% of the total revenue of online sales business.

## **(II) ANALYSIS OF OPERATING RESULTS AND FINANCIAL PERFORMANCE**

### **Expenses**

During the Year, the Group's selling expenses amounted to RMB1,184,329,800, representing an increase of 5.77% as compared to RMB1,119,679,100 in the same period last year, mainly due to the increase in sales revenue, labor costs of sales personnel and logistics expenses.

During the Year, the Group's administrative expenses amounted to RMB1,204,845,500, representing a decrease of 3.92% as compared to RMB1,253,975,500 in the same period last year, mainly due to the fact that the Group enjoyed the relevant national social security exemption policies to mitigate the impact of COVID-19, and the labor insurance expenses paid for employees decreased as compared with that in the previous year.

During the Year, the Group's finance expenses amounted to RMB-45,819,600 as compared to RMB-32,981,000 in the same period last year, mainly due to the increase in interest income derived from bank deposits as compared with that in the previous year.

During the Year, the Group's research and development ("R&D") expenditure expenses amounted to RMB3,038,700, representing a decrease of 6.66% as compared to RMB3,255,600 in the same period last year, which was mainly due to the decrease in R&D commitments in the area of education informatized business during the Year as compared with that in the previous year.

### **Credit impairment loss**

During the Year, the Group's provision for credit impairment loss amounted to RMB145,000,000, representing an increase of 30.16% as compared to RMB111,000,000 in the same period last year, which was mainly due to the increase in provision for credit loss as compared with that in the previous year as the aging of trade receivables was extended given the impacts of COVID-19 on the collection of sales proceeds to a certain extent. However, the Group will continue to consistently strengthen the management of accounts receivable.

### **Asset impairment loss**

During the Year, the Group's provision for impairment loss amounted to RMB68,594,500, representing an increase of 12.60% as compared to RMB60,917,200 in the same period last year, which was mainly due to the provision for impairment of certain long-term equity investments during the Year based on the operating results of the associates in recent years.

### **Gain from changes in fair value**

During the Year, the Group's gain from changes in fair value resulted in a gain of RMB102,000,000, representing an increase of 167.58% as compared with a gain from changes in fair value of RMB37,980,100 in the same period last year, mainly due to the increase in the gain from changes in fair value of projects held by funds invested by the Group such as Citic M&A Fund.

### **Investment income**

During the Year, the Group's investment income amounted to RMB170,000,000, representing a decrease of 18.80% as compared to RMB209,000,000 in the same period last year, which was mainly due to the decrease in the gains from disposal of long-term equity investments and the investment income of associates recognized under equity method during the Year as compared with that in the same period last year.

### **Other incomes and non-operating income/expenses**

During the Year, the Group's other incomes amounted to RMB91,859,800, representing a decrease of 12.67% as compared to RMB105,000,000 in the same period last year, which was mainly due to the increase in the refund of value-added tax received in 2019 as a result of the difference in the timing of implementation of policies.

During the Year, the Group's non-operating income amounted to RMB20,438,900, representing an increase of 71.51% as compared to RMB11,917,000 in the same period last year, mainly due to the increase in compensation received by the Group for demolition and relocation and land requisition during the Year as compared with that in the same period last year.

During the Year, the Group's non-operating expenses amounted to RMB78,329,900, representing an increase of 84.44% as compared to RMB42,470,000 in the same period last year, which was mainly due to the increase in donation to Sichuan Publication Development Charity Foundation and external donation of anti-epidemic supplies, which increased the external donation expenses of the Group during the Year as compared with that in the same period last year.

### **Gains on asset disposal**

During the Year, the Group's gain on asset disposal amounted to RMB255,000, representing a decrease of 93.41% as compared to RMB3,870,100 in the same period last year, which was mainly due to the gain on disposal of vehicles for office use and the increase in the gain on disposal of properties by a subsidiary of the Group during the prior year.

