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新華文軒出版傳媒股份有限公司

XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*

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

(Stock Code: 811)

2022 FIRST QUARTERLY REPORT

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司) (the “**Company**”) is pleased to announce the unaudited results (the “**First Quarterly Report**”) of the Company and its subsidiaries (collectively the “**Group**”) for the first quarter ended 31 March 2022 (the “**Period**” or the “**Reporting Period**”). This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

I. IMPORTANT NOTICE

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

The head of the Company Mr. Luo Yong, the person-in-charge of accounting affairs Mr. Ma Xiaofeng, and the person-in-charge of the accounting department (chief accountant) Ms. Wu Sufang, warrant the truthfulness, accuracy and completeness of the financial statements in the First Quarterly Report.

The First Quarterly Report of the Company is unaudited. The audit committee of the Company has reviewed the results of the Group for the first quarter ended 31 March 2022.

II. MAJOR FINANCIAL DATA

(I) Major accounting data and financial indicators

Unit: Yuan Currency: RMB

Item	Reporting Period	Increase/ decrease compared to the corresponding period of the prior year (%)
Operating income	2,206,716,104.48	12.98
Net profit attributable to shareholders of the listed company	169,164,500.87	8.15
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	152,212,088.80	(1.82)
Net cash flow from operating activities	(54,677,974.09)	N/A
Basic earnings per share (RMB/share)	0.14	5.46
Diluted earnings per share (RMB/share)	N/A	N/A
Weighted average return on net assets (%)	1.48	Decrease of 0.01 percentage point

	As at the end of the Reporting Period	As at the end of the prior year (Audited)	Increase/ decrease compared to the end of the prior year (%)
Total assets	19,516,750,637.42	18,773,945,790.88	3.96
Owners' equity attributable to shareholders of the listed company	11,638,565,596.69	11,221,560,023.75	3.72

(II) Items and amounts of non-recurring profit or loss

Unit: Yuan Currency: RMB

Item	Amount for the Period
Profit or loss on disposal of non-current assets	152,334.36
Government subsidies (except for government subsidies which are closely related to the normal business operations of the Company and entitled in standard amounts or quantities in conformity with the provisions of policies of the State) attributable to profit or loss for the Period	3,834,401.51
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)	29,614.87
Other non-operating income and expenses apart from the above items	13,103,217.33
Less: Effect of income tax	58,328.79
Effect of minority interests (after tax)	108,827.21
Total	16,952,412.07

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

The principal business of Winshare Investment Co., Ltd., which is a wholly-owned subsidiary of the Company, is investment holding. Its investment income and profits or losses from fair value changes from disposing and holding of financial assets at fair value through profit or loss are not recognized as non-recurring profit or loss; the investment income and loss from fair value changes for the Period amounted to nil (prior year: nil) and RMB54,811,546.77 (same period of prior year: RMB50,521,601.94), respectively.

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

Name of item	Change (%)	Main reason
Net cash flow from operating activities	N/A	Net cash outflow from operating activities for the Period increased as compared with the corresponding period of the prior year, mainly due to the increase in expenses such as taxes and labour costs paid during the Period as compared with the corresponding period of the prior year.

III. SHAREHOLDER INFORMATION

Total number of shareholders of ordinary shares and shareholders of preference shares with restored voting rights and shareholding of the top ten shareholders

