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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)

## 2024 INTERIM RESULTS ANNOUNCEMENT

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 consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (the “**Period**” or “**Current Period**”) prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), together with the comparative figures for the corresponding period of 2023 (the “**Same Period of Last Year**”).

### CONSOLIDATED BALANCE SHEET

As at 30 June 2024

		<i>RMB</i>	
Item	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and bank balances	5	8,244,180,881.47	9,117,663,825.52
Held-for-trading financial assets		78,709.63	5,220.00
Notes receivable		2,448,019.88	3,758,159.19
Accounts receivable	6	1,743,971,482.68	1,477,171,063.02
Financing receivables		4,014,552.03	4,445,475.96
Prepayments		78,931,946.74	55,483,678.87
Other receivables		262,357,988.75	121,733,914.08
Including: Dividends receivable		129,366,062.35	72,000.00
Inventories	7	2,352,676,852.25	2,641,169,798.03
Contract assets		6,362,152.42	8,817,641.75
Non-current assets due within one year		70,711,649.03	69,763,811.83
Other current assets	8	197,324,091.15	508,621,658.45
<b>Total Current Assets</b>		<b>12,963,058,326.03</b>	<b>14,008,634,246.70</b>

Item	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Non-current Assets:</b>			
Long-term receivables	9	14,757,359.64	34,562,954.24
Long-term equity investments	10	768,949,181.42	771,481,018.72
Other equity instrument investment	11	2,079,485,154.96	1,767,951,589.74
Other non-current financial assets	12	410,923,172.67	449,082,949.02
Investment properties		80,472,702.92	94,146,451.73
Fixed assets	13	2,389,650,233.10	2,380,738,171.45
Construction in progress		50,476,886.51	39,549,969.11
Right-of-use assets		268,902,721.17	299,090,003.20
Intangible assets		351,384,920.45	369,853,435.66
Development cost		2,623,266.62	1,045,459.68
Goodwill	14	622,652,907.24	622,652,907.24
Long-term prepaid expenses		30,889,230.24	32,940,683.68
Deferred tax assets	15	65,424,046.09	50,401,253.62
Other non-current assets	16	1,792,698,873.88	865,432,280.53
<b>Total Non-current Assets</b>		<b>8,929,290,656.91</b>	<b>7,778,929,127.62</b>
<b>TOTAL ASSETS</b>		<b>21,892,348,982.94</b>	<b>21,787,563,374.32</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current Liabilities:</b>			
Short-term borrowings		10,000,000.00	10,000,000.00
Notes payable		23,680,278.64	36,299,683.81
Accounts payable	17	5,433,440,532.14	5,470,058,096.76
Advance receipts		3,052,391.12	519,377.31
Contract liabilities	18	555,919,065.44	607,861,828.48
Employee benefits payable		553,982,797.17	795,130,708.68
Taxes payable	19	98,279,928.92	70,497,049.35
Other payables		476,472,908.87	564,176,104.54
Including: Dividends payable		176,774,840.00	222,091,380.00
Non-current liabilities due within one year		81,921,966.82	94,775,135.71
Other current liabilities		211,769,759.52	224,857,867.64
<b>Total Current Liabilities</b>		<b>7,448,519,628.64</b>	<b>7,874,175,852.28</b>

<b>Item</b>	<i>Notes</i>	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b>Non-current Liabilities:</b>			
Lease liabilities		<b>226,330,439.55</b>	230,930,029.86
Long-term employee benefits payable		–	30,581,649.90
Deferred income		<b>27,007,990.61</b>	20,083,863.80
Deferred tax liabilities	<i>15</i>	<b>252,681,670.38</b>	217,635,807.37
<b>Total Non-current Liabilities</b>		<b>506,020,100.54</b>	499,231,350.93
<b>TOTAL LIABILITIES</b>		<b>7,954,539,729.18</b>	8,373,407,203.21
<b>Shareholders' Equity:</b>			
Share capital	<i>20</i>	<b>1,233,841,000.00</b>	1,233,841,000.00
Capital reserve		<b>2,523,663,464.41</b>	2,523,663,464.41
Other comprehensive income	<i>25</i>	<b>1,402,540,445.09</b>	1,137,699,551.17
Surplus reserve		<b>1,294,713,238.91</b>	1,294,713,238.91
Retained profits	<i>21</i>	<b>7,103,280,120.88</b>	6,881,030,888.86
<b>Total Shareholder's Equity Attributable to Equity Holders of the Parent Company</b>		<b>13,558,038,269.29</b>	13,070,948,143.35
<b>Non-controlling Interests</b>		<b>379,770,984.47</b>	343,208,027.76
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>13,937,809,253.76</b>	13,414,156,171.11
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>21,892,348,982.94</b>	21,787,563,374.32

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

RMB

Item	Notes	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>I. Operating income</b>	21	<b>5,787,816,275.71</b>	5,427,547,628.27
Less: Operating costs	21	<b>3,562,042,236.10</b>	3,319,977,440.48
Taxes and levies		<b>25,551,756.04</b>	7,086,485.01
Selling expenses		<b>715,635,380.70</b>	660,590,684.41
Administrative expenses		<b>749,109,877.40</b>	717,781,572.58
Research and development expenditure		<b>9,364,568.90</b>	8,668,944.20
Finance expenses		<b>(85,134,627.74)</b>	(73,491,949.73)
Including: Interest expense		<b>6,676,754.64</b>	9,335,572.49
Interest income		<b>96,383,472.12</b>	85,982,349.20
Add: Other income		<b>30,047,532.36</b>	57,045,469.81
Investment income		<b>122,750,749.47</b>	100,877,689.79
Including: Income from investments in associates and joint ventures		<b>9,268,834.02</b>	16,165,973.10
Gains (losses) on changes in fair values	23	<b>(36,709,633.98)</b>	(4,637,313.55)
Gains (losses) on credit impairment		<b>(46,035,808.57)</b>	(84,176,818.32)
Gains (losses) on asset impairment		<b>(21,027,688.19)</b>	(40,814,578.89)
Gains on disposal of assets		<b>1,128,329.57</b>	267,758.40
<b>II. Operating profit</b>		<b>861,400,564.97</b>	815,496,658.56
Add: Non-operating income		<b>1,050,289.04</b>	2,955,156.75
Less: Non-operating expenses		<b>14,181,642.72</b>	16,934,116.02
<b>III. Total profit</b>		<b>848,269,211.29</b>	801,517,699.29
Less: Income tax expenses	24	<b>95,920,622.56</b>	12,606,256.50

Item	<i>Notes</i>	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>IV. Net profit</b>		<b>752,348,588.73</b>	788,911,442.79
(I) Categorized by the nature of continuing operation:			
1. Net profit from continuing operations		<b>752,348,588.73</b>	788,911,442.79
(II) Categorized by ownership:			
1. Net profit attributable to shareholders of the parent company		<b>715,785,632.02</b>	762,156,455.81
2. Profit or loss attributable to non-controlling interests		<b>36,562,956.71</b>	26,754,986.98
<b>V. Other comprehensive income, net of tax</b>	<i>25</i>	<b>264,840,893.92</b>	273,637,950.83
(I) Other comprehensive income attributable to shareholders of the parent company, net of tax	<i>25</i>	<b>264,840,893.92</b>	273,637,950.83
1. Other comprehensive income not reclassified to profit or loss	<i>25</i>	<b>264,840,893.92</b>	273,637,950.83
(1) Changes in other equity instrument investment at fair value		<b>264,840,893.92</b>	273,637,950.83
<b>VI. Total comprehensive income</b>		<b>1,017,189,482.65</b>	1,062,549,393.62
Total comprehensive income attributable to shareholders of the parent company		<b>980,626,525.94</b>	1,035,794,406.64
Total comprehensive income attributable to non-controlling interests		<b>36,562,956.71</b>	26,754,986.98
<b>VII. Earnings per share:</b>	<i>26</i>		
(I) Basic earnings per share (RMB/share)		<b>0.58</b>	0.62
(II) Diluted earnings per share (RMB/share)		<b>0.58</b>	0.62

# CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024

RMB

Item	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	5,651,423,761.49	5,512,432,554.31
Receipts of tax refunds	345,661.34	37,540,988.38
Other cash receipts relating to operating activities	124,546,020.34	120,895,825.40
Sub-total of cash inflows from operating activities	5,776,315,443.17	5,670,869,368.09
Cash payments for goods purchased and services received	3,573,152,395.16	3,456,071,893.64
Cash payments to and on behalf of employees	1,207,126,877.24	1,096,591,952.42
Payments of various types of taxes	152,493,658.24	67,196,007.55
Other cash payments relating to operating activities	463,705,155.43	468,856,533.03
Sub-total of cash outflows from operating activities	5,396,478,086.07	5,088,716,386.64
Net Cash Flow from Operating Activities	379,837,357.10	582,152,981.45
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from recovery of investments	913,990.81	154,682,654.69
Cash receipts from investment income	36,052,500.00	1,486,548.79
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	1,984,932.52	546,945.00
Other cash receipts relating to investing activities	300,000,000.00	50,391,589.04
Sub-total of cash inflows from investing activities	338,951,423.33	207,107,737.52
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	51,536,468.46	46,551,405.40
Cash payments to acquire investments	211,558,436.79	153,387,857.02
Other cash payments relating to investing activities	810,000,000.00	100,000,000.00
Sub-total of cash outflows from investing activities	1,073,094,905.25	299,939,262.42
Net Cash Flow from Investing Activities	(734,143,481.92)	(92,831,524.90)
<b>III. Cash Flows from Financing Activities:</b>		
Cash payments for distribution of dividends, profit or settlement of interest expenses	539,028,314.99	269,563,398.33
Including: Payments for distribution of dividends and profits to non-controlling shareholders of subsidiaries	—	—
Other cash payments relating to financing activities	40,143,238.36	40,106,671.14
Sub-total of cash outflows from financing activities	579,171,553.35	309,670,069.47
Net Cash Flow used in Financing Activities	(579,171,553.35)	(309,670,069.47)
<b>IV. Net Increase in Cash and Cash Equivalents (net decrease)</b>	<b>(933,477,678.17)</b>	<b>179,651,387.08</b>
Add: Opening balance of cash and cash equivalents	9,078,342,824.79	7,762,084,629.28
<b>V. Closing Balance of Cash and Cash Equivalents</b>	<b>8,144,865,146.62</b>	<b>7,941,736,016.36</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 1. BASIC INFORMATION ABOUT THE COMPANY

The Company was registered at Sichuan Administration for Industry and Commerce on 11 June 2005 with the share capital of RMB733,370,000.00.

The Company publicly offered 401,761,000 shares of overseas listed foreign shares (“**H Shares**”) (including over-allotment) in Hong Kong and was listed on the Stock Exchange on 30 May 2007. 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 was changed to RMB1,233,841,000.00.

The legal representative of the Company is Mr. Zhou Qing. The registered address of the Company is Unit 1, Block 1, No. 238, Sanse Road, Jinjiang District, Chengdu, Sichuan Province. The headquarters of the Company is located at Xinhua Star Tower A, No. 238, Sanse Road, Jinjiang District, Chengdu, Sichuan Province.

The Group is actually 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 audiovisual products; production of audio tapes, video tapes; logistics; printing of publications, printed matters of package and decoration and other print matters; 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; and catering business.

The parent company of the Company is Sichuan Xinhua Publishing and Distribution Group Co., Ltd. The Company is ultimately and de facto controlled by the State-owned Assets Supervision and Administration Commission of Sichuan Province.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### **Basis of preparation**

The Group has adopted the Accounting Standards for Business Enterprises and relevant regulations issued by the Ministry of Finance. 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 2023), Hong Kong Companies Ordinance and Listing Rules.

#### **Going concern**

The Group assessed its ability to continue as a going concern for the 12 months subsequent to 30 June 2024, and found no events or circumstances that may cast significant doubts upon it. Hence the financial statements have been prepared on a going concern basis.

### 3. TAX INCENTIVES AND OFFICIAL APPROVALS

#### **Enterprise income tax**

In accordance with 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 Ministry of Finance, State Administration of Taxation and Publicity Department of the Chinese Communist Party (“**Publicity Department**”), the Company and its subsidiaries Beijing Shuchuan Xinhua Bookstore Book Distribution Co., Ltd., Sichuan Xinhua Online Network Co., Ltd., Sichuan Winshare Culture Communication Co., Ltd. and the thirteen publishing units under the Company enjoy enterprise income tax exemption for five years from 1 January 2019.

In accordance with the Announcement on Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises for Continuous Implementation of Cultural System Reform (Cai Shui [2023] No. 71) and the Announcement on the List of the First Batch of State-transformed Cultural Enterprises (Liang Cai Fa Shui [2021] No. 4) issued by the Ministry of Finance, State Administration of Taxation and Publicity Department, Liangshanzhou Xinhua Bookstore Co., Ltd. (“**Liangshanzhou Xinhua Bookstore**”), a subsidiary of the Company, is entitled to a five-year enterprise income tax exemption policy from 1 January 2021.