### **Income tax expenses**

During the Year, the Group's income tax expenses amounted to RMB8,170,600, representing a decrease of 66.20% as compared to RMB24,172,100 in the same period last year, which was mainly due to the income recognized from investment in associates such as Fuzhou Winshare (formerly known as Tibet Winshare Venture Capital Investment Fund Partnership (Limited Partnership)) by Winshare Investment, a subsidiary of the Company, using equity method, the change in deferred income tax expenses arising from changes in fair value of the funds such as Winshare Hengxin and the impact of deductible loss on income tax expenses.

### **Other comprehensive income**

During the Year, the Group's net other comprehensive income after tax amounted to RMB36,968,400, as compared to RMB-42,209,000 in the same period last year, mainly due to the fluctuations of the market price of the shares of listed companies held by the Company such as Wan Xin Media and Bank of Chengdu.

### **Profit**

During the Year, the Group achieved a net profit of RMB1,243,000,000, representing an increase of 10.52% as compared with that in the same period last year. Net profit attributable to the shareholders of the Company amounted to RMB1,263,000,000, representing an increase of 10.86% as compared with that in the same period last year. Net profit attributable to the shareholders of the Company after non-recurring gain or loss amounted to RMB1,171,000,000, representing an increase of 11.35% as compared with that in the same period last year, which was mainly attributable to the increase in gross profit brought by the increase in revenue from education service business and the increase in the gains from changes in fair value of projects held by funds invested by the Group such as CITIC M&A Fund during the Year.

### **Earnings per share**

Earnings per share is calculated based on the net profit attributable to the shareholders of the Company for the Year divided by the weighted average number of the ordinary shares in issue during the Year. During the Year, earnings per share of the Group amounted to RMB1.02, which increased by 10.87% as compared to RMB0.92 in the same period last year. For details regarding the calculation of earnings per share, please refer to note 31 to the consolidated financial statements in this results announcement.

## R&D COMMITMENTS

### Breakdown of R&D commitments

	<i>RMB</i>
R&D expenses for the current year	3,038,699.13
R&D commitments capitalized for the current year	16,497,196.86
Total R&D commitments	19,535,895.99
Total R&D commitments as a percentage of revenue (%)	0.22
Total no. of R&D personnel of the Company	59
No. of R&D personnel as a percentage of total no. of personnel of the Company (%)	0.77
Percentage of R&D commitments capitalized (%)	84.45

The R&D commitments of the Company amounted to RMB19,535,900, representing a decrease of 21.13% as compared to RMB24,769,300 in the same period last year, mainly due to the decrease in R&D commitments in the area of education informatized business during the Year.

### ANALYSIS OF CHANGES IN CASH FLOW

During the Year, net cash inflow from operating activities of the Group amounted to net inflow of RMB1,819,000,000, up by 33.30% from RMB1,364,000,000 in the same period last year, mainly benefiting from the increase in the amount of payment for the textbooks publication business and online sales business from the prior year.

During the Year, net cash inflow from investing activities of the Group amounted to RMB1,032,000,000, as compared to net outflow of RMB93,051,900 in the same period last year, mainly due to the recovery of matured bank wealth management products in the current period and the non-purchase of new wealth management products at the end of the Year.

During the Year, net cash outflow from financing activities amounted to RMB504,000,000, representing an increase of 10.93% as compared to net cash outflow of RMB454,000,000 in the same period last year, mainly due to the increase in cash outflow for repayment of principal and interest of lease liabilities as compared with that in the same period last year.

