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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)

2023 THIRD QUARTERLY REPORT

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司) (the “**Company**”) is pleased to announce the unaudited results (the “**Third Quarterly Report**”) of the Company and its subsidiaries (collectively the “**Group**”) for the nine months ended 30 September 2023. This announcement is made pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

I. IMPORTANT NOTICE

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

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

The Third Quarterly Report of the Company is unaudited. The audit committee of the Company has reviewed the results of the Group for the nine months ended 30 September 2023.

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 (%)	Increase/decrease from the beginning of the year to the end of the Reporting Period compared to the corresponding period of prior year (%)	
			From the beginning of the year to the end of the Reporting Period	Reporting Period compared to the corresponding period of prior year (%)
Operating income	2,562,159,945.02	8.95	7,989,707,573.29	8.98
Net profit attributable to shareholders of the listed company	178,314,211.05	226.56	940,470,666.86	21.76
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	180,305,469.31	68.14	981,766,448.39	30.98
Net cash flow from operating activities	N/A	N/A	1,150,598,038.89	34.08
Basic earnings per share (RMB/share)	0.14	226.56	0.76	21.76
Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A
Weighted average return on net assets (%)	1.36	Increased by 0.90 percentage point	7.30	Increased by 0.65 percentage point
		As at the end of the Reporting Period	As at the end of prior year (Audited)	Increase/decrease compared to the end of the prior year (%)
Total assets	22,623,618,464.50	20,651,387,559.36		9.55
Owner's equity attributable to shareholders of the listed company	13,143,011,204.67	12,489,979,423.63		5.23

Note: "Reporting Period" refers to the three-month period from the beginning of the current quarter to the end of the current quarter, the same below.

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

Unit: Yuan Currency: RMB

Item	Amount for the Reporting Period	Amount from the beginning of the year to the end of the Reporting Period
Profit or loss on disposal of non-current assets	293,987.12	561,745.52
Government subsidies (except for government subsidies which are closely related to the ordinary business scope of the Company and entitled in standard amounts or quantities in conformity with the provisions of policies of the State) attributable to profit or loss for the period	4,011,050.17	14,970,685.37
Profit or loss arising from changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and investment gains received from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments (except for those related to effective hedging businesses under the ordinary business scope of the Company)	(249,727.82)	(37,024,428.27)
Other non-operating income and expenses apart from the above items	(5,744,653.95)	(19,723,613.22)
Less: Effect of income tax	20,407.41	553,690.99
Effect of minority interests (after tax)	281,506.37	(473,520.06)
Total	(1,991,258.26)	(41,295,781.53)

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. (“**Winshare Investment**”), which is a 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; investment income and the profits from fair value changes for January to September 2023 amounted to nil (same period of prior year: nil) and RMB25,495,345.42 (same period of prior year: losses from fair value changes of RMB111,070,115.76), respectively.

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

Name of the item	Change proportion (%)	Main reasons
Net profit attributable to shareholders of the listed company_the Reporting Period	226.56	Mainly benefited from the increase in profits brought about by sales growth, and the changes in fair value of the funds held by the Group as a result of stock price fluctuations and other factors.
Basic earnings per share_the Reporting Period	226.56	
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss_the Reporting Period	68.14	Mainly benefited from the increase in profits brought about by sales growth, and the changes in fair value of the funds held by Winshare Investment, a subsidiary of the Company, as a result of stock price fluctuations and other factors.
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss_From the beginning of the year to the end of the Reporting Period	30.98	
Net cash flow from operating activities_From the beginning of the year to the end of the Reporting Period	34.08	Mainly due to the significant increase in net cash inflow from operating activities of the book publishing and distribution business compared with the same period of prior year, and the increase in net cash inflow from operating activities brought about by the merger and acquisition of Liangshanzhou Xinhua Bookstore Co., Ltd.

III. SHAREHOLDER INFORMATION

Total number of shareholders of ordinary shares and shareholdings of the top ten shareholders as at 30 September 2023

Unit: share

Total number of shareholders of ordinary shares as at 30 September 2023 23,474

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	683,589,525	55.40	–	Nil	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	288,258,246	23.36	–	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	36,968,945	3.00	–	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	–
Citic Securities Co., Ltd.	Unknown	1,604,172	0.13	–	Nil	–
Industrial and Commercial Bank of China Limited – Da Cheng CSI 360 Internet + Big Data 100 Index Securities Investment Fund	Unknown	1,484,500	0.12	–	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)	683,589,525	RMB ordinary shares	592,809,525
		Overseas listed foreign shares	90,780,000
Hong Kong Securities Clearing Company Limited	288,258,246	RMB ordinary shares	18,452,436
		Overseas listed foreign shares	269,805,810
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)	36,968,945	RMB ordinary shares	30,572,945
		Overseas listed foreign shares	6,396,000
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
Citic Securities Co., Ltd.	1,604,172	RMB ordinary shares	1,604,172
Industrial and Commercial Bank of China Limited – Da Cheng CSI 360 Internet + Big Data 100 Index Securities Investment Fund	1,484,500	RMB ordinary shares	1,484,500

Notes: 1. The above data is from the “Disclosure of Interests” on the website of the Stock Exchange.