Unit: share

Total number of shareholders of ordinary shares as at 31 March 2022 21,432

Name of shareholder	Nature of shareholder	Shareholding of top ten shareholders			Pledged, marked or locked-up	
		Number of shares held	Shareholding percentage (%)	Number of restricted shares held	Status of shares	Number
Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司)	State	682,687,525	55.33	–	Nil	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	277,181,099	22.46	–	Unknown	–
Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業有限公司)	Domestic non-state-owned legal person	53,336,000	4.32	–	Nil	–
Brown Brothers Harriman & Co. (Note 1)	Unknown	38,626,617	3.13	–	Unknown	–
Sichuan Cultural Industry Investment Group Co., Ltd.* (四川文化產業投資集團有限責任公司)	State-owned legal person	36,896,945	2.99	–	Nil	–
Seafarer Capital Partner, LLC (Note 1)	Unknown	30,875,500	2.50	–	Unknown	–
Sichuan Daily Newspaper Group* (四川日報報業集團)	State-owned legal person	9,264,513	0.75	–	Nil	–
Liaoning Bohong Investment Co., Ltd.* (遼寧博鴻投資有限公司) (Note 2)	State-owned legal person	6,485,160	0.53	–	Nil	–
YUM FUNG KING	Unknown	2,000,000	0.16	–	Nil	–
Vanguard Investment Australia Ltd. – Vanguard Emerging Market Stock Index Fund (Exchange)	Unknown	1,796,153	0.15	–	Nil	–

Shareholding of top ten unrestricted shareholders

Name of shareholder	Number of unrestricted tradable shares held	Class and number of shares	
		Class of shares	Number
Sichuan Xinhua Publishing and Distribution Group Co., Ltd.* (四川新華出版發行集團有限公司)	682,687,525	RMB ordinary shares	592,809,525
		Overseas listed foreign shares	89,878,000
Hong Kong Securities Clearing Company Limited	277,181,099	RMB ordinary shares	7,756,289
		Overseas listed foreign shares	269,424,810
Chengdu Hua Sheng (Group) Industry Co., Ltd.* (成都市華盛(集團)實業 有限公司)	53,336,000	RMB ordinary shares	53,336,000
Brown Brothers Harriman & Co. (Note 1)	38,626,617	Overseas listed foreign shares	38,626,617
Sichuan Cultural Industry Investment Group Co., Ltd.* (四川文化產業 投資集團有限責任公司)	36,896,945	RMB ordinary shares	30,572,945
		Overseas listed foreign shares	6,324,000
Seafarer Capital Partner, LLC (Note 1)	30,875,500	Overseas listed foreign shares	30,875,500
Sichuan Daily Newspaper Group* (四川日報報業集團)	9,264,513	RMB ordinary shares	9,264,513
Liaoning Bohong Investment Co., Ltd.* (遼寧博鴻投資有限公司) (Note 2)	6,485,160	RMB ordinary shares	6,485,160
YUM FUNG KING	2,000,000	Overseas listed foreign shares	2,000,000
Vanguard Investment Australia Ltd. – Vanguard Emerging Market Stock Index Fund (Exchange)	1,796,153	RMB ordinary shares	1,796,153

Notes:

- The data are sourced from the “Disclosure of Interests” on the website of the Stock Exchange.
- Liaoning Publication Group Co., Ltd. holds 6,485,160 A shares of the Company through its wholly-owned subsidiary, Liaoning Bohong Investment Co., Ltd.

IV. QUARTERLY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

31 March 2022

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	31 March 2022	31 December 2021 (Audited)
Current assets:		
Cash and bank balances	5,723,874,216.84	6,040,029,278.72
Held-for-trading financial assets	177,174,000.00	20,945.15
Notes receivable	6,587,040.18	10,545,962.27
Accounts receivable	2,138,145,165.83	1,555,884,147.93
Financing receivables	9,504,117.00	5,132,438.00
Prepayments	81,349,844.24	79,323,179.35
Other receivables	128,350,618.96	101,641,043.44
Including: Dividends receivable	–	1,600,000.00
Inventories	2,751,762,696.66	2,742,158,426.84
Contract assets	30,467,603.23	34,660,471.53
Non-current assets due within one year	157,272,391.21	172,294,518.11
Other current assets	594,718,404.31	502,276,759.44
Total current assets	11,799,206,098.46	11,243,967,170.78
Non-current assets:		
Long-term receivables	105,675,172.32	143,479,125.91
Long-term equity investments	736,703,249.63	754,803,876.08
Other equity instrument investment	1,855,915,559.96	1,608,071,463.87
Other non-current financial assets	643,033,043.22	723,047,595.79
Investment properties	78,696,447.60	82,653,580.43
Fixed assets	1,997,197,774.14	2,014,782,433.12
Construction in progress	181,623,431.66	144,794,764.90
Right-of-use assets	411,614,587.30	345,014,851.31
Intangible assets	373,684,831.31	379,475,191.25
Development cost	2,156,678.88	2,561,158.72
Goodwill	500,571,581.14	500,571,581.14
Long-term prepaid expenses	16,517,370.35	15,260,900.36
Deferred income tax assets	27,460,684.42	23,931,737.96
Other non-current assets	786,694,127.03	791,530,359.26
Total non-current assets	7,717,544,538.96	7,529,978,620.10
Total assets	19,516,750,637.42	18,773,945,790.88

