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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)

2020 THIRD QUARTERLY REPORT

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司) (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “**Group**”) for the third quarter ended 30 September 2020 (the “**Period**”). This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

I. IMPORTANT NOTICE

- 1.1 The Board, the supervisory committee, the Directors, supervisors and senior management of the Company hereby warrant that the contents of the third quarterly report are true, accurate and complete, and there are no false representations, misleading statements or material omissions, and jointly and severally accept legal responsibility therein.
- 1.2 Save for Mr. Chen Yunhua (a Director) who appointed Mr. Zhang Peng (non-executive Director) as proxy to vote on his behalf due to other business commitments, all other Directors attended the Board meeting held on 29 October 2020 at which this third quarterly report was reviewed and approved.
- 1.3 Mr. He Zhiyong (the head of the Company), Mr. Zhu Zaixiang (the person-in-charge of accounting affairs), and Ms. Wu Sufang (the person-in-charge of the accounting department), warrant the truthfulness, accuracy and completeness of the financial statements in the third quarterly report.
- 1.4 The third quarterly report of the Company is unaudited. The audit committee of the Company has reviewed the results of the Group for the third quarter ended 30 September 2020.

II. CORPORATE INFORMATION

2.1 Major financial data

	<i>Unit: Yuan Currency: RMB</i>		
	As at the end of the reporting period	As at the end of last year	Change (%)
Total assets	16,790,769,710.87	15,324,503,472.53	9.57
Net assets attributable to shareholders of the listed company	9,637,924,870.04	9,207,249,787.46	4.68
	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of last year to the end of the reporting period of last year (January - September)	Change (%)
Net cash flow from operating activities	1,328,265,355.95	958,997,135.04	38.51
	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of last year to the end of the reporting period of last year (January - September)	Change (%)
Operating income	5,728,576,910.00	5,828,384,140.56	(1.71)
Net profit attributable to shareholders of the listed company	758,467,622.63	747,013,781.44	1.53
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	698,818,801.03	712,512,898.58	(1.92)
Weighted average return on net assets (%)	8.00	8.62	Decreased by 0.62 percentage points
Basic earnings per share (RMB/share)	0.61	0.61	0.00
Diluted earnings per share (RMB/share)	N/A	N/A	N/A

Items and amounts of non-recurring profit or loss

Unit: Yuan Currency: RMB

Item	Amount for the Period (July - September)	Amount for the beginning of the year to the end of the reporting period (January - September)
Profit or loss on disposal of non-current assets	(1,722.66)	(67,147.74)
Government subsidies (except for government subsidies which are closely related to the ordinary business scope of the Company and entitled in standard amounts or quantities in conformity with the uniform standards of the State) attributable to profit or loss for the period	1,616,486.33	9,289,262.63
Profit or loss arising from changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities and investment gains received from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments (except for those related to effective hedging businesses under ordinary business scope of the Company)	6,209,660.13	71,082,262.31
Other non-operating income and expenses apart from the above items	(5,732,336.45)	(18,589,708.54)
Effect of minority interests (after tax)	(952,930.42)	(1,733,465.94)
Effect of income tax	247,807.61	(332,381.12)
Total	1,386,964.54	59,648,821.60

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

Unit: share

Total number of shareholders
(shareholder)

22,790

Shareholding of top ten shareholders

Name of shareholder (in full)	Shareholding as at the Period end	Percentage (%)	Restricted shareholding	Pledged or locked-up Status	Number	Nature of shareholders
Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華 出版發行集團有限公司) (Note 1)	628,633,525	50.95	0	Nil		State
Hong Kong Securities Clearing Company Limited	399,108,676	32.35	0	Unknown		Overseas legal person
Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業有限公 司)	53,336,000	4.32	0	Nil		Domestic non- state-owned legal person
Sichuan Cultural Industry Investment Group Co., Ltd.* (四川文化產業投資集 團有限責任公司) (Note 1)	36,896,945	2.99	0	Nil		State-owned legal person
Sichuan Daily Newspaper Group* (四川日 報報業集團)	9,264,513	0.75	0	Nil		State-owned legal person
Liaoning Bohong Investment Co., Ltd.* (遼寧博鴻投資有限公司) (Note 2)	6,485,160	0.53	0	Nil		State-owned legal person
LEUNG YOK FUN	3,000,000	0.24	0	Unknown		Unknown
Vanguard Investment Australia Ltd. – Vanguard Emerging Market Stock Index Fund (Exchange)	1,796,153	0.15	0	Nil		Unknown
Basic Pension Insurance Fund 1301 (基本 養老保險基金一三零一組合)	1,267,400	0.10	0	Nil		Unknown
Agricultural Bank of China Limited – SWS MU CSI 500 Enhanced Index Securities Investment Fund (中國農業銀行股份有 限公司 – 申萬菱信中證500指數優選增 強型證券投資基金)	1,048,491	0.08	0	Nil		Unknown