In accordance with the Notice on Renewing the Enterprise Income Tax Policy for Great Western Development (Notice of the MoF [2020] No. 23) issued by the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission, the Company and some of its subsidiaries are included in encouraged industries in Western China, which are subject to enterprise income tax calculated at the rate of 15% of the assessable income.

#### **Value-added tax**

Pursuant to Notice on Persistently Promoting Cultural Value-added Tax Preferential Policies (Announcement of Ministry of Finance and the State Administration of Taxation No. 10 of 2021) issued by the Ministry of Finance and the State Administration of Taxation, for the period from 1 January 2021 to 31 December 2023, the Group’s publications of newspapers and journals published for children and the elderly, textbooks for students in primary and secondary schools and publications for ethnic minorities are entitled to preferential policy of 100% reimbursement of value-added tax during publishing phase; apart from the above publications that are entitled to preferential policy of 100% reimbursement of value-added tax, other publications such as books, journals, audio-visual products and electronic publications are entitled to preferential policy of 50% reimbursement of value-added tax during publishing phase; and the book wholesale and retail business is entitled to exemption from value-added tax. Pursuant to Notice on Persistently Promoting Cultural Value-added Tax Preferential Policies (Announcement of Ministry of Finance and the State Administration of Taxation No. 60 of 2023) issued by the Ministry of Finance and the State Administration of Taxation, for the period from 1 January 2024 to 31 December 2027, the Group is still entitled to the above value-added tax preferential policies.

#### **Property tax**

Pursuant to the Announcement of the Sichuan Provincial Taxation Bureau of the State Administration of Taxation and the Sichuan Provincial Department of Finance on Exemption for Taxpayers in Five Industries, including Transportation, from Property Tax and Urban Land Use Tax in the First Half of 2023 (Announcement of the Sichuan Provincial Tax Bureau of the State Administration of Taxation and the Sichuan Provincial Department of Finance No. 1 of 2023), for the period from 1 January 2023 to 30 June 2024, the Company and its subsidiaries which belong to transportation, warehousing and postal services, wholesale and retail, accommodation, catering, tourism, cultural, sports and entertainment industries are exempt from property tax and urban land use tax.



#### 4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

In 2024, the Group implemented the relevant regulations and guidelines of the Accounting Standards for Business Enterprises issued by the Ministry of Finance in recent years, mainly including:

The provisions on “Classification of Current Liabilities and Non-current Liabilities” in the Accounting Standards for Business Enterprises Interpretation No. 17 (Cai Kuai [2023] No. 21);

The provisions on “Presentation of Warranty-related Guarantee Expenses” in the Accounting Standards for Business Enterprises Compilation of Application Guidelines 2024.

The above changes in accounting policies have no significant impact on the financial statements for the Current Period.

#### 5. CASH AND BANK BALANCES

RMB

Item	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Amounts of the original currencies	Exchange rate	Amount in RMB	Amounts of the original currencies	Exchange rate	Amount in RMB
Cash on hand:						
RMB	148,632.85	1.0000	148,632.85	179,253.14	1.0000	179,253.14
Bank balances:						
RMB (Note 1)	8,203,351,235.43	1.0000	8,203,351,235.43	9,069,239,592.57	1.0000	9,069,239,592.57
USD	19,566.20	7.1268	139,444.39	21,844.91	7.0827	154,720.94
EUR	68.69	7.6617	526.28	68.69	7.8592	539.85
HKD	75,933.03	0.9127	69,304.08	53,408.16	0.9062	48,398.47
Other currency funds:						
RMB (Note 2)	40,471,738.44	1.0000	40,471,738.44	48,041,320.55	1.0000	48,041,320.55
<b>Total</b>			<b>8,244,180,881.47</b>			<b>9,117,663,825.52</b>

*Note 1:* On 30 June 2024, the bank balances include 3-month above time deposits amounting to RMB5,896,235,000.00 (31 December 2023: RMB4,395,140,000.00). The management held the time deposits for the Period with the intention of flexible arrangement of funds and withdrew funds at any time depending on the capital needs. The bank balances include time deposits with a term exceeding 3 months and maturing within 1 year, which the management intended to hold to maturity with a principal of RMB60,000,000.00, and accrued interest calculated based on the effective interest rate method of RMB3,933,896.49.

*Note 2:* On 30 June 2024, other currency funds include the balances with Alipay App account, WeChat App account, E-commerce platform online store account and securities account of RMB5,089,900.08, and the remaining are restricted currency funds. At the end of the Period, the Company’s cash and bank balances with restricted ownership consist of (1) security deposit for the issuance of bank acceptance bills of RMB1,141,375.20; (2) security deposit placed in bank for the issuance of guarantee letter of RMB8,262,510.69; (3) security deposit for travel service quality of Sichuan Winshare Xingzhi Study Tour Travel Agency Co., Ltd., a subsidiary of the Group, of RMB1,100,000.00; and (4) the special fund for housing reform and housing repair of RMB24,877,952.47.

## 6. ACCOUNTS RECEIVABLE

### (1) Disclosure by aging

	<i>RMB</i>	
<b>Aging</b>	<b>Carrying balance as at 30 June 2024 (Unaudited)</b>	Carrying balance as at 31 December 2023 (Audited)
Within 1 year	<b>1,703,935,918.39</b>	1,336,648,791.16
More than 1 year but not exceeding 2 years	<b>253,604,552.38</b>	528,023,489.09
More than 2 years but not exceeding 3 years	<b>285,181,930.70</b>	155,276,886.22
More than 3 years	<b>378,031,535.29</b>	282,129,814.92
<b>Subtotal</b>	<b><u>2,620,753,936.76</u></b>	<b><u>2,302,078,981.39</u></b>
Less: Provision for credit loss	<b><u>876,782,454.08</u></b>	<b><u>824,907,918.37</u></b>
<b>Total</b>	<b><u>1,743,971,482.68</u></b>	<b><u>1,477,171,063.02</u></b>

The aging analysis of accounts receivable above is based on the date on which the customer gains control over the relevant goods or services.

(2) Disclosure by provision method of credit loss

RMB

Item	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Carrying amount	Percentage (%)	Credit loss provision	Carrying amount	Percentage (%)	Credit loss provision
Category	Amount	(%)	Amount	Amount	(%)	Amount
Provision for credit loss on an individual basis	486,894,100.44	18.58	264,334,856.59	495,450,049.19	21.52	236,866,289.35
Provision for credit loss on a collective basis	2,133,859,836.32	81.42	612,447,597.49	1,806,628,932.20	78.48	588,041,629.02
<b>Total</b>	<b>2,620,753,936.76</b>	<b>100.00</b>	<b>876,782,454.08</b>	<b>2,302,078,981.39</b>	<b>100.00</b>	<b>824,907,918.37</b>

*Provision for credit loss on an individual basis*

RMB

Name of entity	30 June 2024 (Unaudited)		Reason for provision
	Carrying balance	Provision for credit loss	
		Provision percentage (%)	
Customer A	123,643,585.66	123,643,585.66	Poor solvency
Customer D	89,797,275.50	38,490,586.83	Decreasing recovery speed
Customer E	49,562,910.56	23,710,293.77	Poor solvency
Others	223,890,328.72	78,490,390.33	Decreasing recovery speed, etc.
<b>Total</b>	<b>486,894,100.44</b>	<b>264,334,856.59</b>	<b>54.29</b>

**Provision for credit loss on a collective basis**

As part of the Group's credit risk management, the Group uses an impairment matrix to determine the expected credit losses of accounts receivable formed by various businesses based on the aging of accounts receivable. These businesses involve a large number of small customers with the same risk characteristics, and the aging information can reflect the solvency of such customers as the accounts receivable fall due.

RMB

	30 June 2024 (Unaudited)		
Aging	Carrying balance	Provision for credit loss	Provision percentage (%)
Within 1 year	1,638,466,626.42	160,514,758.97	9.80
More than 1 year but not exceeding 2 years	152,960,253.25	109,499,881.87	71.59
More than 2 years but not exceeding 3 years	117,655,519.34	117,655,519.34	100.00
More than 3 years	224,777,437.31	224,777,437.31	100.00
<b>Total</b>	<b>2,133,859,836.32</b>	<b>612,447,597.49</b>	<b>28.70</b>
			<b>Carrying value</b>
			1,477,951,867.45
			43,460,371.38
			–
			–

**(3) Credit loss provision made or reversed in the Period**

The credit loss provision made for the Current Period was RMB25,933,364.59, the credit loss provision reversed was RMB1,472,401.19, the credit loss provision written off was RMB54,994.93, and the credit loss provision for long-term receivables transferred amounted to RMB27,468,567.24.

**(4) Accounts receivable actually written off for the Period**

There were no accounts receivable written off for the Current Period.

(5) Top five debtors with the largest balances of accounts receivable at the end of the Period

*RMB*

Name of entity	Relationship with the Company	Balance as at 30 June 2024 (Unaudited)	As a percentage of the total accounts receivable (%)	Balance of credit loss provision as at 30 June 2024 (Unaudited)
Customer A	Third party	123,651,289.66	4.72	123,643,816.78
Customer D	Third party	89,797,275.50	3.43	38,490,586.83
Customer E	Third party	50,122,884.67	1.91	23,710,293.77
Customer K	Third party	28,741,751.18	1.10	2,735,145.84
Customer L	Third party	19,212,997.00	0.73	19,212,997.00
<b>Total</b>		<b>311,526,198.01</b>	<b>11.89</b>	<b>207,792,840.22</b>

The total transaction volume between the above-mentioned customers and the Group in the period from 1 January to 30 June 2024 accounted for less than 0.1% of the Group's operating income.

## 7. INVENTORIES

### (1) Categories of inventories

Item	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Book balance	Provision for decline in value	Carrying amount	Book balance	Provision for decline in value	Carrying amount
Goods on hand	2,523,749,418.26	275,693,830.69	2,248,055,587.57	2,699,626,136.87	253,610,441.20	2,446,015,695.67
Work-in-progress	78,449,403.30	–	78,449,403.30	135,593,328.09	–	135,593,328.09
Raw materials	27,472,964.73	1,301,103.35	26,171,861.38	60,861,877.62	1,301,103.35	59,560,774.27
<b>Total</b>	<b>2,629,671,786.29</b>	<b>276,994,934.04</b>	<b>2,352,676,852.25</b>	<b>2,896,081,342.58</b>	<b>254,911,544.55</b>	<b>2,641,169,798.03</b>

RMB

There were no inventories pledged as at the end of the Period.

### (2) Provision for decline in value of inventories

Category of inventories	Decrease in the Current Period		30 June 2024 (Unaudited)
	1 January 2024	Provision for the Current Period	
Goods on hand	253,610,441.20	22,083,389.49	275,693,830.69
Raw materials	1,301,103.35	–	1,301,103.35
<b>Total</b>	<b>254,911,544.55</b>	<b>22,083,389.49</b>	<b>276,994,934.04</b>

RMB

*Provision for decline in value of inventories on a collective basis*

RMB

Name of group	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Carrying balance	Provision for decline in value	Provision percentage (%)	Carrying balance	Provision for decline in value	Provision percentage (%)
General books	2,144,171,029.01	174,562,560.04	8.14	2,083,005,450.42	158,652,774.47	7.62
Textbooks	206,480,965.70	67,902,007.25	32.89	376,367,792.88	67,966,690.40	18.06
Paper	39,519,568.98	3,046,054.48	7.71	35,679,978.46	3,046,054.48	8.54
Others	133,577,854.57	30,183,208.92	22.60	204,572,915.11	23,944,921.85	11.70
Work-in-progress	78,449,403.30	–	–	135,593,328.09	–	–
Raw materials	27,472,964.73	1,301,103.35	4.74	60,861,877.62	1,301,103.35	2.14
<b>Total</b>	<b>2,629,671,786.29</b>	<b>276,994,934.04</b>		<b>2,896,081,342.58</b>	<b>254,911,544.55</b>	

## 8. OTHER CURRENT ASSETS

### (1) Details of other current assets

Item	<i>RMB</i>	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Refund costs receivable ( <i>Note 1</i> )	50,244,268.66	49,026,417.13
VAT input tax to be deducted ( <i>Note 2</i> )	26,052,711.38	8,122,102.43
Time deposits	121,027,111.11	451,473,138.89
<b>Total</b>	<b>197,324,091.15</b>	<b>508,621,658.45</b>

*Note 1:* As at 30 June 2024, the refund costs receivable was RMB50,244,268.66 (31 December 2023: RMB49,026,417.13), including the original value of the refund costs receivable of RMB67,928,558.46 (31 December 2023: RMB67,766,408.23), and the provision for asset impairment of RMB17,684,289.80 (31 December 2023: RMB18,739,991.10).

*Note 2:* VAT input tax to be deducted represents VAT input tax to be deducted by the Group within one year in the future.