The major items of cash flow changes are set out below:

*RMB*

Item	January to December 2020	January to December 2019	Change (%)	Analysis of major changes
Receipts of tax refunds	36,166,173.62	60,860,279.90	(40.58)	Mainly due to the increase in refund of value-added tax received during the prior year as a result of the difference in the timing of implementation of policies.
Other cash receipts relating to operating activities	223,123,233.54	129,831,662.50	71.86	Mainly due to the increase in interest received from bank deposits during the Year as compared with that in the previous year and the recovery of the share of payment for the Publishing and Media Creativity Center project.
Cash receipts from disposals and recovery of investments	3,310,783,519.96	1,957,525,803.19	69.13	Mainly due to the increase in the amount of the matured wealth management products recovered during the Year.
Cash receipts from investment income	188,342,215.83	110,970,093.25	69.72	Mainly due to the increase in income from wealth management products received during the Year as compared with that in the previous year, and the dividend received by Winshare Investment, a subsidiary of the Company, from Fuzhou Winshare.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,963,890.24	9,381,280.95	(68.41)	Mainly due to the increase in cash flow arising from the disposal of vehicles for office use and the gain on disposal of properties by a subsidiary of the Company in the prior year.
Other cash receipts relating to investing activities	81,760,506.83	61,455,393.92	33.04	Mainly due to the increase in the recovery of principal and interest of term deposits during the Year as compared with that in the previous year.
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	246,466,701.71	155,645,880.26	58.35	Mainly due to the Group's payment for the purchase of properties for the Western Cultural City project during the Year.
Other cash payments relating to investing activities	240,000,000.00	134,000,000.00	79.10	Mainly due to the increase in cash outflow in term deposits of more than three months.
Cash payments to acquire investments	–	3,000,000.00	(100.00)	The amount in the prior year represents the amount of capital increase received by a subsidiary from minority shareholders.
Other cash payments relating to financing activities	133,263,621.06	86,531,160.25	54.01	Mainly due to the increase in cash outflow for repayment of principal and interest of lease liabilities during the Year as compared to that in the previous year.

## ASSETS AND LIABILITIES ANALYSIS

As at 31 December 2020, the position of the Group's major assets and liabilities and their movements are as follows:

RMB

Item	At the end of the year	Amount as at the end of the current year as a percentage of the total assets (%)	At the end of the prior year	Amount as at the end of the prior year as a percentage of the total assets (%)	Change (%)	Analysis
Bank and cash	5,785,974,800.85	34.10	3,512,103,793.03	22.92	64.74	Mainly due to the increase in net cash inflow from operating activities and the increase in bank and cash balance as a result of the non-purchase of certain bank wealth management products upon maturity during the Year.
Held-for-trading financial assets	6,510,463.20	0.04	1,280,006,671.94	8.35	(99.49)	Mainly due to the non-purchase of bank wealth management products upon maturity.
Notes receivable	4,344,936.39	0.03	2,218,450.46	0.01	95.85	Mainly due to the increase in settlement of the balance of receivables by notes for logistics business at the end of the period as compared with that at the end of the prior period.
Prepayments	77,465,227.71	0.46	58,181,516.90	0.38	33.14	Mainly due to the increase in prepayments from the education informatized business at the end of period as compared with that at the end of the prior period.
Non-current assets due within one year	181,722,570.04	1.07	125,609,106.15	0.82	44.67	Mainly due to the increase in closing balance of the portion of long-term receivables due in the coming 12 months a result of the collection by instalments from the education informatized and equipment business as compared with that at the end of the prior period.
Long-term equity investments	717,889,546.28	4.23	449,653,943.26	2.93	59.65	Mainly due to the additional investment of RMB317 million in Hainan Phoenix during the Year.
Fixed assets	2,009,270,646.85	11.84	1,322,693,949.23	8.63	51.91	Mainly due to the transfer of the Publishing and Media Creativity Center project from construction in progress to fixed assets and the purchase of properties for the Western Cultural City project during the Year.