Shareholding of top ten unrestricted shareholders

Name of shareholder	Number of unrestricted tradable shares held	Class of shares and number	
		Class	Number
Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司) ^(Note 3)	628,633,525	RMB ordinary shares	592,809,525
		Overseas listed foreign shares	35,824,000
Hong Kong Securities Clearing Company Limited	399,108,676	Overseas listed foreign shares	391,339,927
		RMB ordinary shares	7,768,749
Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業有限公司)	53,336,000	RMB ordinary shares	53,336,000
Sichuan Cultural Industry Investment Group Co., Ltd.* (四川文化產業投資集團有限責任公司) ^(Note 3)	36,896,945	RMB ordinary shares	30,572,945
		Overseas listed foreign shares	6,324,000
Sichuan Daily Newspaper Group* (四川日報報業集團)	9,264,513	RMB ordinary shares	9,264,513
Liaoning Bohong Investment Co., Ltd.* (遼寧博鴻投資有限公司)	6,485,160	RMB ordinary shares	6,485,160
LEUNG YOK FUN	3,000,000	Overseas listed foreign shares	3,000,000
Vanguard Investment Australia Ltd. – Vanguard Emerging Market Stock Index Fund (Exchange)	1,796,153	RMB ordinary shares	1,796,153
Basic Pension Insurance Fund 1301 (基本養老保險基金一三零一組合)	1,267,400	RMB ordinary shares	1,267,400
Agricultural Bank of China Limited – SWS MU CSI 500 Enhanced Index Securities Investment Fund (中國農業銀行股份有限公司 – 申萬菱信中證500指 數優選增強型證券投資基金)	1,048,491	RMB ordinary shares	1,048,491

Note:

1. Sichuan Xinhua Publishing and Distribution Group Co., Ltd. was formerly known as Sichuan Xinhua Publishing Group Co., Ltd. and Sichuan Cultural Industry Investment Group Co., Ltd. was formerly known as Sichuan Publication Group Company Limited.
2. All of the 6,485,160 A shares of the Company held by Liaoning Publication Group Co., Ltd. were transferred to its wholly-owned subsidiary, Liaoning Bohong Investment Co., Ltd.
3. Sichuan Xinhua Publishing and Distribution Group Co., Ltd. holds 35,824,000 H shares of the Company and Sichuan Cultural Industry Investment Group Co., Ltd. holds 6,324,000 H shares of the Company. The data are sourced from the “Disclosure of Interests” on the website of the Stock Exchange.

III. MATERIAL MATTERS

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

ANALYSIS ON SIGNIFICANT CHANGES IN BALANCE SHEET ITEMS

Unit: Yuan Currency: RMB

Item	30 September 2020	31 December 2019	Change (%)	Explanations
Prepayments	89,425,640.72	58,181,516.90	53.70	Mainly due to the increase in prepayments of education informatized business at the end of the Period as compared with the beginning of the year.
Long-term receivables	219,740,617.31	350,957,672.37	(37.39)	Mainly due to the decrease in long-term receivables at the end of the Period as compared with the beginning of the year as a result of collection by instalments from the education informatized and equipment business, which were transferred to trade receivables and non-current assets due within one year as the agreed payment term was approaching.