### (2) Details of impairment provision

Item	<i>RMB</i>			
	1 January 2024	Provision for the Current Period	Reversal for the Current Period	30 June 2024 (Unaudited)
Refund costs receivable	18,739,991.10	–	1,055,701.30	17,684,289.80



## 9. LONG-TERM RECEIVABLES

### (1) Details of long-term receivables

*RMB*

Item	30 June 2024 (Unaudited)			31 December 2023 (Audited)			Range of discount rate
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount	
Goods sold by instalments ( <i>Note</i> )	90,740,970.19	5,271,961.52	85,469,008.67	111,461,175.30	7,134,409.23	104,326,766.07	3.45%-5%
Less: Long-term receivables included in non-current assets due within one year	75,274,600.88	4,562,951.85	70,711,649.03	74,921,437.10	5,157,625.27	69,763,811.83	3.45%-5%
<b>Net</b>	<b>15,466,369.31</b>	<b>709,009.67</b>	<b>14,757,359.64</b>	<b>36,539,738.20</b>	<b>1,976,783.96</b>	<b>34,562,954.24</b>	

*Note:* Receivables of goods sold by instalments are the Group's receivables for education informatization and equipment business, which shall be collected by instalments in accordance with the contract. The agreed period in the contract is 2-5 years and the Group has discounted the instalments at a discount rate of 3.45%-5% (31 December 2023: 3.65%-5%).

### (2) Details of provision for credit loss

The credit loss provision made for the Current Period was RMB41,858,318.26, the credit loss provision reversed was RMB16,252,198.73, and the credit loss provision transferred to trade receivables amounted to RMB27,468,567.24.

## 10. LONG-TERM EQUITY INVESTMENTS

### (1) Summary of long-term equity investments:

Item	<i>RMB</i>	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Book balance of long-term equity investments	775,596,526.99	778,128,364.29
Less: Provision for impairment of long-term equity investments	6,647,345.57	6,647,345.57
Carrying amount of long-term equity investments	768,949,181.42	771,481,018.72

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

RMB

Investee	Changes for the Period							Closing balance of provision for impairment			
	1 January 2024	Addition in investment	Reduction in investment	Investment gain or loss 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	30 June 2024 (Unaudited)
<b>I. Joint Ventures</b>											
Hainan Publishing House Co., Ltd.	298,746,253.56	-	-	7,137,337.37	-	-	-	-	-	305,883,590.93	-
Sichuan Fudou Technology Co., Ltd. ("Fudou Technology")	-	-	-	-	-	-	-	-	-	-	-
Sanya Xuan Cai Private Equity Venture Capital Fund Management Co., Ltd. ("Sanya Xuancai") (Note 1)	4,981,850.94	-	-	391,767.61	-	-	-	-	-	5,373,618.55	-
<b>Subtotal</b>	<b>303,728,104.50</b>	<b>-</b>	<b>-</b>	<b>7,529,104.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311,257,209.48</b>	<b>-</b>
<b>II. Associates</b>											
Sichuan Winshare BLOGIS Supply Chain Co., Ltd. ("Winshare BLOGIS") (Note 2)	46,150,974.36	-	-	256,230.41	-	-	-	-	-	46,407,204.77	-
The Commercial Press (Chengdu) Co., Ltd.	4,662,316.69	-	-	82,467.74	-	-	-	-	-	4,744,784.43	-
Ren Min Eastern (Beijing) Book Industry Co., Ltd.	7,959,776.74	-	-	(293,953.89)	-	-	-	-	-	7,665,822.85	-
Guizhou Xinhua Winshare Book Audio-Visual Product Chainstore Co., Ltd. ("Guizhou Winshare")	-	-	-	-	-	-	-	-	-	-	-
Ming Bo Education Technology Holdings Co., Ltd.	9,469,749.55	-	-	(978,698.86)	-	-	-	-	-	8,491,050.69	-
Shanghai Jingjie Information Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-
Sichuan Centennial Preschool Educational Management Co., Ltd.	6,264,056.63	-	-	(135,632.53)	-	-	-	-	-	6,128,424.10	(1,604,619.30)
Chengdu Winshare Equity Investment Fund Management Co., Ltd.	22,941,231.37	-	-	(2,471,646.73)	-	-	-	-	-	20,469,584.64	-

Changes for the Period

Investee	1 January 2024		Changes for the Period				30 June 2024 (Unaudited)		Closing balance of provision for impairment
	Addition in investment	Reduction in investment	Investment gain or loss 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	
Sichuan Education and Science Forum Magazine Press Co., Ltd.	1,486,532.86	-	57,979.04	-	-	-	-	1,544,511.90	-
Fuzhou Winshare Technology Partnership (Limited Partnership) ("Fuzhou Winshare") (Note 3)	4,670,233.08	-	182,970.52	-	-	-	-	4,853,203.60	-
Sichuan Jiaoyang Sihuo Film Co., Ltd.	125,591.57	-	-	-	-	-	-	125,591.57	-
Xinhua Yingxuan (Beijing) Screen Culture Co., Ltd. ("Xinhua Yingxuan")	-	-	-	-	-	-	-	-	(5,042,726.27)
Tianjin Tianxi Zhongda Cultural Development Co., Ltd. ("Tianxi Zhongda") (Note 4)	21,801,177.68	-	713,034.03	-	-	-	-	22,514,211.71	-
Winshare Yinshi (Beijing) Cultural Communication Co., Ltd. ("Winshare Yinshi") (Note 5)	538,292.30	-	23,083.77	-	-	-	-	561,376.07	-
Hainan Phoenix Xinhua Publishing and Distribution Co., Ltd. ("Hainan Phoenix") (Note 6)	336,629,133.67	-	4,093,508.41	-	-	(16,700,671.32)	-	324,021,970.76	-
Sichuan Cuiya Education Technology Co., Ltd. ("Cuiya Education") (Note 7)	-	-	-	-	-	-	-	-	-
Sichuan Digital World Culture Technology Co., Ltd. ("Digital World") (Note 8)	5,053,847.72	4,900,000.00	210,387.13	-	-	-	-	10,164,234.85	-
<b>Subtotal</b>	<b>467,752,914.22</b>	<b>4,900,000.00</b>	<b>1,739,729.04</b>	<b>-</b>	<b>-</b>	<b>(16,700,671.32)</b>	<b>-</b>	<b>457,691,971.94</b>	<b>(6,647,345.57)</b>
<b>Total</b>	<b>771,481,018.72</b>	<b>4,900,000.00</b>	<b>9,268,834.02</b>	<b>-</b>	<b>-</b>	<b>(16,700,671.32)</b>	<b>-</b>	<b>768,949,181.42</b>	<b>(6,647,345.57)</b>

- Note 1:* According to the articles of association of Sanya 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 accounting plan, profit distribution and make up losses plans made by the shareholders’ meeting of Sanya 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 Sanya Xuancai which is a joint venture of the Group.
- Note 2:* In June 2017, Sichuan Xinhua Winshare Logistics Co., Ltd. (“**Winshare Logistics**”), a subsidiary of the Company, entered into an investment agreement with BLOGIS Holdings Limited and Chengdu Longchuang Investment Management Center (Limited Partnership) to jointly establish Winshare BLOGIS with a shareholding proportion of 45%, 40% and 15%, respectively. On 20 April 2023, Winshare Logistics transferred 45% of the equity interests in Winshare BLOGIS it held to the Company at RMB46,234,600.00. According to the latest articles of association of Winshare BLOGIS, the resolutions of Winshare BLOGIS on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses plans etc. must be approved by the shareholders representing more than 50% of the voting power. Therefore, Winshare BLOGIS is an associate of the Group.
- Note 3:* As a limited partner, Winshare Investment, a subsidiary of the Company, contributed 56.34% of the total subscribed capital to Fuzhou Winshare. 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.
- Note 4:* In July 2019, Sichuan Tiandi Publishing House Co., Ltd., a subsidiary of the Company, and Shanghai Ximalaya Network Technology Co., Ltd. (“**Shanghai Ximalaya**”) entered into an investment agreement, jointly establishing Tianxi Zhongda, with a shareholding proportion of 40% and 60% respectively. In 2020, Shanghai Ximalaya transferred 5% of the equity interests of Tianxi Zhongda it held to Huang Wenhua. In June 2021, Shanghai Ximalaya transferred 55% of the equity interests of Tianxi Zhongda it held to Shanghai Xizhao Network Technology Co., Ltd. According to the latest articles of association of Tianxi Zhongda, the resolutions of Tianxi Zhongda on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses plans 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 5:* 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 plans etc. must be approved by the shareholders representing more than 50% of the voting power. Therefore, Winshare Yinshi is an associate of the Group.
- Note 6:* On 30 December 2020, Hainan Xinhua Bookstore Group Co., Ltd. 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.

*Note 7:* On 14 July 2021, the Company entered into an investment agreement with Sichuan Magic Cloud Technology Co., Ltd., Sichuan Daily Newspaper Network Media Development Company Limited, Sichuan Lianxiang Future Technology Partnership (Limited Partnership), Sichuan Cable Radio and Television Network Co., Ltd. and Sichuan Rennixue Education Technology Co., Ltd., jointly establishing Cuiya Education, with a shareholding proportion of 18%, 34%, 18%, 15%, 11% and 4% respectively. According to the articles of association of Cuiya Education, the Company has appointed one director to Cuiya Education. The chairman of the board of directors shall be recommended by the Company and elected and removed by more than half of the directors of the board of directors. As the Company is able to exercise significant influence over Cuiya Education, Cuiya Education is an associate of the Group.

*Note 8:* On 12 March 2023, Sichuan Digital Publishing Co., Ltd., a subsidiary of the Company, and Sichuan New Media Group Co., Ltd. jointly established Sichuan Digital World Culture Technology Co., Ltd., with the shareholding ratios of the two parties being 49% and 51%, respectively. According to the articles of association of Digital World, the Group appoints a director to Digital World, and can exert significant influence on Digital World. Therefore, Digital World is an associate of the Group.

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

*RMB*

<b>Item</b>	<b>30 June 2024 (Unaudited)</b>		<b>31 December 2023 (Audited)</b>	
	<b>Unrecognized investment losses for the Period</b>	<b>Accumulated unrecognized investment losses</b>	<b>Unrecognized investment losses for the prior year</b>	<b>Accumulated unrecognized investment losses</b>
Guizhou Winshare	–	<b>5,557,990.70</b>	–	5,557,990.70
Fudou Technology	<b>108,928.27</b>	<b>4,216,683.84</b>	520,055.33	4,107,755.57
Cuiya Education	<b>84,373.95</b>	<b>87,111.46</b>	(95,946.05)	2,737.51
Xinhua Yingxuan	<b>751,252.81</b>	<b>16,870,254.07</b>	15,322,580.56	16,119,001.26
<b>Total</b>	<b>944,555.03</b>	<b>26,732,040.07</b>	<b>15,746,689.84</b>	<b>25,787,485.04</b>

## 11. OTHER EQUITY INSTRUMENT INVESTMENTS

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

*RMB*

Item	Balance as at 1 January 2024	Increase in investment	Decrease in investment	Gain included in other comprehensive income for the Current Period	Loss included in other comprehensive income for the Current Period	Others	Balance as at 30 June 2024	Dividend income recognized in the Current Period	Accumulated gain included in other comprehensive income	Accumulated loss included in other comprehensive income	Reason for FVTOCI designation
Anhui Xinhua Media Co., Ltd. ("Wan Xin Media")	866,248,000.00	-	-	-	2,492,800.00	-	863,755,200.00	38,015,200.00	677,339,872.00	-	The investment is not held for the purpose of selling it in the near term for short-term gains.
Jiangsu Hagon Intelligent Robot Co., Ltd.	528,195.93	-	-	-	373,634.78	-	154,561.15	-	-	628,995.69	The investment is not held for the purpose of selling it in the near term for short-term gains.
Bank of Chengdu Co., Ltd. ("Bank of Chengdu")	900,800,000.00	-	-	314,400,000.00	-	-	1,215,200,000.00	71,744,000.00	975,200,000.00	-	The investment is not held for the purpose of selling it in the near term for short-term gains.
Others	375,393.81	-	-	-	-	-	375,393.81	-	-	1,646,699.35	
<b>Total</b>	<b>1,767,951,589.74</b>	<b>-</b>	<b>-</b>	<b>314,400,000.00</b>	<b>2,866,434.78</b>	<b>-</b>	<b>2,079,485,154.96</b>	<b>109,759,200.00</b>	<b>1,652,539,872.00</b>	<b>2,275,695.04</b>	

### (2) There was no derecognition in the Current Period.

## 12. OTHER NON-CURRENT FINANCIAL ASSETS

	<i>RMB</i>	
<b>Item</b>	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
Citic Buyout Investment Fund (Shenzhen) Partnership (Limited Partnership) (“ <b>Citic Buyout</b> ”) (Note 1)	<b>59,122,369.62</b>	73,747,350.58
Winshare Hengxin (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) (“ <b>Winshare Hengxin</b> ”) (Note 2)	<b>26,729,865.46</b>	44,208,480.95
Qingdao Goldstone Zhixin Investment Center (Limited Partnership) (“ <b>Qingdao Goldstone</b> ”) (Note 3)	<b>109,797.80</b>	293,410.55
Ningbo Meishan Free Trade Port Winshare Dingsheng Equity Investment Partnership (Limited Partnership) (Note 4)	<b>74,562,964.94</b>	77,426,838.97
Xinhua Internet E-commerce Co., Ltd. (“ <b>Xinhua Internet</b> ”) (Note 5)	<b>3,000,000.00</b>	3,000,000.00
Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership) (“ <b>Culture Investment Jinwen</b> ”) (Note 6)	<b>39,918,161.43</b>	39,939,517.81
Goldstone Growth Equity Investment (Hangzhou) Partnership (Limited Partnership) (“ <b>Goldstone Growth</b> ”) (Note 7)	<b>29,980,321.02</b>	29,927,440.57
CICC Qichen Phase II (Wuxi) Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (“ <b>CICC Qichen</b> ”) (Note 8)	<b>119,813,102.95</b>	122,853,320.14
Sinopec Marketing Co., Ltd. (“ <b>Sinopec Marketing Company</b> ”) (Note 9)	<b>57,686,589.45</b>	57,686,589.45
<b>Total</b>	<b>410,923,172.67</b>	449,082,949.02

Note 1: Losses from changes in fair values for the Current Period were RMB14,268,909.56.