Item	At the end of the year	Amount as at the end of the current year as a percentage of the total assets	At the end of the prior year	Amount as at the end of the prior year as a percentage of the total assets	Change (%)	Analysis
		(%)		(%)		
Construction in progress	37,670,169.58	0.22	626,686,549.71	4.09	(93.99)	Mainly due to the transfer of the Publishing and Media Creativity Center project to fixed assets during the Year.
Long-term prepaid expenses	12,194,296.86	0.07	24,642,631.46	0.16	(50.52)	Mainly due to the amortization of leasehold improvements in the current period.
Deferred income tax assets	21,183,296.95	0.12	16,124,167.44	0.11	31.38	Mainly due to the increase in deductible temporary differences arising from the increase in provision for asset impairment loss, resulting in the increase in deferred income tax assets.
Other non-current assets	350,933,345.43	2.07	121,821,923.19	0.79	188.07	Mainly due to the addition of term deposits of RMB241 million which cannot be withdrawn in advance or are not intended to be withdrawn in advance within one year in the current period.
Notes payable	45,838,225.28	0.27	14,054,710.75	0.09	226.14	Mainly due to the increase in settlement of the balance of trade receivables by notes for education informatized, logistics and other businesses at the end of the period as compared with that at the end of the prior period.
Taxes payable	64,081,630.88	0.38	49,032,631.64	0.32	30.69	Mainly due to the increase in the current income tax payable at the end of the period as compared with that in the previous year.
Other payables	655,979,050.64	3.87	297,303,824.56	1.94	120.64	Mainly due to the outstanding payables of additional investment of RMB317 million in Hainan Phoenix during the Year, which was paid in January 2021.
Deferred income tax liabilities	25,775,918.61	0.15	54,883,601.32	0.36	(53.04)	Mainly due to the investment in associate by Winshare Investment, a subsidiary of the Company, using equity method, and the fair value changes of funds such as Winshare Hengxin Fund held by the Company.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had cash and short-term deposits of approximately RMB5,786 million (31 December 2019: RMB3,512 million). The Group did not have any interest-bearing bank and other borrowings.

As at 31 December 2020, the gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 40.90%, slightly increased as compared with 40.49% as at 31 December 2019. The Group's overall financial structure remained relatively stable.

### General particulars of entrusted wealth management

On 29 October 2019, the 7th meeting of the fourth session of the Board in 2020 was convened by the Company at which the "Resolution regarding the Renewal of Mandate to Acquire Wealth Management Products with Idle Self-owned Funds" was considered and approved, pursuant to which the Group is authorized to use idle funds of no more than RMB1,300 million to purchase wealth management products. As at 31 December 2020, the balance of the bank wealth management products purchased by the Group amounted to RMB6.50 million, all of which were wealth management products of the banks with high security, good liquidity and low risks due within one year.

<i>RMB</i>				
Type	Source of funding Amount incurred	Amount incurred	Balance not yet due	Amount due but not yet recovered
Wealth management products	Self-owned	1,298,000,000.00	6,500,000.00	–

## CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any material contingent liabilities.

## PLEDGE OF ASSETS

As at 31 December 2020, the balance of deposits of the Group amounting to RMB19,453,700 (31 December 2019: RMB5,649,700) was pledged as security deposits placed with the bank for the issuance of the bank's acceptance bill and letter of guarantee. Save as disclosed above, the Group did not have any other assets under pledge or guarantee.

## FOREIGN EXCHANGE RISK

Almost all of the Group's assets, liabilities, revenues, costs and expenses were denominated in RMB. As a result, the management believes that foreign exchange exposure of the Group is minimal and confirms no foreign exchange hedging arrangement has been made.

## WORKING CAPITAL MANAGEMENT

	<b>31 December 2020</b>	31 December 2019
Current ratio	<b>1.5</b>	1.6
Inventory turnover days	<b>143.5</b>	136.3
Trade receivables turnover days	<b>74.1</b>	72.2
Trade payables turnover days	<b>296.7</b>	265.3

As at 31 December 2020, the current ratio of the Group was 1.5, which was basically the same as that at the end of last year. During the Year, inventory turnover days were 143.5 days and trade receivables turnover days were 74.1 days, with both remaining substantially the same as that of last year; trade payables turnover days were 296.7 days, which increased by 31.4 days from that of last year, mainly due to the increase in trade payables due within one year. The above indicators reflect that the operations of the Group are relatively stable. The turnover days of inventory, trade receivables and trade payables are in line with the publication and distribution business and the industry features.