Item	30 September 2020	31 December 2019	Change (%)	Explanations
Development cost	26,105,238.47	15,224,896.49	71.46	Mainly due to the increase in R&D commitments to the education informatized business of the Group during the Period as compared with the beginning of the year.
Other non-current assets	164,972,100.92	121,821,923.19	35.42	Mainly due to the increase in large deposit certificate over one year as compared with the beginning of the year.
Notes payable	76,882,880.29	14,054,710.75	447.03	Mainly due to the increase in the balance which was settled by businesses including the education informatized business using notes at the end of the Period as compared with the beginning of the year.
Contract liabilities	722,179,089.13	376,701,382.73	91.71	Mainly due to the increase in receipts in advance for the education service business at the end of the Period as compared with the beginning of the year.
Employee benefits payable	286,358,882.54	418,106,174.73	(31.51)	Mainly due to the effect of withholding performance.
Deferred income tax liabilities	72,263,907.48	54,883,601.32	31.67	Mainly due to the increase in deferred income tax liabilities arising from the investment in associates by Winshare Investment Co., Ltd. using equity method and the fair value changes of funds held including Winshare Hengxin.

ANALYSIS ON SIGNIFICANT CHANGES IN INCOME STATEMENT ITEMS

Unit: Yuan Currency: RMB

Item	January to September 2020	January to September 2019	Change (%)	Reasons for changes
Operating income	5,728,576,910.00	5,828,384,140.56	(1.71)	In the first half of the year, due to the impact of the outbreak of COVID-19, a decrease was recorded in sales revenue from the general book publication, physical store sales, education informatized and equipment businesses as compared with the same period of last year, but the sales in the third quarter gradually recovered.
Operating costs	3,461,584,066.60	3,606,739,556.74	(4.02)	The decline in operating costs was driven by the decline in sales. As a result of the change in sales structure, the combined ratio for the Period decreased as compared with the same period of last year.
Research and development expenditure	1,165,496.74	2,490,350.75	(53.20)	Mainly due to the decrease in the part expenditure on research and development commitments in the area of education informatized business during the Period as compared with the same period of last year.
Finance expenses	(38,716,789.65)	(22,824,126.36)	N/A	Mainly due to the increase in interest income from bank deposits.
Other incomes	44,968,033.16	83,141,104.18	(45.91)	Mainly due to the tax refund received during the Period as a result of the difference in the timing of implementation of policies, and the year-on-year decrease in book subsidy income recognised during the Period.

Item	January to September 2020	January to September 2019	Change (%)	Reasons for changes
Gains from changes in fair values (loss represented by “-”)	103,318,071.67	(18,475,567.81)	N/A	Mainly due to the growth in income from the fair values of funds held by the Group including Citic M&A and Winshare Hengxin.
Loss on credit impairment (loss represented by “-”)	(140,922,591.26)	(58,698,838.95)	N/A	Mainly due to the increase in provision for credit impairment during the Period as compared with the same period of last year as a result of longer turnover days of trade receivables as the recovery of sales proceeds was, to a certain extent, affected by the COVID-19 outbreak during the Period.
Asset impairment loss (loss represented by “-”)	(40,506,811.58)	(27,467,844.39)	N/A	Mainly due to the increase in provision for decline in value of inventory during the Period as compared with the same period of last year as a result of the increase in inventory balance and inventory turnover days affected by the COVID-19 outbreak.
Gain on asset disposal (loss represented by “-”)	179,991.14	3,481,337.72	(94.83)	Mainly due to the greater gain on disposal of vehicles for office use and disposal of a property by a subsidiary of the Group in the same period of last year.
Non-operating income	9,792,233.76	1,779,758.59	450.20	Mainly due to the compensation received from the PRC government with respect to land requisition for renovation and construction of High Speed Rail and the compensation received with respect to housing demolition and relocation in Qionglai and Qingbaijiang during the Period.
Non-operating expenses	28,381,942.30	20,829,478.02	36.26	Mainly due to the year-on-year increase in donation expenses made by the Group as a result of the COVID-19 outbreak.
Non-controlling interests (net loss represented by “-”)	(13,797,441.89)	(7,885,618.73)	N/A	Mainly due to the fluctuations in the operating results of non-wholly owned subsidiaries.
Other comprehensive income net, after tax	42,359,759.95	(121,555,295.72)	N/A	Mainly due to the fluctuations in the market price of shares of listed companies including Wan Xin Media and Bank of Chengdu held by the Group.