Item	31 March 2022	31 December 2021 (Audited)
Current liabilities:		
Notes payable	15,693,246.32	45,285,599.60
Accounts payable	5,418,840,083.43	5,406,581,179.99
Contract liabilities	1,141,881,413.58	542,086,414.16
Employee benefits payable	242,355,356.18	594,173,428.34
Taxes payable	53,184,576.79	62,425,209.54
Other payables	419,837,054.50	386,886,795.47
Non-current liabilities due within one year	85,749,992.95	101,706,168.70
Other current liabilities	214,211,160.07	201,498,906.04
Total current liabilities	7,591,752,883.82	7,340,643,701.84
Non-current liabilities:		
Lease liabilities	350,738,726.78	259,594,365.23
Deferred income	29,871,365.04	31,146,881.78
Deferred income tax liabilities	19,521,019.66	32,872,282.61
Total non-current liabilities	400,131,111.48	323,613,529.62
Total liabilities	7,991,883,995.30	7,664,257,231.46
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	1,233,841,000.00	1,233,841,000.00
Capital reserve	2,572,524,766.32	2,572,524,766.32
Other comprehensive income	1,426,683,829.64	1,178,842,757.57
Surplus reserve	1,009,210,479.29	1,009,210,479.29
Undistributed profits	5,396,305,521.44	5,227,141,020.57
Total owners' equity (or shareholders' equity)	11,638,565,596.69	11,221,560,023.75
attributable to the parent company	(113,698,954.57)	(111,871,464.33)
Minority interests	(113,698,954.57)	(111,871,464.33)
Total owners' equity (or shareholders' equity)	11,524,866,642.12	11,109,688,559.42
Total liabilities and owners' equity (or shareholders' equity)	19,516,750,637.42	18,773,945,790.88

CONSOLIDATED INCOME STATEMENT

From January to March 2022

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	First quarter of 2022	First quarter of 2021
I. Total operating income	2,206,716,104.48	1,953,278,246.59
Including: Operating income	2,206,716,104.48	1,953,278,246.59
II. Total operating costs	1,947,546,890.64	1,681,620,216.52
Including: Operating costs	1,492,458,629.05	1,179,428,685.66
Taxes and levies	5,948,615.20	5,645,369.26
Selling expenses	209,455,298.83	241,257,520.17
Administrative expenses	282,074,361.19	277,807,061.03
Research and development expenditure	1,230,776.05	426,282.89
Finance expenses	(43,620,789.68)	(22,944,702.49)
Including: Interest expenses	5,455,165.66	5,566,331.56
Interest income	50,205,379.75	29,951,429.94
Add: Other income	4,152,576.45	3,961,810.59
Investment income (loss)	(17,164,970.25)	(10,979,982.47)
Including: Income from investment in associates and joint ventures	(17,200,626.48)	(13,169,221.20)
Gain (loss) from changes in fair values	(54,817,588.13)	(50,521,076.34)
Gain (loss) from credit impairment	(48,352,303.36)	(52,334,400.09)
Gain (loss) from asset impairment	(4,088,738.81)	(14,310,060.59)
Gain (loss) on disposal of assets	152,334.36	1,937,373.00