*Note:* The trade payables turnover days is arrived at based on the aggregate of accounts receivable and long-term receivables due within one year.

### (III) OVERVIEW OF SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the Year, the Group focused on its growth strategies and improved existing industrial layout. While developing its principal businesses, the Group pushed ahead the integration of business and finance with a view to establishing the Group as a first-class cultural media group in the PRC.

To promote the cross-regional development of the Group's publication and distribution business, the Company entered into the Share Transfer Agreement with Hainan Xinhua Group in December 2020 to acquire 25% equity interests in Hainan Phoenix held by Hainan Xinhua Group at a consideration of RMB317 million. The Company settled the investment in January 2021. As at the date of this results announcement, Hainan Phoenix has completed the change of industry and commerce registration for the share transfer.

To further enhance the competitiveness of the Group's principal publication business and enhance the influence of the "Winshare Publishing" brand, the Company made a capital contribution of RMB100 million to Tiandi Publishing House, a wholly-owned subsidiary of the Company. To support the business development of Winshare Investment, a wholly-owned subsidiary of the Company, the Company increased the capital of Winshare Investment by RMB100 million. The Company fully settled the above capital increase amount in 2020.

The Company was interested in 2.21% of the shares of Bank of Chengdu. During the Year, the Company received a dividend amounting to RMB33.6 million from Bank of Chengdu. As at 31 December 2020, the market capitalization of the shares held by the Company in Bank of Chengdu was RMB854 million.

The Company was interested in 6.27% of the shares of Wan Xin Media. During the Year, the Company received a dividend income of RMB19,942,400. As at 31 December 2020, the market capitalization of the shares held by the Company in Wan Xin Media was RMB592 million.

Wan Xin Media and Bank of Chengdu are financial investments of the Company which generate attractive dividend income to the Group for the period and generate higher capital appreciation to the Group in the future. The Company will monitor the price trends of the A share market and these two stocks from time to time. Coupled with the funding needs for industrial development, the Company will formulate corresponding investment strategies so as to generate finance income to the Company in a continuous and steady manner.

Save as disclosed above, the Group did not have any other significant investments, acquisitions and disposals during the Year.

During the Year, details of the external investments made by the Group are set out in notes 10, 11 and 12 to the consolidated financial statements in this results announcement.

### Information of the major subsidiaries

Name of subsidiary	Nature of business	Shareholding percentage (%)	Registered capital	<i>RMB0,000</i>			
				2020		As at 31 December 2020	
				Revenue	Net profit	Total assets	Net assets
Sichuan Education Publishing House Co., Ltd.	Publication of books	100	1,000.00	78,479.43	37,146.38	141,756.17	82,281.97
Sichuan Publication Printing Co., Ltd.	Plate-leased printing of textbooks	100	5,000.00	34,767.35	13,559.79	89,366.30	66,372.12
Sichuan Youth and Children's Publishing House Co., Ltd.	Publication of books, newspapers and journals	100	11,000.00	26,532.53	5,012.28	62,181.77	51,206.87
Sichuan Printing Materials Co., Ltd.	Wholesaling and retailing of commodities	100	3,000.00	47,915.66	432.13	38,291.71	4,481.44
Sichuan Winshare Education Technology Co., Ltd.	Software development and sales of electronic equipment	100	33,000.00	43,184.40	(3,360.37)	105,606.95	30,802.99
Sichuan Winshare Online E-commerce Co., Ltd.	Online sales of various products	75	6,000.00	213,097.81	35.27	223,919.41	(9,465.81)

#### **(IV) EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2020, the Group had a total of 7,633 (31 December 2019: 7,728) employees.