ANALYSIS ON SIGNIFICANT CHANGES IN CASH-FLOW STATEMENT ITEMS

Unit: Yuan Currency: RMB

Item	January to September 2020	January to September 2019	Change (%)	Analysis of major changes
Net cash flow from operating activities	1,328,265,355.95	958,997,135.04	38.51	Mainly due to the increase in the amount of recovery of receivables for the education service business during the Period as compared with the same period of last year.
Net cash flow from investing activities	(285,875,877.70)	1,089,322,654.07	(126.24)	Mainly due to the substantial increase in cash outflow as compared with the same period of last year as a result of the rolling purchase of wealth management products due for recovery during the Period.
Cash received from tax refund	26,729,062.87	58,932,737.22	(54.64)	Mainly due to the substantial decrease in the refund of value-added tax received during the Period as compared with the same period of last year as a result of the difference in the timing of implementation of policies.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,363,854.10	8,126,916.65	(70.91)	The year-on-year decrease in asset disposal during the Period was mainly due to the greater cash inflow on disposal of vehicles for office use and disposal of a property by a subsidiary in the same period of last year.
Cash paid to acquire investments	1,922,716,455.74	605,401,946.25	217.59	Mainly due to the substantial increase in cash outflow as compared with the same period of last year as a result of the rolling purchase of wealth management products due for recovery during the Period.
Cash receipts from capital contributions	–	3,000,000.00	(100.00)	Due to the receipts of capital contributions from minority shareholders by a subsidiary during the last period.
Other cash payments relating to financing activities	62,845,159.21	41,571,320.91	51.17	Mainly due to the increase in cash paid for repayment of principal and interests of lease liabilities during the Period as compared with the same period of last year.

IV. APPENDICES

4.1 Financial statements

Consolidated Balance Sheet 30 September 2020

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Cash and bank balances	4,321,797,114.76	3,512,103,793.03
Held-for-trading financial assets	1,290,036,580.66	1,280,006,671.94
Notes receivable	920,000.00	2,218,450.46
Accounts receivable	1,670,461,855.60	1,761,441,147.35
Financing for receivables	6,684,843.66	7,007,859.79
Prepayments	89,425,640.72	58,181,516.90
Other receivables	115,636,685.06	104,061,715.50
Including: Dividends receivable	72,000.00	–
Inventories	2,729,683,464.66	2,157,448,334.24
Non-current assets due within one year	146,036,368.70	125,609,106.15
Other current assets	80,794,229.92	77,122,753.65
Total current assets	10,451,476,783.74	9,085,201,349.01
Non-current assets:		
Long-term receivables	219,740,617.31	350,957,672.37
Long-term equity investments	494,050,566.89	449,653,943.26
Other equity instrument investment	1,452,203,368.03	1,409,845,288.08
Other non-current financial assets	679,592,595.80	527,436,409.71
Investment properties	85,782,528.67	68,648,805.99
Fixed assets	1,284,209,764.89	1,322,693,949.23
Construction in progress	643,389,806.77	626,686,549.71
Right-of-use assets	401,172,526.24	437,964,136.29
Intangible assets	347,592,160.00	367,011,714.16
Development cost	26,105,238.47	15,224,896.49
Goodwill	500,571,581.14	500,590,036.14
Long-term prepaid expenses	20,212,203.49	24,642,631.46
Deferred income tax assets	19,697,868.51	16,124,167.44
Other non-current assets	164,972,100.92	121,821,923.19
Total non-current assets	6,339,292,927.13	6,239,302,123.52
Total assets	16,790,769,710.87	15,324,503,472.53

Item	30 September 2020	31 December 2019
Contract liabilities		
Notes payable	76,882,880.29	14,054,710.75
Accounts payable	5,074,635,502.07	4,315,781,514.83
Contract liabilities	722,179,089.13	376,701,382.73
Employee benefits payable	286,358,882.54	418,106,174.73
Taxes payable	60,260,336.01	49,032,631.64
Other payables	317,194,712.91	297,303,824.56
Including: Dividends payable	318,070.11	–
Non-current liabilities due within one year	104,429,789.13	93,885,902.56
Other current liabilities	189,344,919.44	172,783,579.12
Total current liabilities	6,831,286,111.52	5,737,649,720.92
Non-current Liabilities:		
Lease liabilities	301,455,598.41	353,248,365.44
Deferred income	50,547,529.30	58,755,458.63
Deferred income tax liabilities	72,263,907.48	54,883,601.32
Total non-current liabilities	424,267,035.19	466,887,425.39
Total liabilities	7,255,553,146.71	6,204,537,146.31
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	1,233,841,000.00	1,233,841,000.00
Capital reserve	2,572,524,766.32	2,572,524,766.32
Other comprehensive income	1,021,657,619.78	979,297,859.83
Surplus reserve	792,353,770.15	792,353,770.15
Undistributed profits	4,017,547,713.79	3,629,232,391.16
Total equity attributable to shareholders (or shareholders' equity) of the parent company	9,637,924,870.04	9,207,249,787.46
Minority interest	(102,708,305.88)	(87,283,461.24)
Total owners' equity (or shareholders' equity)	9,535,216,564.16	9,119,966,326.22
Total liabilities and owners' equity (or shareholders' equity)	16,790,769,710.87	15,324,503,472.53