Note 2: Losses from changes in fair values for the Current Period were RMB17,478,615.49.

Note 3: Qingdao Goldstone was in liquidation. In 2023, Qingdao Goldstone transferred the equity interest it held in Sinopec Marketing Company to Winshare Investment. Losses from changes in fair values for the Current Period were RMB183,612.75.

Note 4: Losses from changes in fair values for the Current Period were RMB2,863,874.03.

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%.



*Note 6:* On 1 August 2023, the Company entered into a partnership agreement to invest RMB40,000,000.00 in Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership), holding 19.90% subscription ratio of its limited partner interest. Losses from changes in fair value were RMB21,356.38.

Under the partnership agreement, the general partner is the executive partner of the partnership who has exclusive power over the management and control of the partnership's operations, partnership investment business, and other matters. The distributable cash generated by the partnership from project investment shall be distributed to each partner in proportion to their respective paid-in capital contribution.

*Note 7:* On 21 July 2023, Winshare Investment, a subsidiary of the Company, signed a partnership agreement to invest RMB30,000,000.00 in Goldstone Growth, holding 3.05% subscription ratio of its limited partner shares. Gains from changes in fair value for the Current Period were RMB52,880.45.

According to the partnership agreement, the general partner is the executive partner of the partnership and has exclusive power to manage and control the operation of the partnership, the investment business of the partnership and other matters. The distributable cash generated by the partnership due to the project investment shall be distributed among all partners according to the proportion of their interests in the relevant investment, and the part attributable to the limited partners shall first be returned to their capital contributions until the accumulative distributed amount reaches their current actual capital contributions. The partnership shall give priority to the limited partners according to the simple interest calculation of 8% per annum. After the above distribution, 80% of the balance shall go to the limited partners and 20% to the general partner.

*Note 8:* On 18 April 2023, Winshare Investment, a subsidiary of the Company, signed a partnership agreement to invest in CICC Qichen at an amount of RMB120,000,000.00, holding 8.73% subscription ratio of its limited partner share. In the Current Period, the loss from changes in fair value was RMB1,947,859.64, the recovery of investment amounted to RMB1,092,357.55, and dividends of RMB695,043.37 was received.

According to the partnership agreement, the general partner is the executive partner of the partnership and has exclusive power to manage and control the operation of the partnership, the investment business of the partnership and other matters. The distributable cash generated by the partnership due to the project investment shall be distributed among all partners according to the proportion of their interests in the relevant investment, and the part attributable to the limited partners shall first be returned to their capital contributions until the accumulative distributed amount reaches their current actual capital contributions. The partnership shall give priority to the limited partners according to the simple interest calculation of 8% per annum. Under the premise of meeting the agreed distribution order, the general partners shall withdraw the income share, and the total income share shall be 20% of the total income of the limited partners. After the above distribution, 80% of the balance shall go to the limited partners and 20% to the general partner.

*Note 9:* As mentioned in Note 3, dividends of RMB2,834,191.03 were received from Sinopec Marketing Company for the Current Period.

## 13. FIXED ASSETS

### (1) Fixed assets

RMB

Item	Buildings	Machinery and equipment	Electronic equipment and others	Transportation vehicles	Total
Cost as at 30 June 2024 (Unaudited)	3,094,063,539.90	352,883,331.68	218,398,669.56	124,990,937.93	3,790,336,479.07
Accumulated depreciation as at 30 June 2024 (Unaudited)	883,397,860.84	274,034,909.55	163,862,755.60	79,374,723.46	1,400,670,249.45
Impairment provision for fixed assets as at 30 June 2024 (Unaudited)	15,996.52	–	–	–	15,996.52
Carrying amount as at 30 June 2024 (Unaudited)	2,210,649,682.54	78,848,422.13	54,535,913.96	45,616,214.47	2,389,650,233.10

(2) As at the end of the Current Period, fixed assets of which certificates of title have not been obtained amounted to RMB157,813,739.82 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 Period.

## 14. GOODWILL

### (1) Cost of goodwill

RMB

Name of the investee or item resulting in goodwill	1 January 2024	Increase in the Current Period Incurred by business combination	Decrease in the Current Period Changes in scope of consolidation	30 June 2024 (Unaudited)
Acquisitions of fifteen publishing companies	500,571,581.14	–	–	500,571,581.14
Acquisition of Liangshanzhou Xinhua Bookstore	122,081,326.10	–	–	122,081,326.10
Others	544,629.46	–	–	544,629.46
<b>Total</b>	<b>623,197,536.70</b>	<b>–</b>	<b>–</b>	<b>623,197,536.70</b>

### (2) Provision for impairment of goodwill

RMB

Name of the investee or item resulting in goodwill	1 January 2024	Increase in provision in the Current Period	Decrease in disposal in the Current Period	30 June 2024 (Unaudited)
Acquisitions of fifteen publishing companies	–	–	–	–
Acquisition of Liangshanzhou Xinhua Bookstore	–	–	–	–
Others	544,629.46	–	–	544,629.46
<b>Total</b>	<b>544,629.46</b>	<b>–</b>	<b>–</b>	<b>544,629.46</b>

**(3) Information related to the asset group or asset group combination where goodwill is located**

<b>Name</b>	<b>Composition and basis of asset group or asset group combination</b>	<b>Business segment and basis</b>	<b>Consistent with previous year</b>
Three of the fifteen publishing companies	The Group acquired fifteen publishing companies on 31 August 2010, resulting in goodwill of RMB500,571,581.14, which was allocated to the relevant asset group, namely three of the fifteen publishing companies in the publication segment.	The business type is publishing business, so it belongs to the publication segment.	Yes
Liangshanzhou Xinhua Bookstore	The Group acquired Liangshanzhou Xinhua Bookstore on 31 December 2022, resulting in goodwill of RMB122,081,326.10, which was allocated to the relevant asset group, namely Liangshanzhou Xinhua Bookstore.	The business type is textbooks and supplementary materials distribution and general books sale business, so it belongs to the distribution segment.	Yes
Others	N/A	N/A	Yes

**15. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES****(1) Deferred tax assets not yet offset**

<b>Item</b>	<b>30 June 2024 (Unaudited)</b>		<b>31 December 2023 (Audited)</b>	
	<b>Deductible temporary differences</b>	<b>Deferred tax assets</b>	<b>Deductible temporary differences</b>	<b>Deferred tax assets</b>
Provision for impairment of assets	866,746,125.83	132,979,570.72	808,139,056.44	124,465,419.71
Employee benefits payable	65,248,081.99	9,787,212.30	60,774,016.72	9,116,102.51
Deferred income	33,552,760.12	5,032,914.02	32,457,656.43	4,868,648.46
Expected returns of goods	118,185,108.93	17,727,766.34	117,788,324.69	17,668,248.70
Lease liabilities	289,687,481.53	43,453,122.23	308,430,484.50	46,264,572.68
Unrealized profits from internal transactions	67,666,544.25	10,149,981.64	–	–
<b>Total</b>	<b>1,441,086,102.65</b>	<b>219,130,567.25</b>	<b>1,327,589,538.78</b>	<b>202,382,992.06</b>

*RMB*

**(2) Deferred tax liabilities not yet offset**

RMB

Item	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Asset valuation appreciation due to business combination not involving enterprises under common control	63,113,070.42	15,778,267.61	64,981,412.98	16,245,353.24
Changes in fair value of other equity instrument investments	1,652,395,165.81	247,844,804.25	1,340,861,600.62	201,152,132.96
Changes in fair value of other non-current financial assets	32,528,313.42	5,108,801.74	54,442,851.30	9,122,802.48
Asset valuation appreciation of subsidiaries due to restructuring <i>(Note)</i>	207,635,209.00	51,908,802.25	207,635,209.00	51,908,802.25
Right-of-use assets	251,637,093.21	37,745,563.98	283,367,159.00	42,505,073.85
Investment in associates accounted for using the equity method	214,844,486.68	32,226,673.00	220,314,312.23	33,047,146.83
Refund costs receivable	105,094,704.54	15,764,205.69	104,169,454.67	15,625,418.19
Others	212,465.62	11,073.02	210,752.30	10,816.01
<b>Total</b>	<b>2,527,460,508.70</b>	<b>406,388,191.54</b>	<b>2,275,982,752.10</b>	<b>369,617,545.81</b>

*Note:* The item refers to the deferred tax liabilities recognized as a result of the asset appreciation during the restructuring of Liangshanzhou Xinhua Bookstore.

**(3) Deferred tax assets or liabilities, net of offsetting amount**

RMB

Item	Offsetting amount of deferred tax assets and liabilities at the end of the Current Period	Balance of deferred tax assets or liabilities, net of offsetting amount, at the end of the Current Period	Offsetting amount of deferred tax assets and liabilities at the beginning of the Current Period	Balance of deferred tax assets or liabilities, net of offsetting amount, at the beginning of the Current Period
	Deferred tax assets	153,706,521.16	65,424,046.09	151,981,738.44
Deferred tax liabilities	153,706,521.16	252,681,670.38	151,981,738.44	217,635,807.37

(4) **The following deductible temporary difference and deductible taxable losses were not recognized as deferred income tax assets**

<i>RMB</i>		
<b>Item</b>	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
Deductible temporary differences	<b>691,528,897.00</b>	667,962,551.16
Deductible taxable losses	<b>131,304,768.05</b>	135,859,733.81
<b>Total</b>	<b><u>822,833,655.05</u></b>	<b><u>803,822,284.97</u></b>

The Group believes that it is not probable that taxable profits will be available in future periods to offset the aforementioned deductible temporary differences and deductible taxable losses, therefore, deferred tax assets are not recognized on above items.

(5) **Deductible losses, for which no deferred income tax assets are recognized, will expire in the following years**

<i>RMB</i>		
<b>Year</b>	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
2024	<b>20,354,321.57</b>	25,586,383.06
2025	<b>13,721,486.69</b>	16,809,175.90
2026	<b>18,530,335.45</b>	21,407,684.45
2027	<b>29,160,515.22</b>	34,581,267.42
2028	<b>36,325,924.47</b>	37,475,222.98
2029	<b>13,212,184.65</b>	–
<b>Total</b>	<b><u>131,304,768.05</u></b>	<b><u>135,859,733.81</u></b>

## 16. OTHER NON-CURRENT ASSETS

	<i>RMB</i>	
<b>Item</b>	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Prepaid land funds	<b>35,355,838.00</b>	35,355,838.00
VAT input tax to be deducted	–	8,670,076.79
Prepaid purchase price for property	–	41,875,311.40
Time deposits and bank certificates of large amount deposit <i>(Note 1)</i>	<b>1,726,291,315.14</b>	756,272,309.80
Quality guarantee money	<b>14,202,426.17</b>	13,497,664.54
Prepaid price for equipment	<b>9,761,080.00</b>	9,761,080.00
Others	<b>7,088,214.57</b>	–
<b>Total</b>	<b><u>1,792,698,873.88</u></b>	<b><u>865,432,280.53</u></b>

*Note 1:* Time deposits and bank certificates of large amount deposit and interests that the Group does not intend to withdraw in advance within one year, with corresponding interest rates ranging 2.60% to 3.55% (31 December 2023: 2.90% to 3.55%).

## 17. ACCOUNTS PAYABLE

Details of aging analysis of accounts payable are as follows:

	<i>RMB</i>	
<b>Item</b>	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Within 1 year	<b>4,143,204,289.92</b>	4,146,690,498.29
More than 1 year but not exceeding 2 years	<b>637,701,565.55</b>	719,572,866.87
More than 2 years but not exceeding 3 years	<b>232,892,832.67</b>	260,061,257.71
More than 3 years	<b>419,641,844.00</b>	343,733,473.89
<b>Total</b>	<b><u>5,433,440,532.14</u></b>	<b><u>5,470,058,096.76</u></b>

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

## 18. CONTRACT LIABILITIES

### (1) Presentation of contract liabilities

Item	RMB	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Advanced receipts for sold goods	554,845,810.66	607,247,731.49
Membership card points	1,073,254.78	614,096.99
<b>Total</b>	<b>555,919,065.44</b>	<b>607,861,828.48</b>

(2) The important contract liabilities aged over 1 year were mainly pre-stored recharge cards amounted to RMB236,230,691.75.