The Group improves its employee remuneration policies and remuneration management system continuously, by which it has established a results performance-based incentive mechanism that aligns employees' remuneration to the Group's development. The standard remuneration package of the Group includes basic salary, performance-based bonus and benefits. Pensions, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing welfare funds, corporate annuity, etc. are available to the employees.

For the year ended 31 December 2020, the Group made post-retirement plan contributions and corporate annuity scheme contributions of RMB107,480,000 (2019: RMB152,820,000) in aggregate for its employees.

The Group attaches great importance to and cares about the growth and development of employees. The Group has built a multi-layer and multi-format training system to provide ongoing training and opportunities for exchange to help them enhance their professional skills and expand their areas of expertise. Based on the objectives and requirements of personnel training that are in line with the corporate strategies, the Group strengthens the training of the talent pool reserves of the Company starting from key positions. The Group strives to help the management expand their business horizon and enhance their business and operational capabilities. At the same time, the Group plans and implements various themed employee ability development activities based on the business development requirements of capabilities and qualities for different levels in order to drive business development with employee capabilities and qualities. During the Year, on the premise of COVID-19 prevention and control, the Group innovated the training model and deepened the training results through online training and organic combination of online and offline training. Throughout the Year, training sessions were organized with an attendance exceeded 20,000 employees.

Adhering to the "people-oriented" human resources principle, the Group continues to improve the human resources management system so as to grow and progress with its employees. The Group has maintained good communication with its employees and built a harmonious labor relationship.

#### **(V) FUTURE PROSPECTS**

##### **Growth strategy**

With the goal of becoming an internationally influential comprehensive cultural service group, the Company, by focusing on the principal publishing and media business and innovate the industrial development model, and by capitalizing on the two-wheel driven strategy of "technology + capital", will push ahead the upgrade of the publishing and media industry chain, and build a premium system covering four major segments namely creative content publishing, education services, cultural consumption services and supply chain services as well as the investment and financing system the features capital operations, so as to meet the needs of the public for a better cultural life, while developing itself into the most innovative and fast-growing publishing and media enterprise in China.

## **Operating plans**

1. Continue to push ahead the strategy of “Revitalizing the publishing industry in Sichuan” while adhering to the “three key publishing” concepts with a focus on building the brand of Winshare Publishing, and vigorously push ahead the theme publishing and key publication projects while deepening the copyright operations to drive quality and efficiency enhancement of Winshare Publishing.
2. Continue to promote the optimization and upgrade of the education service business channel and business integration development, and expand the education informatized and equipment business. While pushing ahead the development of innovative businesses including labor and practice education as well as teachers’ training; the Company will carry out in-depth research on the market demand for on online education, after-school services and campus books, newspapers and journals, and explore feasible business models.
3. Deepen the construction of online channels, continue to improve operational capabilities of products, strengthen the building of supply chain service capabilities, promote industry transformation and upgrade through technology, big data and other service capabilities, and optimize internal management and incentive mechanism, so as to achieve continuous improvement in sales scale and profitability.
4. Continue to improve quality and increase efficiency of physical bookstores and implement integrated development of online and offline channels. The Company will seize the opportunities arising from a series of activities in celebration of the “100th anniversary of the founding of the Communist Party of China” to achieve business growth by taking government-enterprise business as a growth point.
5. Continue to enhance the logistics service capabilities, further strengthen the third-party logistics operation system with focus on key industries to gradually commence the third-party logistics business.
6. Integrate quality social resources, continue to build a fund base, enhance the investment expansion capabilities and post-investment management level and increase the revenue from capital operation to drive synergistic development between the Group’s industrial operations and capital operations.
7. Solidly promote the key work of Panda culture and national reading based on the existing platform in the media sector, and achieve integrated development of traditional media and new media to open up a new dimension for the media business.