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

IV. QUARTERLY FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	30 September 2023	31 December 2022 (Audited)
Current assets:		
Cash and bank balances	8,220,424,492.44	7,801,800,506.62
Notes receivable	2,473,999.78	2,906,232.79
Accounts receivable	2,484,967,509.82	1,697,878,791.47
Financing receivables	13,079,202.99	8,499,815.79
Prepayments	99,039,230.53	78,587,315.95
Other receivables	167,902,745.74	129,770,862.20
Including: Dividends receivable	2,041,600.00	72,000.00
Inventories	3,193,929,433.18	2,572,840,225.77
Contract assets	5,973,463.18	9,567,253.11
Non-current assets due within one year	92,402,444.90	117,238,899.64
Other current assets	464,105,064.77	331,074,537.47
Total current assets	14,744,297,587.33	12,750,164,440.81
Non-current assets:		
Long-term receivables	28,631,878.33	100,428,300.51
Long-term equity investments	747,426,406.91	748,393,704.39
Other equity instrument investment	2,006,659,878.26	1,874,674,472.69
Other non-current financial assets	511,638,098.84	467,646,874.02
Investment properties	95,197,504.89	95,997,370.92
Fixed assets	2,386,457,102.33	2,453,982,246.63
Construction in progress	37,011,459.55	47,219,096.45
Right-of-use assets	314,091,079.34	378,694,230.48
Intangible assets	376,842,279.19	391,318,045.86
Development cost	1,484,614.52	1,428,449.38
Goodwill	622,652,907.24	622,652,907.24
Long-term prepaid expenses	35,179,054.63	44,357,505.30
Deferred income tax assets	23,819,880.33	23,891,140.32
Other non-current assets	692,228,732.81	650,538,774.36
Total non-current assets	7,879,320,877.17	7,901,223,118.55
Total assets	22,623,618,464.50	20,651,387,559.36

Item	30 September 2023	31 December 2022 (Audited)
Current liabilities:		
Short-term borrowings	28,000,000.00	18,000,000.00
Notes payable	40,728,106.40	29,776,305.93
Accounts payable	6,251,175,645.63	5,424,399,662.93
Receipts in advance	2,252,639.54	1,167,160.30
Contract liabilities	1,328,345,900.06	584,100,139.24
Employee benefits payable	491,724,000.57	704,546,289.83
Taxes payable	66,440,722.50	70,623,802.58
Other payables	373,519,761.02	404,374,959.26
Including: Interests payable	10,138.89	2,000.00
Dividends payable	569,355.87	—
Non-current liabilities due within one year	94,755,778.99	91,632,641.94
Other current liabilities	235,588,507.99	213,833,204.22
Total current liabilities	8,912,531,062.70	7,542,454,166.23
Non-current liabilities:		
Lease liabilities	232,065,187.79	314,531,302.76
Long-term employee benefits payable	30,581,649.90	33,142,176.77
Deferred income	22,699,060.67	25,359,348.84
Deferred income tax liabilities	72,312,787.36	73,867,204.70
Total non-current liabilities	357,658,685.72	446,900,033.07
Total liabilities	9,270,189,748.42	7,989,354,199.30
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	1,577,485,268.36	1,445,418,214.18
Surplus reserve	1,154,424,514.15	1,154,424,514.15
Undistributed profits	6,604,735,655.84	6,083,770,928.98
Total equity attributable to owners (or shareholders' equity) of the parent company	13,143,011,204.67	12,489,979,423.63
Minority interest	210,417,511.41	172,053,936.43
Total owners' equity (or shareholders' equity)	13,353,428,716.08	12,662,033,360.06
Total liabilities and owners' equity (or shareholders' equity)	22,623,618,464.50	20,651,387,559.36

CONSOLIDATED INCOME STATEMENT

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Nine months ended 30 September 2023	Nine months ended 30 September 2022
I. Total operating income	7,989,707,573.29	7,331,498,953.53
Including: Operating income	7,989,707,573.29	7,331,498,953.53
II. Total operating costs	6,975,823,721.25	6,448,772,641.25
Including: Operating costs	5,115,814,260.40	4,788,074,966.27
Taxes and levies	14,711,097.74	27,327,608.91
Selling expenses	909,515,328.46	829,045,092.64
Administrative expenses	1,050,200,594.65	906,031,897.93
Research and development expenditure	12,909,392.76	6,649,769.55
Finance expenses	(127,326,952.76)	(108,356,694.05)
Including: Interest expenses	13,807,356.23	16,268,299.53
Interest income	149,634,055.50	130,662,112.59
Add: Other income	64,726,917.35	56,235,698.47
Investment income (loss)	82,377,044.68	95,382,997.55
Including: Income from investment in associates and joint ventures	(3,767,297.48)	(3,037,961.02)
Gain (loss) from changes in fair values	(11,575,850.75)	(149,046,930.36)
Gain (loss) from credit impairment	(105,563,736.19)	(136,672,102.29)
Gain (loss) from asset impairment	(34,215,643.32)	(21,190,622.59)
Gain on disposal of assets	561,745.52	40,416,937.20
III. Operating profit	1,010,194,329.33	767,852,290.26
Add: Non-operating income	3,784,690.47	3,391,072.86
Less: Non-operating expenses	23,508,303.69	20,112,546.42
IV. Total profit	990,470,716.11	751,130,816.70
Less: Income tax expenses	11,067,118.40	(19,735,222.57)