Balance Sheet of the Parent Company
30 September 2020

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Cash and bank balances	3,440,063,003.80	2,643,010,670.59
Held-for-trading financial assets	840,036,580.66	1,130,006,671.94
Accounts receivable	708,623,391.68	761,232,857.11
Financing for receivables	–	996,802.16
Prepayments	26,747,518.63	15,731,020.78
Other receivables	519,452,504.84	943,677,036.44
Including: Dividends receivable	–	320,000,000.00
Inventories	999,516,255.31	1,005,488,071.76
Non-current assets due within one year	55,004,510.85	37,854,904.23
Other current assets	51,536,013.13	51,787,766.66
Total current assets	6,640,979,778.90	6,589,785,801.67
Non-current assets:		
Long-term receivables	81,210,710.76	126,256,199.31
Long-term equity investments	3,641,082,562.29	3,461,665,665.81
Other equity instrument investment	1,450,992,000.00	1,408,627,200.00
Other non-current financial assets	156,123,144.61	111,887,206.48
Investment properties	19,213,366.75	19,888,509.27
Fixed assets	879,619,448.06	895,397,065.87
Construction in progress	643,339,549.55	626,640,526.12
Right-of-use assets	377,030,458.73	403,799,157.21
Intangible assets	141,207,199.48	144,754,357.02
Development cost	5,999,999.83	2,399,999.93
Long-term prepaid expenses	7,433,567.60	11,132,727.93
Other non-current assets	659,107,706.93	601,698,374.42
Total non-current assets	8,062,359,714.59	7,814,146,989.37
Total assets	14,703,339,493.49	14,403,932,791.04

Item	30 September 2020	31 December 2019
Current Liabilities:		
Accounts payable	4,340,014,453.17	4,321,954,237.88
Contract liabilities	577,160,674.78	274,971,650.68
Employee benefits payable	177,396,474.88	274,810,728.97
Taxes payable	22,385,994.19	18,572,632.61
Other payables	675,090,105.12	596,955,023.80
Non-current liabilities due within one year	91,915,160.66	76,800,069.97
Other current liabilities	53,768,300.75	46,538,568.99
Total current liabilities	5,937,731,163.55	5,610,602,912.90
Non-current Liabilities:		
Lease liabilities	291,624,136.81	338,778,490.39
Deferred income	4,850,602.49	6,599,375.93
Total non-current liabilities	296,474,739.30	345,377,866.32
Total liabilities	6,234,205,902.85	5,955,980,779.22
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	1,233,841,000.00	1,233,841,000.00
Capital reserve	2,631,057,328.10	2,631,057,328.10
Other comprehensive income	1,023,265,006.10	980,900,206.10
Surplus reserve	791,519,020.02	791,519,020.02
Undistributed profits	2,789,451,236.42	2,810,634,457.60
Total owners' equity (or shareholders' equity)	8,469,133,590.64	8,447,952,011.82
Total liabilities and owners' equity (or shareholders' equity)	14,703,339,493.49	14,403,932,791.04

