

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

2023 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 2023 (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 2022 (the “**Same Period of Last Year**”).

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2023

RMB

ITEM	Notes	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Current Assets:			
Cash and bank balances	5	7,977,398,442.23	7,801,800,506.62
Notes receivable		1,802,667.17	2,906,232.79
Accounts receivable	6	1,722,903,109.79	1,697,878,791.47
Financing receivables		9,565,793.55	8,499,815.79
Prepayments		77,938,207.37	78,587,315.95
Other receivables		227,153,733.07	129,770,862.20
Inventories	7	2,319,342,402.45	2,572,840,225.77
Contract assets		8,827,611.11	9,567,253.11
Non-current assets due within one year		91,679,610.20	117,238,899.64
Other current assets	8	514,785,696.64	331,074,537.47
Total Current Assets		12,951,397,273.58	12,750,164,440.81

ITEM	<i>Notes</i>	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Non-current Assets:			
Long-term receivables	9	61,013,498.25	100,428,300.51
Long-term equity investments	10	768,259,677.49	748,393,704.39
Other equity instrument investment	11	2,148,260,007.13	1,874,674,472.69
Other non-current financial assets	12	456,861,530.70	467,646,874.02
Investment properties		96,248,557.02	95,997,370.92
Fixed assets	13	2,393,158,092.21	2,453,982,246.63
Construction in progress		56,826,793.65	47,219,096.45
Right-of-use assets		334,484,946.21	378,694,230.48
Intangible assets		386,426,193.50	391,318,045.86
Development cost		1,564,614.52	1,428,449.38
Goodwill	14	622,652,907.24	622,652,907.24
Long-term prepaid expenses		40,814,460.19	44,357,505.30
Deferred income tax assets		23,819,880.33	23,891,140.32
Other non-current assets	15	541,488,910.24	650,538,774.36
Total Non-current Assets		7,931,880,068.68	7,901,223,118.55
TOTAL ASSETS		20,883,277,342.26	20,651,387,559.36
Current Liabilities:			
Short-term borrowings		18,000,000.00	18,000,000.00
Notes payable		5,000,000.00	29,776,305.93
Accounts payable	16	5,124,501,990.14	5,424,399,662.93
Advance receipts		1,360,639.54	1,167,160.30
Contract liabilities	17	585,331,472.12	584,100,139.24
Employee benefits payable		497,186,692.21	704,546,289.83
Taxes payable		55,697,870.11	70,623,802.58
Other payables	18	556,004,168.03	404,374,959.26
Non-current liabilities due within one year		92,588,714.86	91,632,641.94
Other current liabilities		225,966,566.74	213,833,204.22
Total Current Liabilities		7,161,638,113.75	7,542,454,166.23

ITEM	Notes	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Non-current Liabilities:			
Lease liabilities		286,003,888.40	314,531,302.76
Long-term employee benefits payable		30,583,918.75	33,142,176.77
Deferred income		25,829,912.00	25,359,348.84
Deferred income tax liabilities		74,144,695.68	73,867,204.70
Total Non-current Liabilities		416,562,414.83	446,900,033.07
TOTAL LIABILITIES		7,578,200,528.58	7,989,354,199.30
Shareholders' Equity:			
Share capital	19	1,233,841,000.00	1,233,841,000.00
Capital reserve		2,572,524,766.32	2,572,524,766.32
Other comprehensive income	26	1,719,056,165.01	1,445,418,214.18
Surplus reserve		1,154,424,514.15	1,154,424,514.15
Undistributed profits	20	6,426,421,444.79	6,083,770,928.98
Total Shareholder's Equity Attributable to the Parent Company		13,106,267,890.27	12,489,979,423.63
Non-controlling Interests		198,808,923.41	172,053,936.43
TOTAL SHAREHOLDERS' EQUITY		13,305,076,813.68	12,662,033,360.06
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		20,883,277,342.26	20,651,387,559.36