Item	Nine months ended 30 September 2023	Nine months ended 30 September 2022
V. Net profit	979,403,597.71	770,866,039.27
(I) Categorized by the nature of continuing operation		
1. Net profit from continuing operation	979,403,597.71	770,866,039.27
(II) Categorized by ownership		
1. Net profit attributable to shareholders of the parent company	940,470,666.86	772,399,371.25
2. Profit or loss attributable to minority shareholders	38,932,930.85	(1,533,331.98)
VI. Other comprehensive income, net of tax	132,067,054.18	266,555,744.13
(I) Other comprehensive income attributable to owners of the parent company, net of tax	132,067,054.18	266,555,744.13
1. Other comprehensive income that cannot be reclassified to profit or loss	132,067,054.18	266,555,744.13
(1) Fair value changes of other equity instrument investment	132,067,054.18	266,555,744.13
VII. Total comprehensive income	1,111,470,651.89	1,037,421,783.40
(I) Total comprehensive income attributable to owners of the parent company	1,072,537,721.04	1,038,955,115.38
(II) Total comprehensive income attributable to minority shareholders	38,932,930.85	(1,533,331.98)
VIII. Earnings per share		
(I) Basic earnings per share (RMB/share)	0.76	0.63
(II) Diluted earnings per share (RMB/share)	N/A	N/A

CONSOLIDATED CASH FLOW STATEMENT

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	Nine months ended 30 September 2023	Nine months ended 30 September 2022
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	8,176,510,306.65	7,248,333,532.24
Tax refund received	39,449,325.85	104,591,282.15
Other cash receipts relating to operating activities	263,962,707.93	211,352,679.80
Sub-total of cash inflows from operating activities	8,479,922,340.43	7,564,277,494.19
Cash paid for goods purchased and services received	5,193,344,246.32	4,783,941,405.21
Cash paid to and on behalf of employees	1,401,355,441.87	1,184,166,444.62
Payments of taxes	107,432,109.10	89,240,618.81
Other cash payments relating to operating activities	627,192,504.25	648,785,340.77
Sub-total of cash outflows from operating activities	7,329,324,301.54	6,706,133,809.41
Net cash flow from operating activities	1,150,598,038.89	858,143,684.78
II. Cash flows from investing activities:		
Cash receipts from disposal of investments	162,970,375.25	291,262,769.87
Cash receipts from investment income	90,118,570.85	108,741,676.70
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	799,140.41	39,073,900.53
Other cash receipts relating to investing activities	100,000,000.00	555,500,000.00
Sub-total of cash inflows from investing activities	353,888,086.51	994,578,347.10
Cash paid to acquire fixed assets, intangible assets and other long-term assets	102,802,318.21	131,635,871.48
Cash paid to acquire investments	223,387,857.02	191,783,240.51
Other cash payments relating to investing activities	250,000,000.00	300,000,000.00
Sub-total of cash outflows from investing activities	576,190,175.23	623,419,111.99
Net cash flow from investment activities	(222,302,088.72)	371,159,235.11
III. Cash flows from financing activities:		
Cash received from borrowings	10,000,000.00	–
Sub-total of cash inflows from financing activities	10,000,000.00	–
Cash paid for distribution of dividends, or profit and for interest expenses	419,989,565.06	394,829,120.00
Other cash payments relating to other financing activities	97,166,145.09	100,682,524.88
Sub-total of cash outflows from financing activities	517,155,710.15	495,511,644.88
Net cash flow from financing activities	(507,155,710.15)	(495,511,644.88)

Item	Nine months ended 30 September 2023	Nine months ended 30 September 2022
IV. Net increase in cash and cash equivalents	421,140,240.02	733,791,275.01
Add: Opening balance of cash and cash equivalents	7,762,084,629.28	5,997,769,686.81
V. Closing balance of cash and cash equivalents	8,183,224,869.30	6,731,560,961.82

By Order of the Board
Xinhua Winshare Publishing and Media Co., Ltd.*
Chairman
Zhou Qing

Sichuan, the PRC, 30 October 2023

As at the date of this announcement, the Board comprises (a) Mr. Zhou Qing, Mr. Liu Longzhang and Mr. Li Qiang as executive Directors; (b) Mr. Dai Weidong, Mr. Ke Jiming and Ms. Tan Ao as non-executive Directors; and (c) Mr. Lau Tsz Bun, Mr. Fang Bingxi and Mr. Li Xu as independent non-executive Directors.

* *For identification purposes only*