(3) The significant changes in the balance of the Group's contract liabilities this year were as follows:

Item	RMB	
	Balance of changes (Unaudited)	Reason for change
Advanced receipts for sold goods	205,211,812.80	Revenue recognized for the amount included in the opening carrying amount of contract liabilities
Advanced receipts for sold goods	152,809,891.97	Amount increased due to cash received

### (4) Analysis on 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 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 reaching 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 the respective stand-alone selling prices. Sale consideration allocated to reward points is recognized as contract liabilities, and as revenue upon redemption.

## 19. TAXES PAYABLE

RMB

Item	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Enterprise income tax	66,841,153.94	6,070,260.69
Value added tax	27,040,516.27	41,069,510.55
City construction and maintenance tax	694,326.39	1,261,069.58
Education surcharges	533,832.62	919,240.22
Individual income tax	2,166,032.78	2,957,363.17
Others	1,004,066.92	18,219,605.14
<b>Total</b>	<b>98,279,928.92</b>	<b>70,497,049.35</b>

## 20. SHARE CAPITAL

RMB

Item	1 January 2024	Changes for the Period					Subtotal	30 June 2024 (Unaudited)
		Issue of new shares	Bonus issue	Capitalization of surplus reserve	Others	Others		
Total number of shares	1,233,841,000.00	-	-	-	-	-	-	1,233,841,000.00

## 21. UNDISTRIBUTED PROFITS

RMB

Item	30 June 2024 (Unaudited)	31 December 2023 (Audited)	Proportion of appropriation or distribution
Undistributed profits at the beginning of the period/year	6,881,030,888.86	6,083,770,928.98	
Add: Net profit attributable to shareholders of the parent company for the period/year	715,785,632.02	1,579,146,004.64	
Less: Appropriation to statutory surplus reserve	-	140,288,724.76	(1)
Dividends payable on ordinary shares	493,536,400.00	641,597,320.00	(2)
Undistributed profits at the end of the period/year	7,103,280,120.88	6,881,030,888.86	(3)



**(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 2024, the resolution regarding the Company's 2023 Annual Profit Distribution Proposal was approved at 2023 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 RMB0.40 (tax-inclusive).

On 18 May 2023, the resolution regarding the Company's 2022 Annual Profit Distribution Proposal was approved at 2022 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 RMB0.34 (tax-inclusive).

On 20 December 2023, the resolution regarding the Company's 2023 Third Quarter Profit Distribution Proposal was approved at 2023 second extraordinary 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 RMB0.18 (tax-inclusive).

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

At the end of the Current Period, the balance of the Group's undistributed profits included appropriation to surplus reserve by subsidiaries amounting to RMB182,108,211.63 (31 December 2023: RMB182,108,211.63).

**21. OPERATING INCOME AND OPERATING COSTS**

**(1) Classification**

	<i>RMB</i>	
<b>Item</b>	<b>For the period from 1 January to 30 June 2024 (Unaudited)</b>	For the period from 1 January to 30 June 2023 (Unaudited)
Principal operating income	<b>5,708,283,455.50</b>	5,352,613,123.71
Other operating income ( <i>Note</i> )	<b>79,532,820.21</b>	74,934,504.56
<b>Total operating income</b>	<b><u>5,787,816,275.71</u></b>	<b><u>5,427,547,628.27</u></b>
Principal operating cost	<b>3,554,773,609.97</b>	3,313,464,076.94
Other operating cost	<b>7,268,626.13</b>	6,513,363.54
<b>Total operating costs</b>	<b><u>3,562,042,236.10</u></b>	<b><u>3,319,977,440.48</u></b>

*Note:* Included in other operating income was net income from concessionaire sales of RMB13,236,788.62. Among which, revenue from concessionaire sales was RMB93,014,222.15 and cost from concessionaire sales was RMB79,750,433.53 (for the period from 1 January to 30 June 2023: net income from concessionaire sales of RMB14,236,371.58. Among which, revenue from concessionaire sales was RMB98,720,930.33 and cost from concessionaire sales was RMB84,484,558.75).

(2) **Details of income from contracts:**

RMB

Product	Principal operating income		Principal operating costs	
	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
<b>I. Publication segment</b>				
Textbooks and supplementary materials	571,986,860.56	630,262,835.96	328,407,318.58	384,410,842.13
General book	496,655,976.41	453,052,375.88	368,200,746.38	341,453,773.91
Printing and supplies	107,483,622.93	124,594,628.08	89,600,963.55	111,028,016.28
Newspapers and journals	27,178,733.23	23,368,799.61	15,293,536.70	12,923,718.83
Others	8,317,538.36	6,698,450.84	4,521,873.76	4,264,649.30
<b>Subtotal</b>	<b>1,211,622,731.49</b>	<b>1,237,977,090.37</b>	<b>806,024,438.97</b>	<b>854,081,000.45</b>
<b>II. Distribution segment</b>				
Textbooks and supplementary materials	2,262,673,037.52	2,124,056,783.54	1,374,393,457.35	1,288,602,804.24
General book	2,647,793,258.31	2,528,546,369.34	1,922,372,786.47	1,813,652,563.45
Education informatization and others	241,910,547.98	170,388,566.72	191,704,835.58	135,933,768.53
<b>Subtotal</b>	<b>5,152,376,843.81</b>	<b>4,822,991,719.60</b>	<b>3,488,471,079.40</b>	<b>3,238,189,136.22</b>
<b>III. Others</b>	<b>182,953,577.12</b>	<b>178,641,664.62</b>	<b>159,623,102.23</b>	<b>157,089,043.65</b>
Less: Inter-segment elimination	838,669,696.92	886,997,350.88	899,345,010.63	935,895,103.38
<b>Total</b>	<b>5,708,283,455.50</b>	<b>5,352,613,123.71</b>	<b>3,554,773,609.97</b>	<b>3,313,464,076.94</b>

Division of publication segment and distribution segment and other details are set out in Note 22.

### (3) Details of performance obligation

Item	Time of obligation performance	Important payment term	Nature of goods transferred as committed by the Company	Main responsible person?	Amounts borne by the Company that are expected to be returned to customers	Types of quality assurance provided by the Company and related obligation
Sales of books and printing supplies	At the time of delivery	Nil	Self-owned, stenciling-rent or outsourcing	Yes	-	Providing guarantee-type quality assurance does not form a separate performance obligation
Education informatization and equipment business	At the time of delivery	2-5 years by installments	Self-developed or outsourcing	Yes	-	Providing guarantee-type quality assurance does not form a separate performance obligation

In addition to the education informatization and equipment business, the Group's principal operating income mainly comes from the sales of general books and textbooks and supplementary materials, sales of printing and supplies, etc. The Group, as the main responsible person, performs the performance business at the time of delivery. The contracts do not contain important payment terms and important amounts expected to be returned to customers, and providing guarantee-type quality assurance does not form a separate performance obligation.

For revenue from the education informatization and equipment business, the Group, as the main responsible person, performs the performance business at the time of delivery. The contracts stipulate that payments shall be collected in installments over 2-5 years. The contracts do not contain important amounts expected to be returned to customers, and providing guarantee-type quality assurance does not form a separate performance obligation.

The Group has adopted a simplified practical expedient for service contracts originally expected to have a contract term of no more than one year, and therefore the information disclosed above does not include the transaction price allocated to the remaining performance obligations under such contracts.

## 22. SEGMENT REPORTING

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into two reporting segments, namely 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, journals, audio-visual products and digital products; provision of printing services and supply of printing materials;

Distribution segment: Distribution of textbooks to schools, teachers and students and supply of education informatization and equipment products and services for secondary and primary schools; retailing, distribution and online sales of publications.

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

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

## (1) Segment reporting information

For the period from 1 January to 30 June 2024 (Unaudited)

RMB

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
Principal operating income	1,211,622,731.49	5,152,376,843.81	182,953,577.12	-	(838,669,696.92)	5,708,283,455.50
Operating costs of main business	806,024,438.97	3,488,471,079.40	159,623,102.23	-	(899,345,010.63)	3,554,773,609.97
Total assets	<u>7,177,142,074.53</u>	<u>15,052,884,594.13</u>	<u>1,138,945,662.81</u>	<u>2,246,233,862.05</u>	<u>(3,722,857,210.58)</u>	<u>21,892,348,982.94</u>
Total liabilities	<u>1,511,869,813.37</u>	<u>9,087,581,966.02</u>	<u>518,534,019.60</u>	<u>437,169,352.75</u>	<u>(3,600,615,422.56)</u>	<u>7,954,539,729.18</u>

For the period from 1 January to 30 June 2023 (Unaudited)

RMB

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
Principal operating income	1,237,977,090.37	4,822,991,719.60	178,641,664.62	-	(886,997,350.88)	5,352,613,123.71
Operating costs of main business	854,081,000.45	3,238,189,136.22	157,089,043.65	-	(935,895,103.38)	3,313,464,076.94
Total assets	<u>8,654,121,389.51</u>	<u>13,522,409,109.54</u>	<u>1,247,865,178.37</u>	<u>2,147,169,600.00</u>	<u>(4,688,287,935.18)</u>	<u>20,883,277,342.24</u>
Total liabilities	<u>3,441,662,724.30</u>	<u>8,032,285,175.46</u>	<u>518,983,548.49</u>	<u>157,654,625.59</u>	<u>(4,572,385,546.09)</u>	<u>7,578,200,527.75</u>

## (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 the PRC customers and most of the Group's assets are located in the PRC. Therefore, the regional data are not disclosed.

## (3) Concentration on major customers

The Group's revenue from its single largest customer for the Current Period is RMB488,936,362.74 (Same Period of Last Year: RMB484,287,425.11), which is attributable to the distribution segment. The Group has no external customer from which the sales amount accounts for 10% or more of the total revenue for the Current Period and the Same Period of Last 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.

**23. GAINS (LOSSES) FROM FAIR VALUE CHANGE***RMB*

<b>Source of gains (losses) from fair value change</b>	<b>For the period from 1 January to 30 June 2024 (Unaudited)</b>	For the period from 1 January to 30 June 2023 (Unaudited)
Financial assets at FVTPL	<b>(36,709,633.98)</b>	(4,637,313.55)
Including: Other non-current financial assets	<b>(36,711,347.40)</b>	(4,637,313.55)
Held-for-trading financial assets	<b>1,713.42</b>	—
<b>Total</b>	<b><u>(36,709,633.98)</u></b>	<b><u>(4,637,313.55)</u></b>

**24. INCOME TAX EXPENSES***RMB*

<b>Item</b>	<b>For the period from 1 January to 30 June 2024 (Unaudited)</b>	For the period from 1 January to 30 June 2023 (Unaudited)
Current income tax calculated according to tax laws and relevant requirements	<b>121,636,058.97</b>	12,426,990.55
Tax filing differences	<b>954,164.35</b>	(221,901.41)
Deferred income tax expenses	<b>(26,669,600.76)</b>	401,167.36
<b>Total</b>	<b><u>95,920,622.56</u></b>	<b><u>12,606,256.50</u></b>

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

Item	<i>RMB</i>	
	For the period from 1 January to 30 June 2024 (Unaudited)	For the period from 1 January to 30 June 2023 (Unaudited)
Accounting profit	848,269,211.29	801,517,699.29
Income tax expenses calculated at 25%	212,067,302.82	200,379,424.82
Tax concessions	(108,774,182.03)	(185,502,256.92)
Effect of expenses that are not deductible for tax purposes	3,101,063.79	2,413,025.99
Effect of tax-free income	(17,261,445.61)	(21,444,600.00)
Effect of utilization of deductible losses for which no deferred income tax asset was recognized in the prior period	(1,639,982.45)	(2,170,567.15)
Effect of utilization of deductible temporary differences for which no deferred income tax asset was recognized in the prior period	(3,832,031.81)	–
Effect of deductible temporary differences or deductible losses for which no deferred income tax asset was recognized during the current period	10,566,490.97	19,153,131.17
Tax filing differences	954,164.35	(221,901.41)
Tax effect of tax rate adjustment on the balance of deferred tax assets at the beginning of the period	739,242.53	–
<b>Total</b>	<b>95,920,622.56</b>	<b>12,606,256.50</b>

## 25. OTHER COMPREHENSIVE INCOME

Item	Opening balance of other comprehensive income attributable to shareholders of the parent company	Changes for the Current Period				Closing balance of other comprehensive income attributable to shareholders of the parent company (Unaudited)
		Amount before income tax for the Current Period	Less: Income tax expenses	Post-tax amount attributable to the owner of the parent	Post-tax amount attributable to the non-controlling shareholders	
Changes in fair value of other equity instrument investments	1,137,699,551.17	311,533,565.22	46,692,671.30	264,840,893.92	–	1,402,540,445.09

## 26. 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:

	<i>RMB</i>	
	<b>For the period from 1 January to 30 June 2024 (Unaudited)</b>	For the period from 1 January to 30 June 2023 (Unaudited)
Net profit for the current period attributable to ordinary shareholders	<b>715,785,632.02</b>	762,156,455.81
Including: Net profit from continuing operations	<b>715,785,632.02</b>	762,156,455.81

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>Numbers of shares</i>	
	<b>For the period from 1 January to 30 June 2024 (Unaudited)</b>	For the period from 1 January to 30 June 2023 (Unaudited)
Number of ordinary shares outstanding at the beginning of the period	<b>1,233,841,000.00</b>	1,233,841,000.00
Weighted number of ordinary shares outstanding at the end of the period	<b>1,233,841,000.00</b>	1,233,841,000.00

Earnings per share:

	<i>RMB</i>	
	<b>For the period from 1 January to 30 June 2024 (Unaudited)</b>	For the period from 1 January to 30 June 2023 (Unaudited)
Net profit for the current period attributable to ordinary shareholders divided by weighted number of ordinary shares outstanding at the end of period	<b>0.58</b>	0.62
Net profit for the current period attributable to ordinary shareholders and attributable to continuing operation divided by weighted number of ordinary shares outstanding at the end of period	<b>0.58</b>	0.62

The Company has no dilutive potential ordinary shares.