Consolidated Income Statement
From January to September 2020

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Total operating income	2,122,291,885.71	1,953,998,752.36	5,728,576,910.00	5,828,384,140.56
Including: Operating income	2,122,291,885.71	1,953,998,752.36	5,728,576,910.00	5,828,384,140.56
II. Total operating costs	1,915,841,310.48	1,796,599,519.54	5,033,286,469.34	5,193,294,603.61
Including: Operating costs	1,428,829,622.50	1,275,587,450.75	3,461,584,066.60	3,606,739,556.74
Taxes and levies	7,965,787.04	9,068,015.44	28,322,088.36	23,270,228.57
Selling expenses	183,365,778.64	203,193,288.68	789,741,894.77	775,755,778.01
Administrative expenses	315,160,981.82	324,950,926.15	791,189,712.52	807,862,815.90
Research and development expenditure	392,191.57	561,265.79	1,165,496.74	2,490,350.75
Finance expenses	(19,873,051.09)	(16,761,427.27)	(38,716,789.65)	(22,824,126.36)
Including: Interest expenses	5,758,791.67	4,232,283.16	17,311,825.92	13,406,112.76
Interest income	26,710,500.41	21,209,233.92	62,787,931.67	39,382,507.19
Add: Other income	27,653,504.92	9,178,115.54	44,968,033.16	83,141,104.18
Investment income (loss represented by “-”)	14,452,368.27	36,714,201.78	119,435,864.17	159,470,460.74
Including: Income from investment in associates and joint ventures	5,823,896.42	3,466,355.51	37,262,989.81	51,827,259.92
Gains from changes in fair values (loss represented by “-”)	(23,844,743.18)	(1,997,545.69)	103,318,071.67	(18,475,567.81)
Loss from credit impairment (loss represented by “-”)	(36,418,980.25)	(19,553,901.51)	(140,922,591.26)	(58,698,838.95)
Loss from asset impairment (loss represented by “-”)	(9,183,047.39)	(7,115,782.77)	(40,506,811.58)	(27,467,844.39)
Gain on disposal of assets (loss represented by “-”)	(8,883.24)	354,356.33	179,991.14	3,481,337.72
III. Operating profit (loss represented by “-”)	179,100,794.36	174,978,676.50	781,762,997.96	776,540,188.44
Add: Non-operating income	4,443,702.44	153,880.97	9,792,233.76	1,779,758.59
Less: Non-operating expenses	10,176,038.89	8,110,817.60	28,381,942.30	20,829,478.02
IV. Total profit (total loss represented by “-”)	173,368,457.91	167,021,739.87	763,173,289.42	757,490,469.01
Less: Income tax expenses	(3,668,192.08)	1,435,048.88	18,503,108.68	18,362,306.30

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
V. Net profit (net loss represented by “-”)	177,036,649.99	165,586,690.99	744,670,180.74	739,128,162.71
(I) Categorized by the nature of continuing operation				
1. Net profit from continuing operation (net loss represented by “-”)	177,036,649.99	165,586,690.99	744,670,180.74	739,128,162.71
(II) Categorized by ownership				
1. Net profit attributable to shareholders of the parent company (net loss expressed with “-”)	178,208,646.48	167,511,009.09	758,467,622.63	747,013,781.44
2. Profit/loss attributable to minority shareholders (net loss represented by “-”)	(1,171,996.49)	(1,924,318.10)	(13,797,441.89)	(7,885,618.73)
VI. Other comprehensive income, net of tax	121,263,152.50	(126,301,248.43)	42,359,759.95	(121,555,295.72)
(I) Other comprehensive income attributable to owners of the parent company, net of tax	121,263,152.50	(126,301,248.43)	42,359,759.95	(121,555,295.72)
1. Other comprehensive income not reclassified to profit or loss	121,263,152.50	(126,301,248.43)	42,359,759.95	(121,555,295.72)
(1) Fair value changes of other equity instrument investment	121,263,152.50	(126,301,248.43)	42,359,759.95	(121,555,295.72)
VII. Total comprehensive income	298,299,802.49	39,285,442.56	787,029,940.69	617,572,866.99
(I) Total comprehensive income attributable to owners of the parent company	299,471,798.98	41,209,760.66	800,827,382.58	625,458,485.72
(II) Total comprehensive income attributable to minority shareholders	(1,171,996.49)	(1,924,318.10)	(13,797,441.89)	(7,885,618.73)
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	0.14	0.14	0.61	0.61
(II) Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A