## **(VI) POTENTIAL RISKS**

The Group has formulated sound business objectives and optimized the operating plans. However, due to uncertainties in the external market, coupled with the deficiencies in the quality of management team, team building, ability to gather quality publication resources and resource allocation, operating achievements far from the Company’s expectations may arise. The Group will further improve the human resources management system, strengthen content building, and improve the level of operation and management to ensure the achievement of business objectives.

In recent years, the Group has continued to explore the application of emerging technologies to drive the integration between the publishing industry and technology. However, due to external uncertainties as well as the difficulty and complexity of the technology projects, the results of technological innovation may fall short of expectation. The Group will continue to conduct in-depth research on the development trends of the integration of industry and technology, enhance information capture capability and quick response capability, and further improve the technological innovation mechanism, and strengthen the management of technological innovation decision-making, R&D investment and organization implementation.

Uncertainties over the duration of COVID-19 make it difficult to predict the development trends of the publication and distribution market, which may bring uncertainties to the Group's future operating results. The Group will strengthen its online marketing capabilities, promote technology and model innovation, promote the integrated development of publication business, and improve its ability to resist risks and achieve sustainable development.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to achieving sound corporate governance, continuously perfecting and optimizing the internal control system of the Company. The Company has adopted and complied with all applicable code provisions of the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 14 to the Listing Rules during the Year, save for code provision A.4.2. According to code provision A.4.2, each director (including directors with a specific service term) shall take turns to resign, at least once every three years. The service term of the Company's fourth session of the Board and the Supervisory Committee expired on 5 March 2018. Since the nomination of the candidates of Director and Supervisor has not finished and to maintain the continuity and stability of the work of the Board and Supervisory Committee, the re-election and appointment of the Company's fifth session of the Board, Supervisory Committee and all the specific committees under the fifth session of the Board will be postponed and thus, the term of the Directors and Supervisors will be extended accordingly as well. If feasible, the Company will conduct the re-election and appointment of the Board and Supervisory Committee as soon as practicable.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

For the purpose of governing securities transactions by the Directors and the supervisors (the "Supervisor(s)"), the Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 to the Listing Rules as a code of conduct for securities transactions by the Directors and Supervisors. Having made specific enquiries to each of the Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with all the terms set out in the Model Code during the Year.

## AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) in compliance with Rules 3.21 and 3.22 of the Listing Rules with specific written terms of reference.

The Audit Committee has reviewed the audited consolidated financial statements of the Group as set out in this results announcement for the Year and has communicated and discussed the financial reporting, risk management and internal control with the management and auditors of the Company. The Audit Committee considered that the consolidated financial statements have been prepared in accordance with applicable accounting standards and requirements and appropriate disclosures were made.

As at the date of this results announcement, so far as the Board is aware, the information set out herein is the same as those to be set out in the Company’s annual report for 2020.

## DIVIDEND

The Board has proposed the distribution of dividend for the year ended 31 December 2020 of RMB0.31 (tax inclusive) per share (2019: RMB0.30 (tax inclusive) per share), totaling RMB382,490,710.00 (tax inclusive) (the “**Dividend for 2020**”). Dividends payable to A shareholders will be made and paid in RMB, whereas dividends payable to the H shareholders will be declared in RMB and payable in Hong Kong dollars, the exchange rate of which would be calculated based on the average exchange rate published by the People’s Bank of China during the week preceding the 2020 annual general meeting (the “**2020 AGM**”).

In accordance with the “Corporate Income Tax Law of the People’s Republic of China” and its implementation regulations effective, where a PRC domestic enterprise distributes dividends to non-resident enterprise shareholders, it is required to withhold 10% corporate income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the dividend as corporate income tax, distribute the dividend to non-resident enterprise shareholders, i.e., any Shareholders who hold the Company’s shares in the name of non-individual Shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H shares registered in the name of other groups and organizations.