## 27. EVENTS AFTER THE BALANCE SHEET DATE

At the board meeting held on 27 August 2024, the resolution regarding the interim profit distribution for 2024 was passed where the undistributed profit for the 2024 interim period was distributed at the price of RMB0.19 (tax inclusive) and the proposed dividend amounted to RMB234,429,790.00 (tax inclusive). The resolution shall take effect upon obtaining approval at the extraordinary general meeting for 2024 (“EGM”) to be held on 16 October 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (I) BUSINESS REVIEW

#### INDUSTRY OVERVIEW

2024 is a critical year for achieving the goals and tasks of the “14th Five-Year Plan”, when the publishing industry shall solidly promote high-quality development. The 2024 Government Work Report emphasized on “in-depth study and implementation of Xi Jinping’s Cultural Thoughts”, providing fundamental guidelines for the development of cultural undertakings and cultural industry in the new era. For the first time, “deeply promoting the national cultural digitalization strategy” and “accelerating the development of new and quality productivity” were included in the Government Work Report, which clearly pointed out “to vigorously develop the cultural industry” and “to deepen national reading activities”. This will lead the publishing industry to take the development of new and quality productivity as its top priority, and comprehensively promote the prosperity and development of cultural undertakings and industry, so as to continue to meet the people’s new expectations for spiritual and cultural life.

According to the monitoring data publicly published by Beijing OpenBook Co., Ltd. (“**Open Book Data**”), the overall book retail market in the first half of 2024 showed a negative growth trend. Sales value fell by 6.20% year-on-year, but the decline narrowed down as compared with the first quarter. In terms of different channels, the sales value for short video e-commerce grew by 18.34% year-on-year. Such growth rate had slowed down but it was still the main growth force of the retail book market. Meanwhile, the traditional channels were still facing greater pressure, and the sales value of physical stores, platform e-commerce, vertical and other e-commerce channels all declined to varying degrees. With the differentiation and integration of channels, the upstream and downstream sides of the publishing industry continued to expand channel layout and reach. The upstream publishing side extended from content publishing to terminal distribution, and the scope of both self-built stores and self-live broadcasting was expanding. At the same time, the downstream bookstore side also continued to expand from offline to online, and some had begun to extend to content publishing.

At present, the People’s Republic of China (“**PRC**”) attaches great importance to the development of cultural industry by reinforcing policy support and promoting the publishing industry to move towards the goal of high-quality development. The new round of state-owned enterprise reform deepening and upgrading actions has helped the publishing state-owned enterprises improve quality and efficiency. Relying on cultural digitalization strategic guidance and digital technology empowerment, the publishing industry has accelerated its integrated development. The rapid development of information technology has promoted the new development of publishing carriers and publishing forms, and brought about changes in reading habits and information acquisition methods of consumers. The publishing industry has entered from the “distribution era” to the “traffic era”, and transformed from “people looking for books” into “books looking for people”. In response to the changes in publishing methods, the publishing industry will accelerate the exploration and application of new technologies such as artificial intelligence, reconstruct traditional publishing production models and industrial forms, stimulate reading needs of consumers, and cultivate new publishing consumption formats, thereby vigorously developing new and quality productivity in the publishing industry.



## RESULTS

In the first half of 2024, the Group focused on its main businesses of publishing and media and the development goal of “promoting high-quality development and striving to be the first class in the country” by deepening reforms, consolidating its roots while developing new products, and improving quality and efficiency. Also, the Group accelerated the cultivation of new and quality productivity in publishing and distribution, built a new digital publishing and communication system, and strove to improve the supply capacities of high-quality cultural products and service, with a view to further improving competitiveness and steadily promoting diversified operational formats and trends. During the Period, the Group recorded revenue of RMB5,788 million, representing a growth of 6.64% as compared with the Same Period of Last Year. The Group achieved total profit of RMB848 million, representing a growth of 5.83% as compared with the Same Period of Last Year, and net profit of RMB752 million, representing a decrease of 4.63% as compared with the Same Period of Last Year.

### Revenue

During the Period, the Group recorded revenue of RMB5,788 million, representing a growth of 6.64% as compared with RMB5,428 million in the Same Period of Last Year, among which, revenue from principal businesses amounted to RMB5,708 million, representing a year-on-year growth of 6.64%, which was mainly benefited from the business growth of educational services and online sales.

### Operating costs

During the Period, operating costs of the Group amounted to RMB3,562 million, representing a growth of 7.29% from RMB3,320 million in the Same Period of Last Year, among which, costs of principal businesses amounted to RMB3,555 million, representing a growth of 7.28% as compared with the Same Period of Last Year, which was mainly due to the expansion of sales scale.

### Gross profit margin

During the Period, consolidated gross profit margin of the Group was 38.46%, down by 0.37 percentage point from 38.83% in the Same Period of Last Year, among which, gross profit margin of principal businesses was 37.73%, down by 0.37 percentage point from 38.10% in the Same Period of Last Year.

## ANALYSIS OF OPERATING SEGMENTS

### 1. Overview of Principal Business Segments

The operating businesses of the Group are divided into two reporting segments, namely the publication segment and the distribution segment, respectively.

The principal businesses of the Group for the six months ended 30 June 2024 by segment are as follows:

*RMB*

By product	Analysis table of principal businesses by product					
	Principal business revenue	Principal business costs	Gross profit margin (%)	Change of operating income 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>	<b>1,211,622,731.49</b>	<b>806,024,438.97</b>	<b>33.48</b>	<b>(2.13)</b>	<b>(5.63)</b>	<b>2.47</b>
Textbooks and supplementary materials	571,986,860.56	328,407,318.58	42.58	(9.25)	(14.57)	3.57
General books	496,655,976.41	368,200,746.38	25.86	9.62	7.83	1.23
Printing and supplies	107,483,622.93	89,600,963.55	16.64	(13.73)	(19.30)	5.75
Newspapers and journals	27,178,733.23	15,293,536.70	43.73	16.30	18.34	(0.97)
Others	8,317,538.36	4,521,873.76	45.63	24.17	6.03	9.30
<b>II. Distribution</b>	<b>5,152,376,843.81</b>	<b>3,488,471,079.40</b>	<b>32.29</b>	<b>6.83</b>	<b>7.73</b>	<b>(0.57)</b>
Textbooks and supplementary materials	2,262,673,037.52	1,374,393,457.35	39.26	6.53	6.66	(0.07)
General books	2,647,793,258.31	1,922,372,786.47	27.40	4.72	5.99	(0.87)
Education informatization and others	241,910,547.98	191,704,835.58	20.75	41.98	41.03	0.53
<b>III. Others</b>	<b>182,953,577.12</b>	<b>159,623,102.23</b>	<b>12.75</b>	<b>2.41</b>	<b>1.61</b>	<b>0.69</b>
Of which: Logistics services	178,855,509.42	158,482,239.11	11.39	4.19	2.57	1.40
<b>Inter-segment elimination total</b>	<b>(838,669,696.92)</b>	<b>(899,345,010.63)</b>				
<b>Total</b>	<b>5,708,283,455.50</b>	<b>3,554,773,609.97</b>	<b>37.73</b>	<b>6.64</b>	<b>7.28</b>	<b>(0.37)</b>

Analysis table of principal businesses by sales model						
By sales model	Principal business revenue	Principal business costs	Gross profit margin (%)	Change of operating income 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)
Offline sales	2,992,159,951.66	1,764,241,081.72	41.04	4.19	7.24	(1.67)
Online sales	2,716,123,503.84	1,790,532,528.25	34.08	9.48	7.33	1.33
Total	<u>5,708,283,455.50</u>	<u>3,554,773,609.97</u>	<u>37.73</u>	<u>6.64</u>	<u>7.28</u>	<u>(0.37)</u>

## 2. Operating Data of the Business Segments

### (1) *Publication segment*

The publication segment of the Group covers publishing of publications including books, newspapers and journals, audio-visual products and digital products; provision of printing services and supply of printing materials.

During the Period, principal business revenue from the publication segment amounted to RMB1,212 million, representing a decrease of 2.13% as compared with RMB1,238 million in the Same Period of Last Year, which was mainly due to the time effect of revenue from textbooks and supplementary materials publishing business and printing and supplies business.

During the Period, gross profit margin of the publication segment was 33.48%, representing an increase of 2.47 percentage points from 31.01% in the Same Period of Last Year, which was mainly due to the increase in gross profit margin of textbooks and supplementary materials publishing business and printing and supplies business as compared with the Same Period of Last Year.

#### ***Textbooks and supplementary materials***

In the first half of 2024, focusing on the fundamental task of cultivating virtuous talents, the Group followed the development trend of education and teaching reform, and actively responded to market changes and challenges. Adhering to the development path of professionalism, serialization, differentiation, specialization and branding, the Group stayed focus on innovation-driven, strictly controlled content quality, and created products with more core competitiveness. Moreover, the Group conducted in-depth researches on the use of new textbooks and the implementation of the new college entrance examination in Sichuan Province, which was followed by structure optimization, old product upgrades, and new product development to improve quality. By deeply tapping into the market potential of supplementary materials for each educational stage, the Group ensured the dominant position of existing products while striving to achieve greater breakthroughs in new products.

During the Period, the Group's textbooks and supplementary materials publication business achieved principal business revenue of RMB572 million, representing a year-on-year decrease of 9.25%. Principal business costs amounted to RMB328 million, representing a year-on-year decrease of 14.57%. Gross profit margin was 42.58%, up by 3.57 percentage points year-on-year, which mainly benefited from the results of further strengthened cost control by the Group.

### ***General books***

Focusing on the goal of “promoting high-quality development and striving to be the first class in the country” and the correct publishing orientation, the Group steadily promotes the high-quality development of publishing under the guidance of themed publishing and key publishing projects.

In the first half of 2024, the Group focused on the themed publishing, and launched key themed books such as Chengdu-Kunming Railway (《大成昆》); dug deep into local resources, and steadily promoted key serial publishing projects; launched successively 754 integrated publications such as e-books, audio books, digital collections, and modern paper books, forming a linkage with paper books and constantly exploring new paths for integrated publications. Moreover, the Group exported 251 copyrights, and physical products with a total value of RMB1.637 million. The Group was identified as the main organizer of the China-Nepal project, the China-Cambodia project of the Asian Classics Translation Project, and all nine of the Group's publishing houses were selected into the top 100 in the 2024 Influence of Overseas Collections of Chinese Books. Unbroken History of Civilization (《不斷裂的文明史》) (Korean version) was selected as an outstanding book at the 23rd Annual Export and Import Editions of Outstanding Books Promotion Event, while the bilingual magazine of Watch Panda published 26,400 copies in domestic and overseas channels, reflecting the continuous improvement in efficiency of international communication.

In the first half of 2024, the Group won many awards and achieved outstanding social benefits. Four books including Chengdu-Kunming Railway were selected for the 2024 China Good Books monthly list, seven books including the National Identity Theory and Practice (國家認同理論與實踐) series were shortlisted as projects funded by the National Publishing Fund in 2024, while Yixiang and the Legend of the Water Splashing Festival (《依香與潑水節的傳說》) was selected for the classic folktale animation creation and publishing project (5th edition) of the National Press and Publication Administration, and Shiyi Village on the Clouds (《雲朵上的石椅村》) was selected for the 2024 key work support project of the Chinese Writers Association. The Group's performance in the mass book market was outstanding. According to the Open Book Data, 24 books of the Group were selected for the “List of Bestseller Books in the First Half of 2024”. Hilarious School Diaries' Happy Language (《米小圈快樂大語文》) (a total of 6 volumes) recorded a sales volume of 225,000 sets and 1.3366 million copies; Being a Mother is a Practice (《當媽是一種修行》) recorded a sales volume of 998,000 copies; and Uncle Tank in the Pocket (《口袋裡的坦克叔叔》) recorded net shipment of 339,700 copies. The Group's market share in terms of actual value in the mass book market was ranked 9th among 37 publishing and media groups in the PRC, up by two ranks as compared with the end of 2023.

During the Period, the Group's general books publication business achieved principal business revenue of RMB497 million, representing a year-on-year increase of 9.62%, which mainly benefited from the growth of publications such as market-oriented cultural and educational books and literature. Principal business costs amounted to RMB368 million, representing a year-on-year increase of 7.83%. Gross profit margin was 25.86%, up by 1.23 percentage points year-on-year.