Item	First quarter of 2022	First quarter of 2021
III. Operating profit	139,050,524.10	149,411,694.17
Add: Non-operating income	17,197,743.51	1,460,637.23
Less: Non-operating expenses	4,094,526.18	3,479,400.85
IV. Total profit	152,153,741.43	147,392,930.55
Less: Income tax expenses	(15,183,269.20)	(10,658,611.65)
V. Net profit	167,337,010.63	158,051,542.20
(I) Categorized by the nature of continuing operation		
1. Net profit from continuing operation	167,337,010.63	158,051,542.20
(II) Categorized by ownership		
1. Net profit attributable to shareholders of the parent company	169,164,500.87	156,421,466.70
2. Profit or loss attributable to minority shareholders	(1,827,490.24)	1,630,075.50
VI. Other comprehensive income, net of tax	247,841,072.07	63,602,785.48
(I) Other comprehensive income attributable to owners of the parent company, net of tax	247,841,072.07	63,602,785.48
1. Other comprehensive income that cannot be reclassified to profit or loss	247,841,072.07	63,602,785.48
(1) Fair value changes of other equity instrument investment	247,841,072.07	63,602,785.48
VII. Total comprehensive income	415,178,082.70	221,654,327.68
(I) Total comprehensive income attributable to owners of the parent company	417,005,572.94	220,024,252.18
(II) Total comprehensive income attributable to minority shareholders	(1,827,490.24)	1,630,075.50
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.14	0.13
(II) Diluted earnings per share (RMB/share)	N/A	N/A

CONSOLIDATED CASH FLOW STATEMENT

From January to March 2022

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	First quarter of 2022	First quarter of 2021
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	2,395,535,666.23	2,090,774,629.95
Other cash receipts relating to operating activities	88,464,354.37	66,096,791.99
Sub-total of cash inflows from operating activities	2,484,000,020.60	2,156,871,421.94
Cash paid for goods purchased and services received	1,661,852,900.21	1,387,062,567.48
Cash paid to and on behalf of employees	617,029,706.35	531,399,260.42
Payments of taxes	52,182,704.90	27,922,837.73
Other cash payments relating to operating activities	207,612,683.23	243,783,360.57
Sub-total of cash outflows from operating activities	2,538,677,994.69	2,190,168,026.20
Net cash flow from operating activities	(54,677,974.09)	(33,296,604.26)
II. Cash flows from investing activities:		
Cash receipts from disposal of investments	39,881,887.05	6,640,610.33
Cash receipts from investment income	2,506,324.52	284,693.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	25,650,713.74	2,272,692.90
Sub-total of cash inflows from investing activities	68,038,925.31	9,197,996.94
Cash paid to acquire fixed assets, intangible assets and other long-term assets	64,034,110.11	37,328,277.96
Cash paid to acquire investments	191,799,987.74	617,142,864.83
Other cash payments relating to investing activities	50,000,000.00	-
Sub-total of cash outflows from investing activities	305,834,097.85	654,471,142.79
Net cash flow from investment activities	(237,795,172.54)	(645,273,145.85)
III. Cash flows from financing activities:		
Other cash payments relating to financing activities	20,964,318.06	26,596,017.88
Sub-total of cash outflows from financing activities	20,964,318.06	26,596,017.88
Net cash flow from financing activities	(20,964,318.06)	(26,596,017.88)

Item	First quarter of 2022	First quarter of 2021
IV. Net increase in cash and cash equivalents	(313,437,464.69)	(705,165,767.99)
Add: Opening balance of cash and cash equivalents	5,997,769,686.81	5,740,841,068.18
V. Closing balance of cash and cash equivalents	5,684,332,222.12	5,035,675,300.19

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

Sichuan, the PRC, 28 April 2022

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

* *For identification purposes only*