Income Statement of the Parent Company
From January to September 2020

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Third quarter of 2020 (July - September)	Third quarter of 2019 (July - September)	First three quarters of 2020 (January - September)	First three quarters of 2019 (January - September)
I. Operating income	1,197,943,422.24	1,075,267,990.68	3,715,076,731.11	3,426,972,662.48
Less: Operating costs	807,114,485.79	673,976,399.32	2,212,472,075.05	1,975,660,684.25
Taxes and levies	1,551,079.83	3,221,700.92	14,461,404.12	10,082,446.97
Selling expenses	177,432,367.41	168,939,768.05	595,165,021.82	568,391,704.10
Administrative expenses	197,347,652.12	212,317,800.26	565,069,233.96	589,041,993.85
Research and development expenditure	-	-	-	11,904.76
Finance expenses	(16,603,217.89)	(13,579,517.20)	(29,134,273.26)	(12,368,949.21)
Including: Interest expenses	6,528,586.17	5,528,294.60	20,686,365.30	17,548,809.61
Interest income	24,026,708.62	18,324,590.37	54,725,484.35	30,566,513.28
Add: Other income	760,618.19	1,336,736.52	2,634,702.94	2,937,847.11
Investment income (loss represented by "-")	795,707.82	23,006,332.95	57,037,424.72	103,459,209.29
Including: Income from investment in associates and joint ventures	(1,740,683.87)	(3,640,948.85)	(15,730,060.31)	2,270,382.88
Gains from changes in fair values (loss represented by "-")	(367,405.71)	1,986,471.14	44,250,910.52	4,159,362.54
Loss from credit impairment (loss represented by "-")	(30,636,309.91)	(18,465,182.19)	(85,629,521.50)	(45,211,371.83)
Loss from asset impairment (loss represented by "-")	1,549,793.25	(3,316,834.48)	(6,382,932.54)	(12,931,590.00)
Gain on disposal of assets (loss represented by "-")	20,588.91	46,406.97	214,387.25	2,401,335.91

Item	Third quarter of 2020 (July - September)	Third quarter of 2019 (July - September)	First three quarters of 2020 (January - September)	First three quarters of 2019 (January - September)
II. Operating profit (loss represented by “-”)	3,224,047.53	34,985,770.24	369,168,240.81	350,967,670.78
Add: Non-operating income	2,813,028.17	16,082.88	7,624,142.40	1,302,425.93
Less: Non-operating expenses	9,874,613.20	7,822,205.13	27,823,304.39	20,326,751.95
III. Total profit (total loss represented by “-”)	(3,837,537.50)	27,179,647.99	348,969,078.82	331,943,344.76
IV. Net profit (net loss represented by “-”)	(3,837,537.50)	27,179,647.99	348,969,078.82	331,943,344.76
(I) Net profit from continuing operation (net loss represented by “-”)	(3,837,537.50)	27,179,647.99	348,969,078.82	331,943,344.76
V. Other comprehensive income, net of tax	121,193,600.00	(126,244,800.00)	42,364,800.00	(121,593,600.00)
(I) Other comprehensive income not reclassified to profit or loss	121,193,600.00	(126,244,800.00)	42,364,800.00	(121,593,600.00)
1. Fair value changes of other equity instrument investment	121,193,600.00	(126,244,800.00)	42,364,800.00	(121,593,600.00)
VI. Total comprehensive income	117,356,062.50	(99,065,152.01)	391,333,878.82	210,349,744.76
VII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	N/A	N/A	N/A	N/A
(II) Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A

Consolidated Cash Flow Statement

From January to September 2020

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	6,464,948,689.98	6,114,101,295.98
Tax refund received	26,729,062.87	58,932,737.22
Other cash receipts relating to operating activities	184,941,705.94	205,380,673.13
Sub-total of cash inflows from operating activities	6,676,619,458.79	6,378,414,706.33
Cash paid for goods purchased and services received	3,666,966,010.49	3,711,702,181.77
Cash paid to and on behalf of employees	923,932,832.90	953,905,208.66
Payments of taxes	83,450,961.74	74,413,654.68
Other cash payments relating to operating activities	674,004,297.71	679,396,526.18
Sub-total of cash outflows from operating activities	5,348,354,102.84	5,419,417,571.29
Net cash flow from operating activities	1,328,265,355.95	958,997,135.04
II. Cash flows from investing activities:		
Cash receipts from disposal of investments	1,857,105,167.17	1,880,421,404.00
Cash receipts from investment income	83,213,643.02	114,725,708.98
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,363,854.10	8,126,916.65
Other cash receipts relating to investing activities	77,580,500.00	60,020,764.08
Sub-total of cash inflows from investing activities	2,020,263,164.29	2,063,294,793.71
Cash paid to acquire fixed assets, intangible assets and other long-term assets	66,022,586.25	93,106,672.86
Cash paid to acquire investments	1,922,716,455.74	605,401,946.25
Other cash payments relating to investing activities	317,400,000.00	275,463,520.53
Sub-total of cash outflows from investing activities	2,306,139,041.99	973,972,139.64
Net cash flow from investment activities	(285,875,877.70)	1,089,322,654.07