### ***Newspapers and journals***

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.

During the Period, the Group's newspapers and journals business achieved principal business revenue of RMB27,178,700, representing a year-on-year increase of 16.30%. Principal business costs amounted to RMB15,293,500, representing a year-on-year increase of 18.34%. Gross profit margin was 43.73%, down by 0.97 percentage point as compared with the Same Period of Last year.

## **(2) *Distribution segment***

The distribution segment of the Group covers distribution of textbooks to schools, teachers and students and supply of education informatization and education equipment products and services for secondary and primary schools; retailing, distribution and online sales of publications.

During the Period, principal business revenue from the distribution segment of the Group amounted to RMB5,152 million, representing growth of 6.83% as compared with RMB4,823 million in the Same Period of Last Year, mainly benefiting from the business growth of education service and online sales.

During the Period, gross profit margin of the distribution segment of the Group was 32.29%, an insignificant change from 32.86% in the Same Period of Last Year.

### ***Textbooks and supplementary materials***

In the first half of 2024, the Group fully utilized its advantages of education content integration capabilities and sales network channels, furthering its in-depth efforts to comprehensively improve the quality and depth of educational services. The Group continuously optimized its business structure, improved product quality, enhanced service standards, consolidated the compulsory education service market, deepened the high school education service market, and made efforts in the vocational education service market, so as to promote sustained growth of education service.

During the Period, principal business revenue from textbooks and supplementary materials distribution segment of the Group amounted to RMB2,263 million, representing an increase of 6.53% year-on-year, mainly benefiting from the Group's deeply tapping into the high school education service market on the basis of consolidating the compulsory education service market, so that the sales of high school education products increased.

### ***General books***

In the first half of 2024, the Group's general book distribution capabilities further strengthened. The first was to continuously consolidate the main distribution channels of key themed current affairs publications, the distribution volume of which ranked top in the PRC; actively integrate into the construction of the public cultural service system, and vigorously expand the businesses of government and enterprise services to satisfy different cultural consumption needs of customers. The second was to continuously invest in promoting store upgrades and renovation, adhere to focusing on the needs of brand customer groups, and adopt differentiated operation of large bookstores, standardized operation of small and medium-sized stores, and themed operation of Stackway to enhance cultural consumption experience of customers. The third was to actively respond to market changes, optimize product structure, and further improve the student reading material system to meet educational needs. The fourth was to continuously strengthen the refined operation on comprehensive e-commerce platforms; vigorously expand content e-commerce businesses, thus consolidating the leading advantages in the national book e-commerce arena; and continuously optimize the operation of online "cloud stores" by promoting in-depth online-offline integration and creating diversified consumption scenarios.

During the Period, revenue from the principal businesses of general books distribution business of the Group amounted to RMB2,648 million, representing an increase of 4.72% year-on-year, which was mainly benefited from growth brought about by refined Internet operations and the continuous exploration of new channels. Gross profit margin was 27.40%, representing a decrease of 0.87 percentage point as compared with the Same Period of Last Year.

### ***Education informatization and others***

In the first half of 2024, the Group promoted the transformation and upgrading of its education informatization and education equipment business by leveraging high-quality digital content resource to explore business models from environmental construction, teaching applications to application operations, thus providing a full range of informatized services. The online service platform of Winshare Youxue covered 6,036 schools, serving 4.7448 million students; the labor and study practical education business served a secondary and primary student flow of 308,100; and the teacher training business organized and implemented 174 projects, serving a teacher flow of 56,000.

During the Period, sales revenue from education informatization and others business of the Group amounted to RMB242 million, representing an increase of 41.98% as compared with the Same Period of Last Year, which was mainly due to revenue growth brought about by the delivery of projects such as smart campuses and education equipment procurement in parts of the province during the Period.

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

### Breakdown of the relevant item changes in the financial statements

(For the six months ended 30 June 2024)

Item	RMB		
	Current Period	Same Period of Last Year	Change (%)
Revenue	5,787,816,275.71	5,427,547,628.27	6.64
Operating costs	3,562,042,236.10	3,319,977,440.48	7.29
Selling expenses	715,635,380.70	660,590,684.41	8.33
Administrative expenses	749,109,877.40	717,781,572.58	4.36
Finance expenses	(85,134,627.74)	(73,491,949.73)	N/A
Research and development expenditure	9,364,568.90	8,668,944.20	8.02
Net cashflow generated from operating activities	379,837,357.10	582,152,981.45	(34.75)
Net cashflow generated from investing activities	(734,143,481.92)	(92,831,524.90)	N/A
Net cashflow generated from financing activities	(579,171,553.35)	(309,670,069.47)	N/A
Taxes and surcharges	25,551,756.04	7,086,485.01	260.57
Other gains	30,047,532.36	57,045,469.81	(47.33)
Gain (loss) on fair value change	(36,709,633.98)	(4,637,313.55)	N/A
Credit impairment gain (loss)	(46,035,808.57)	(84,176,818.32)	N/A
Asset impairment gain (loss)	(21,027,688.19)	(40,814,578.89)	N/A
Gain on asset disposal	1,128,329.57	267,758.40	321.40
Non-operating income	1,050,289.04	2,955,156.75	(64.46)
Income tax expenses	95,920,622.56	12,606,256.50	660.90
Minority interests	36,562,956.71	26,754,986.98	36.66

### EXPENSES

During the Period, selling expenses of the Group amounted to RMB716 million, representing an increase of 8.33% from RMB661 million in the Same Period of Last Year, mainly due to the increase in advertising and promotion expenses, e-commerce platform service fees and labor costs.

During the Period, administrative expenses of the Group amounted to RMB749 million, representing an increase of 4.36% from RMB718 million in the Same Period of Last Year, mainly because expenses such as labor costs increased as compared with the Same Period of Last Year.

During the Period, finance expenses of the Group amounted to RMB-85,134,600, representing a decrease of RMB11,642,700 from RMB-73,491,900 in the Same Period of Last Year, mainly because the interest income derived from bank deposits increased as compared with the Same Period of Last Year.

During the Period, research and development expenses of the Group amounted to RMB9,364,600, an insignificant change from RMB8,668,900 in the Same Period of Last Year.

#### **TAXES AND LEVIES**

During the Period, taxes and levies of the Group amounted to RMB25,551,800, representing a growth of 260.57% from RMB7,086,500 in the Same Period of Last Year, mainly due to the preferential tax policies where the Company and some of its subsidiaries were exempt from property tax and urban land use tax in the Same Period of Last Year.

#### **GAIN ON FAIR VALUE CHANGE**

During the Period, loss on fair value change of the Group amounted to RMB36,709,600, representing an increase of RMB32,072,300 as compared with loss on fair value change of RMB4,637,300 in the Same Period of Last Year, mainly due to the changes in fair value of projects held by funds invested by the Group such as Winshare Hengxin and Citic Buyout as a result of fluctuation in share price during the Period.

#### **CREDIT IMPAIRMENT LOSSES**

During the Period, credit impairment losses of the Group amounted to RMB46,035,800, representing a decrease of RMB38,141,000 from RMB84,176,800 in the Same Period of Last Year, mainly due to the strengthened efforts in recovering historical debts during the Period, in which some historical debts were recovered.

#### **ASSET IMPAIRMENT LOSSES**

During the Period, asset impairment losses of the Group amounted to RMB21,027,700, representing a decrease of RMB19,786,900 from RMB40,814,600 in the Same Period of Last Year, mainly due to the changes in the inventory structure.

#### **INVESTMENT INCOME**

During the Period, the Group's investment income was RMB123 million, representing an increase of 21.68% from RMB101 million in the Same Period of Last Year, which was mainly due to the increase in cash dividends declared by companies such as Bank of Chengdu and Wan Xin Media for 2023 as compared with the Same Period of Last Year.

#### **OTHER INCOME AND NON-OPERATING INCOME AND EXPENSES**

During the Period, other income of the Group amounted to RMB30,047,500, representing a decrease of 47.33% from RMB57,045,500 in the Same Period of Last Year, which was mainly due to the effect of the timing of VAT refund, the payment of which was received in July.



During the Period, non-operating income of the Group amounted to RMB1,050,300, representing a decrease of 64.46% from RMB2,955,200 in the Same Period of Last Year, which was mainly due to the disposal of scrapped goods in the Same Period of Last Year.

During the Period, non-operating expenses of the Group amounted to RMB14,181,600, representing a decrease of 16.25% from RMB16,934,100 in the Same Period of Last Year, mainly due to the decrease in donations as compared with the Same Period of Last Year.

### **GAIN ON ASSET DISPOSAL**

During the Period, gain on asset disposal of the Group amounted to RMB1,128,300, representing an increase of RMB860,500 from RMB267,800 in the Same Period of Last Year, mainly due to the gain brought about by disposal of printing equipment by subsidiaries during the Period.

### **INCOME TAX EXPENSES**

During the Period, income tax expenses of the Group amounted to RMB95,920,600, representing an increase of RMB83,314,300 as compared with RMB12,606,300 in the Same Period of Last Year, mainly due to changes in the preferential tax policies for restructured cultural enterprises, which resulted in an increase in enterprise income tax expenses of the Company and some of its subsidiaries during the Period.

### **OTHER COMPREHENSIVE INCOME**

During the Period, other comprehensive income net, after tax of the Group amounted to RMB265 million, representing a decrease of 3.21% from RMB274 million in the Same Period of Last Year, mainly due to fluctuation in share prices of Bank of Chengdu and Wan Xin Media and changes in the preferential tax policies.

### **PROFIT**

Net profit of the Group for the Period amounted to RMB752 million, representing a year-on-year decrease of 4.63%. Net profit attributable to shareholders of the listed company amounted to RMB716 million, representing a year-on-year decrease of 6.08%. After deducting non-recurring profit or loss, the net profit attributable to shareholders of the listed company amounted to RMB744 million, representing a year-on-year decrease of 4.40%, which was mainly attributable to changes in the preferential tax policies for restructured cultural enterprises, which resulted in an increase in enterprise income tax expenses of the Company and some of its subsidiaries during the Period.

### **EARNINGS PER SHARE**

Earnings per share is calculated based on the net profit of the Company attributable to the shareholders of the listed company for the Period divided by the weighted average number of the ordinary shares in issue during the Period. During the Period, earnings per share of the Group amounted to RMB0.58, representing a decrease of 6.45% as compared with RMB0.62 in the Same Period of Last Year. For details regarding the calculation of earnings per share, please refer to Note 26 to the consolidated financial statements in this interim results announcement.

## CASH FLOW

During the Period, net cashflow of the Group generated from operating activities was net inflow of RMB380 million, representing a decrease of 34.75% as compared with net inflow of RMB582 million in the Same Period of Last Year, mainly due to changes in the preferential tax policies, which resulted in a larger year-on-year increase in the enterprise income tax and property tax paid during Period, and the delay in refunding VAT payment after levy for the publication segment as compared with the Same Period of Last year, which part of the payment was received in July.

During the Period, net cashflow of the Group generated from investing activities was net outflow of RMB734 million, as compared with net outflow of RMB93 million in the Same Period of Last Year. The net cash outflow during the Period was mainly due to the allocation of certificates of large amount deposits and time deposits, while in the Same Period of Last Year, net cash outflow was mainly due to the allocation of fund investment and time deposits.

During the Period, net cashflow of the Group generated from financing activities was net outflow of RMB579 million, as compared with net outflow of RMB310 million in the Same Period of Last Year. The net cash outflow during the Period was mainly due to the payment for 2023 special dividends of RMB222 million and the distribution of dividends for A Shares of RMB316 million for 2023, while in the Same Period of Last Year, net cash outflow was mainly due to the distribution of dividends for A Shares of RMB269 million for 2022.

## ASSETS AND LIABILITIES ANALYSIS

(As at 30 June 2024)

RMB

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of the total assets (%)	Amount as at the end of the prior year	Amount as at the end of the prior year as a percentage of the total assets (%)	Change in the amount as at the end of the Current Period over the amount as at the end of the prior year (%)	Remark
Held-for-trading financial assets	78,709.63	0.00	5,220.00	0.00	1,407.85	It mainly represents the stocks invested by the Company.
Notes receivable	2,448,019.88	0.01	3,758,159.19	0.02	(34.86)	Mainly due to the decrease in the balance of receivables for logistics business settled by commercial acceptance bills at the end of the Period as compared with the beginning of the Period.
Prepayments	78,931,946.74	0.36	55,483,678.87	0.25	42.26	Mainly due to new prepayments to suppliers for equipment procurement during the Period.