Pursuant to the letter titled the “Tax arrangements on dividends paid to Hong Kong residents by mainland companies” issued by the Stock Exchange to the issuers on 4 July 2011 and the “State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045” (Guo Shui Han [2011] No. 348), it is confirmed that the overseas resident individual shareholders holding the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax arrangements between the countries where they reside and China or the tax arrangements between mainland China and Hong Kong (Macau). Therefore, the Company will withhold 10% of the dividend as individual income tax, unless it is otherwise specified by the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividends in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

The proposed Dividend for 2020 is subject to the approval by the shareholders at the forthcoming 2020 AGM of the Company.

H shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Tuesday, 20 April 2021 are entitled to attend and vote at the 2020 AGM. H shareholders whose names appear on the register of members of the Company on the Dividend Entitlement Date are entitled to the Dividend for 2020 of the Company (if approved by the shareholders). The Dividend for 2020 above will be paid before 21 July 2021 (if approved by the shareholders).

H shareholders are advised to consult their own professional advisers about the tax effect in China, Hong Kong and/or other countries (regions) in respect of owning and disposal of H shares if they are in any doubt as to the above arrangements.

Shareholders should read this paragraph carefully. Should there be anyone who intends to change his/her identity as a shareholder, please seek advice on the relevant procedures from the nominees or trustees. The Company is neither obliged nor responsible for ascertaining the identities of the shareholders. In addition, the Company will withhold corporate income tax and individual income tax in strict compliance with the relevant laws or regulations and the registered information on the H share register of members as at the Dividend Entitlement Date, and will not entertain or assume responsibility for any requests or claims in relation to any delay or inaccuracies in ascertaining the identity of the shareholders or any disputes over the arrangements for withholding the corporate income tax and individual income tax.

## **2020 AGM**

The 2020 AGM will be held at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC (中國四川省成都市古中市街8號四川新華國際酒店) on Friday, 21 May 2021. Details of the 2020 AGM will be set out in the notice of the 2020 AGM to be despatched by the Company in due course. Such notice will also be published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.winshare.com.cn](http://www.winshare.com.cn)).

## **CLOSURES OF REGISTER OF MEMBERS FOR H SHARES**

In order to ascertain the shareholders who are entitled to attend the 2020 AGM and to receive the Dividend for 2020 (if approved by the shareholders), the register of members for H shares will be closed by the Company during the following periods:

### ***To ascertain the H shareholders who are qualified to attend and vote at the 2020 AGM:***

Latest time for lodging transfers of H shares	4:30 p.m., Tuesday, 20 April 2021
Closure of register of members for H shares	from Wednesday, 21 April 2021 to Friday, 21 May 2021 (both days inclusive)
Date for the 2020 AGM	Friday, 21 May 2021

***To ascertain the H shareholders who are entitled to the proposed Dividend for 2020:***

Latest time for lodging transfers of H shares	4:30 p.m., Thursday, 27 May 2021
Closure of register of members for H shares	from Friday, 28 May 2021 to Wednesday, 2 June 2021 (both days inclusive)
Dividend Entitlement Date	Wednesday, 2 June 2021

In order for the H shareholders to qualify to attend and vote at the 2020 AGM and to receive the Dividend for 2020 (if approved by the shareholders) proposed by the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before the abovementioned deadlines for lodging the transfer documents.

**PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement of the Company for the Year is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.winshare.com.cn](http://www.winshare.com.cn)), and the annual report of the Company for 2020 (including the audited financial statements) will be despatched to the shareholders on or before 30 April 2021 and will be published on the Stock Exchange's website and the Company's website.

By Order of the Board  
**XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.\***  
**He Zhiyong**  
*Chairman*

Sichuan, the PRC  
30 March 2021

*As at the date of this announcement, the Board comprises (a) Mr. He Zhiyong and Mr. Chen Yunhua 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*