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III. Cash flows from financing activities:		
Cash receipts from capital contributions	–	3,000,000.00
Including: Cash received by subsidiaries from receiving minority investment	–	3,000,000.00
Sub-total of cash inflows from financing activities	–	3,000,000.00
Cash paid for dividend, profit appropriation or interest	371,270,420.53	370,429,473.16
Including: Dividends and profits paid to minority shareholders by subsidiaries	–	277,173.16
Other cash payments relating to financing activities	62,845,159.21	41,571,320.91
Sub-total of cash outflows from financing activities	434,115,579.74	412,000,794.07
Net cash flow from financing activities	(434,115,579.74)	(409,000,794.07)
IV. Net increase in cash and cash equivalents	608,273,898.51	1,639,318,995.04
Add: Opening balance of cash and cash equivalents	3,470,037,468.97	2,576,699,731.25
V. Closing balance of cash and cash equivalents	4,078,311,367.48	4,216,018,726.29

Cash Flow Statement of the Parent Company
From January to September 2020

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	4,099,597,290.35	3,975,703,150.74
Other cash receipts relating to operating activities	139,252,170.68	89,083,514.02
Sub-total of cash inflows from operating activities	4,238,849,461.03	4,064,786,664.76
Cash paid for goods purchased and services received	2,038,983,634.65	2,330,044,890.56
Cash paid to and on behalf of employees	623,270,329.45	652,328,878.11
Payments of taxes	13,478,705.49	10,863,103.05
Other cash payments relating to operating activities	591,451,330.99	608,648,849.54
Sub-total of cash outflows from operating activities	3,267,184,000.58	3,601,885,721.26
Net cash flow from operating activities	971,665,460.45	462,900,943.50
II. Cash flows from investing activities:		
Cash receipts from disposal of investments	1,230,738,253.98	1,621,430,324.89
Cash receipts from investment income	74,270,655.53	384,667,493.84
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	848,686.10	4,121,143.65
Net cash received from disposal of subsidiaries and other business units	4,088,398.46	–
Other cash receipts relating to investing activities	235,813,862.19	85,000,000.00
Sub-total of cash inflows from investing activities	1,545,759,856.26	2,095,218,962.38
Cash paid to acquire fixed assets, intangible assets and other long-term assets	54,707,208.68	65,822,675.27
Cash paid to acquire investments	1,140,290,821.94	367,411,946.25
Other cash payments relating to investing activities	360,000,000.00	254,000,000.00
Sub-total of cash outflows from investing activities	1,554,998,030.62	687,234,621.52
Net cash flow from investment activities	(9,238,174.36)	1,407,984,340.86

Item	First three quarters of 2020 (January – September)	First three quarters of 2019 (January – September)
III. Cash flows from financing activities:		
Other cash receipts relating to financing activities	100,000,000.00	83,000,000.00
Sub-total of cash inflows from financing activities	100,000,000.00	83,000,000.00
Cash paid for dividend, profit appropriation or interest	370,152,300.00	370,152,300.00
Other cash payments relating to financing activities	91,435,658.36	31,406,597.27
Sub-total of cash outflows from financing activities	461,587,958.36	401,558,897.27
Net cash flow from financing activities	(361,587,958.36)	(318,558,897.27)
IV. Net increase in cash and cash equivalents	600,839,327.73	1,552,326,387.09
Add: Opening balance of cash and cash equivalents	2,638,250,163.76	1,747,274,865.08
V. Closing balance of cash and cash equivalents	3,239,089,491.49	3,299,601,252.17

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

Sichuan, the PRC, 29 October 2020

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*