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of the total assets (%)	Amount as at the end of the prior year	Amount as at the end of the prior year as a percentage of the total assets (%)	Change in the amount as at the end of the Current Period over the amount as at the end of the prior year (%)	Remark
Other receivables	262,357,988.75	1.20	121,733,914.08	0.56	115.52	The increase was mainly the receipt of 2023 cash dividends in July as declared by Bank of Chengdu, Wan Xin Media, etc.
Other current assets	197,324,091.15	0.90	508,621,658.45	2.33	(61.20)	Mainly due to recovery of time deposits upon maturity, resulting in a decrease in the balance at the end of the Period as compared with the beginning of the Period.
Long-term receivables	14,757,359.64	0.07	34,562,954.24	0.16	(57.30)	Mainly due to the decrease in closing balance of receivables as compared with the opening balance as a result of the fact that the receivables of education informatization and equipment business, which adopted collection by instalments, were transferred to "non-current assets due within one year" as the agreed payment period approached.
Development cost	2,623,266.62	0.01	1,045,459.68	0.00	150.92	Mainly due to the slight increase in research and development investment such as software during the Period.
Other non-current assets	1,792,698,873.88	8.19	865,432,280.53	3.97	107.14	Mainly due to the change of time deposits and bank certificates of large amount deposit with no intention to withdraw in advance.
Notes payable	23,680,278.64	0.11	36,299,683.81	0.17	(34.76)	Mainly due to the decrease in the balance of trade payables settled by notes for the provision of printing materials business and education informatization and equipment business at the end of the Period as compared with the beginning of the Period.
Receipts in advance	3,052,391.12	0.01	519,377.31	0.00	487.70	It represents the change of house rental received in advance.

Item	Amount as at the end of the Current Period	Amount as at the end of the Current Period as a percentage of the total assets (%)	Amount as at the end of the prior year	Amount as at the end of the prior year as a percentage of the total assets (%)	Change in the amount as at the end of the Current Period over the amount as at the end of the prior year (%)	Remark
Employee benefits payable	553,982,797.17	2.53	795,130,708.68	3.65	(30.33)	Mainly due to the payment of performance-based wages for 2023 during the Period.
Taxes payable	98,279,928.92	0.45	70,497,049.35	0.32	39.41	The closing balance was mainly due to the increase in enterprise income tax for the second quarter accrued by the Group, which was paid in July.
Long-term employee benefits payable	-	-	30,581,649.90	0.14	(100.00)	Mainly due to the fact that Liangshanzhou Xinhua Bookstore, a subsidiary of the Company, transferred the compensation for external expenses for retirees with original business status incurred during the restructuring to the Liangshanzhou Yi Autonomous Prefecture Educational Technology and Equipment Institute during the Period.
Deferred income	27,007,990.61	0.12	20,083,863.80	0.09	34.48	Mainly due to the changes in book subsidies and project subsidies during the Period.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group had cash and bank balances of approximately RMB8,244 million (31 December 2023: RMB9,118 million), and short-term borrowings of RMB10 million (31 December 2023: RMB10 million).

As at 30 June 2024, the gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 36.33%, down by 2.10 percentage points as compared with 38.43% as at 31 December 2023. The Group's overall financial structure remains relatively stable.

## CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any material contingent liabilities.

## Pledge of Assets

As at 30 June 2024, the balance of pledged deposits of the Group amounted to RMB10,503,900 (31 December 2023: RMB12,560,200), representing the security deposits placed with the banks for the issuance of bank acceptance bills, letters of guarantee, etc. 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 that no foreign exchange hedging arrangement has been made.

## Working Capital Management

	<b>30 June 2024</b>	30 June 2023
Current ratio	<b>1.7</b>	1.8
Inventory turnover days	<b>127.9</b>	134.5
Trade receivable and notes turnover days	<b>53.2</b>	61.4
Trade payable and notes turnover days	<b>280.9</b>	290.9

As at 30 June 2024, current ratio of the Group was 1.7, which was basically the same as compared with the Same Period of Last Year. During the Period, the inventory turnover days was 127.9 days, down by 6.6 days as compared with the Same Period of Last Year. The trade receivable and notes turnover days was 53.2 days, down by 8.2 days as compared with the Same Period of Last Year. The trade payable and notes turnover days was 280.9 days, down by 10.0 days as compared with the Same Period of Last Year.

The above indicators reflect that the operating conditions of the Group remained relatively stable, and the turnover days of inventory, trade receivables and trade payables were in line with the industry features of the publication and distribution enterprises.

*Note:* The trade receivable and notes turnover days were calculated based on the aggregate amount of notes receivable, accounts receivable and long-term receivables due within one year.

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

During the Period, the Group centered on the development strategy and optimized the industry layout. While developing its principal businesses, the Group pushed ahead the industry-finance integration with a view to establishing the Group as a first-class cultural media group in the PRC.

The Company was interested in 80,000,000 shares of Bank of Chengdu. Its shareholding was 2.10%. The cost of investment was RMB240 million. During the Period, the Company recognized a dividend income of RMB71,744,000 from Bank of Chengdu. As at 30 June 2024, the market capitalization of the shares held by the Company in Bank of Chengdu was RMB1,215 million.

The Company was interested in 124,640,000 shares of Wan Xin Media. Its shareholding was 6.27%. The cost of investment was RMB186 million. During the Period, the Company recognized a dividend income of RMB38,015,200 from Wan Xin Media. As at 30 June 2024, the market capitalization of the shares held by the Company in Wan Xin Media was RMB864 million.

Wan Xin Media and Bank of Chengdu are financial investments of the Company which not only generate attractive dividend income to the Group for the Period, but also higher capital appreciation to the Group. The Company will monitor the price trends of the A share market and these two stocks from time to time. Coupled with the industrial development, the Company will formulate corresponding investment strategies to continuously and steadily contribute to the finance income of the Company.

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

During the Period, 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	January to June 2024		30 June 2024	
				Revenue	Net profit	Total assets	Net assets
Sichuan Education Publishing House Co., Ltd.	Publication of books	100.00	1,000.00	44,478.74	17,161.41	159,202.64	131,945.86
Sichuan Publication Printing Co., Ltd.	Plate-leased printing and supply of textbooks	100.00	5,000.00	8,524.04	2,416.23	86,462.54	79,685.60
Sichuan Winshare Online E-commerce Co., Ltd.	Online sales of different products	92.00	6,000.00	158,519.52	420.48	329,294.40	(8,421.75)

#### **(IV) FUTURE PROSPECTS**

The Group adheres to promoting high-quality development and strives to be the first class in the country. Focusing on its main responsibilities and principal businesses, the Group strengthens the publishing and distribution industry chain, accelerates digital transformation, and builds industrial competitive edges in the digital era. It will implement the following operating plans:

1. Adhere to “optimizing management, strengthening synergy, and deepening innovation” to promote high-quality development of the publishing business. Adhere to producing high-quality products and producing benefits, further promote the refined management of “one house, one policy”, refine major theme publishing, strengthen original high-quality publishing, optimize key publishing projects, and give full play to the advantages of full industry chain, continuing to gather high-quality author resources and content resources; further strengthen the collaboration between publishing and channels, and make full use of channel operating data to promote content planning capabilities; further deepen copyright operations and integrated publishing, and continue to build the publishing brand of Winshare.
2. Adhere to “policy-oriented, customer-centred” to promote high-quality development of educational service business. Develop and promote textbook products that meet market demand, and continuously improve product and service quality; continue to explore and develop new use scenarios of education equipment at all educational stages, and provide students with a three-dimensional and high-quality learning experience in the form of “environment construction + tools + content”; improve the bases of labor and study practical education business, optimize the operation mechanism of business; develop special teacher training courses to improve service quality; promote the optimization and upgrading of online service platforms, facilitate online-offline integrated development, and build a new educational service system against the digital background.
3. Adhere to “promoting in-depth online-offline integrated development” to drive high-quality development of reading service business. Make effort in ensuring the distribution services of key themed current affairs publications; focusing on the general book distribution business, continue to promote the transformation, upgrading and integrated development of physical bookstores; actively expand and broaden the library and university reading services for teachers and students, government and enterprise institutional cultural space customization services, rural bookstore cultural services and other businesses; further enhance the operational depth and capabilities of comprehensive e-commerce and content e-commerce, and pursue the introduction, development and refined operation of key products; strengthen the construction of supply chain coordination capabilities, and continuously improve service capabilities and consumer experience through technology, data and other means.

4. Optimize the allocation of logistics resources and enhance supply chain service capabilities. Promote the reform and upgrading of automated and specialized logistics equipment and supporting systems to improve logistics operation efficiency; continue to promote the construction of “functional warehouses” to further optimize resource utilization efficiency and management standards, and improve the efficiency of the intensification of logistics resources. Continuously enhance national supply chain service capabilities with a more scientific, intelligent and efficient management system.
5. Further improve the layout of capital operations, rationally allocate investment portfolios, diversify investment risks, integrate high-quality resources, and continuously create a balanced investment pattern that combines reasonable investment structure, short-term income and long-term value, so as to obtain capital operating gains.

## **(V) POTENTIAL RISKS**

The Group has formulated sound business objectives and optimal operating plans. However, adjustments to industry policies and tax policies may affect the operating environment and market competition pattern of the industry. The Group will pay close attention to the dynamics of relevant policies, strengthen policy research capabilities, optimize resource allocation, make relevant tax arrangements, and improve core competitiveness to respond to industry and market changes.

With the rapid iteration and upgrading of information technology, technology in the fields of integrated media publishing and smart education continues to innovate, new business forms and new models have been emerging, and application scenarios continue to change, bringing development opportunities as well as a series of challenges to the Group. The Group will conduct in-depth research on the trends of the integration of industry and technology, further improve the technological innovation mechanism, explore and expand the innovative application of new technology, and promote in-depth integrated development.

In recent years, the rapid development of new media e-commerce such as short videos and live broadcasts, as well as the different discount strategies of various channels, have triggered intensified market competition. The full market competition environment has put forward higher requirements for the content production and channel sales capabilities of the Group’s publishing business. The Group will strengthen market monitoring and analysis, focus on improving content production and service supply standards, and optimize product and channel marketing mix, continuously improving its market competitiveness and risk response capabilities.



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

During the Period, 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 Directors are of the view that, during the Period, the Company has adopted and complied with the applicable principles and the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the Directors and supervisors of the Company (the “**Supervisors**”), for the purpose of regulating securities transactions by the Directors and Supervisors. Having made specific enquiries to each Director and Supervisor, all Directors and Supervisors confirmed that they have complied with the provisions as set out in the Model Code throughout the Period.

## **INTERIM DIVIDEND**

The Board has recommended the payment of an interim dividend by the Company for the six months ended 30 June 2024 of RMB0.19 (tax inclusive) per share, totaling approximately RMB234,429,790.00 (tax inclusive) (the “**Interim Dividend for 2024**”). The proposed Interim Dividend for 2024 is subject to the approval by shareholders at the EGM. If the proposal is approved, dividends payable to A shareholders will be declared and paid in RMB, whereas dividends payable to 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 EGM.

In accordance with the “Enterprise Income Tax Law of the People's Republic of China” and its implementation regulations, where a PRC domestic enterprise distributes dividends to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the dividend as enterprise 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 Taxation Administration 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.

H shareholders whose names appear on the register of members of the Company at 4:30 p.m. on Friday, 13 September 2024 are entitled to attend and vote at the EGM. H shareholders whose names appear on the register of members of the Company on the dividend entitlement date are entitled to the Interim Dividend for 2024 of the Company (if approved by the shareholders). The Interim Dividend for 2024 will be paid before 16 December 2024 (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 enterprise 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 enterprise income tax and individual income tax.

## **EGM**

The EGM of the Company will be held at 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 Wednesday, 16 October 2024. Details of the EGM will be set out in the notice of the EGM 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 EGM and to receive the Interim Dividend for 2024 (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 EGM:***

Latest time for lodging transfers of H shares	4:30 p.m., Friday, 13 September 2024
Closure of register of members for H shares	from Monday, 16 September 2024 to Wednesday, 16 October 2024 (both days inclusive)
Date for holding the EGM	Wednesday, 16 October 2024

***To ascertain the H shareholders who are entitled to the proposed Interim Dividend for 2024:***

Latest time for lodging transfers of H shares	4:30 p.m., Monday, 21 October 2024
Closure of register of members for H shares	from Tuesday, 22 October 2024 to Tuesday, 29 October 2024 (both days inclusive)
Dividend entitlement date	Tuesday, 29 October 2024

In order for the H shareholders to qualify to attend and vote at the EGM and to receive the Interim Dividend for 2024 (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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before the abovementioned deadlines for lodging the transfer documents.

**EVENTS AFTER THE PERIOD**

At the Board meeting held on 27 August 2024, the profit distribution plan for the interim period of 2024 was passed under which the undistributed profit for the interim period of 2024 will be distributed at the price of RMB0.19 (tax inclusive) per share and the proposed dividend amounted to RMB234,429,790.00 (tax inclusive). The resolution shall take effect upon obtaining approval at the EGM. Apart from this, there were no material events of the Group after the Period.

**AUDIT COMMITTEE**

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

The Audit Committee has reviewed the Group's unaudited consolidated financial statements for the six months ended 30 June 2024 included in this interim results announcement and has communicated and discussed the financial reporting issues of the Group with the management of the Company. The Audit Committee confirmed that the interim financial report of the Group has been prepared in accordance with the applicable accounting standards and requirements and have made appropriate disclosures accordingly.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.winshare.com.cn](http://www.winshare.com.cn)) respectively. The Company's 2024 interim report will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company respectively on or before 30 September 2024.

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

Sichuan, the PRC, 27 August 2024

*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. Deng Fumin and Mr. Han Wenlong as independent non-executive Directors.*

\* *For identification purposes only*