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023

RMB

ITEM	Notes	Amount recognized in the Current Period (Unaudited)	Amount recognized in the Same Period of Last Year (Unaudited)
I. Operating income	21	5,427,547,628.27	4,979,805,010.92
Less: Operating costs	21	3,319,977,440.48	3,083,492,387.26
Taxes and surcharges		7,086,485.01	20,102,483.76
Selling expenses		660,590,684.41	629,208,473.88
Administrative expenses		717,781,572.58	595,296,295.63
Research and development expenditure		8,668,944.20	2,322,116.03
Finance expenses		(73,491,949.73)	(69,114,840.22)
Including: Interest expense		9,335,572.49	10,939,606.43
Interest income		85,982,349.20	83,828,683.18
Add: Other income		57,045,469.81	50,859,579.20
Investment income	22	100,877,689.79	89,815,916.35
Including: Income (losses) from investments in associates and joint ventures		16,165,973.10	(6,544,933.19)
Gains (losses) from fair value change	24	(4,637,313.55)	(57,143,903.32)
Gains (losses) on credit impairment		(84,176,818.32)	(113,317,656.18)
Impairment gains (losses) of assets		(40,814,578.89)	(19,347,328.54)
Gains from disposal of assets		267,758.40	40,342,601.44
II. Operating profit		815,496,658.56	709,707,303.53
Add: Non-operating income		2,955,156.75	3,142,325.76
Less: Non-operating expenses		16,934,116.02	11,670,697.45
III. Total profit		801,517,699.29	701,178,931.84
Less: Income tax expenses	25	12,606,256.50	(13,749,731.56)

ITEM	<i>Notes</i>	Amount recognized in the Current Period (Unaudited)	Amount recognized in the Same Period of Last Year (Unaudited)
IV. Net profit		788,911,442.79	714,928,663.40
(I) Categorized by the nature of continuing operation:			
1. Net profit from continuing operations		788,911,442.79	714,928,663.40
(II) Categorized by ownership:			
1. Net profit attributable to shareholders of the parent company		762,156,455.81	717,795,048.76
2. Profit or loss attributable to non-controlling interests		26,754,986.98	(2,866,385.36)
V. Other comprehensive income, net of tax	<i>26</i>	273,637,950.83	321,665,681.01
Other comprehensive income attributable to shareholders of the parent company, net of tax	<i>26</i>	273,637,950.83	321,665,681.01
(I) Other comprehensive income not reclassified to profit or loss			
1. Changes in other equity instrument investment at fair value	<i>26</i>	273,637,950.83	321,665,681.01
VI. Total comprehensive income		1,062,549,393.62	1,036,594,344.41
Total comprehensive income attributable to shareholders of the parent company		1,035,794,406.64	1,039,460,729.77
Total comprehensive income attributable to non-controlling shareholders		26,754,986.98	(2,866,385.36)
VII. Earnings per share:	<i>27</i>		
(I) Basic earnings per share		0.62	0.58
(II) Diluted earnings per share		N/A	N/A

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023

ITEM	Amount recognized in the Current Period (Unaudited)	RMB Amount recognized in the Same Period of Last Year (Unaudited)
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	5,512,432,554.31	4,999,988,853.97
Receipts of tax refunds	37,540,988.38	37,105,294.24
Other cash receipts relating to operating activities	120,895,825.40	107,191,401.70
Sub-total of cash inflows from operating activities	5,670,869,368.09	5,144,285,549.91
Cash payments for goods purchased and services received	3,456,071,893.64	3,285,357,971.86
Cash payments to and on behalf of employees	1,096,591,952.42	925,883,747.20
Payments of various types of taxes	67,196,007.55	76,593,774.99
Other cash payments relating to operating activities	468,856,533.03	435,725,618.98
Sub-total of cash outflows from operating activities	5,088,716,386.64	4,723,561,113.03
Net Cash Flow from Operating Activities	582,152,981.45	420,724,436.88
II. Cash Flows from Investing Activities:		
Cash receipts from recovery of investments	154,682,654.69	251,386,092.46
Cash receipts from investment income	1,486,548.79	98,676,394.54
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	546,945.00	38,895,018.65
Other cash receipts relating to investing activities	50,391,589.04	405,499,999.89
Sub-total of cash inflows from investing activities	207,107,737.52	794,457,505.54
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	46,551,405.40	116,014,885.70
Cash payments to acquire investments	153,387,857.02	191,763,862.30
Other cash payments relating to investing activities	100,000,000.00	300,000,000.00
Sub-total of cash outflows from investing activities	299,939,262.42	607,778,748.00
Net Cash Flow from Investing Activities	(92,831,524.90)	186,678,757.54
III. Cash Flows from Financing Activities:		
Cash payments for distribution of dividends, profit or settlement of interest expenses	269,563,398.33	253,426,737.21
Other cash payments relating to financing activities	40,106,671.14	42,779,482.54
Sub-total of cash outflows from financing activities	309,670,069.47	296,206,219.75
Net Cash Flow from Financing Activities	(309,670,069.47)	(296,206,219.75)
IV. Net Increase in Cash and Cash Equivalents		
Add: Opening balance of cash and cash equivalents	7,762,084,629.28	5,997,769,686.81
V. Closing Balance of Cash and Cash Equivalents		
	<u>7,941,736,016.36</u>	<u>6,308,966,661.48</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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.

In accordance with the resolution of the eleventh meeting of the fifth session of the Board of Directors in 2023 on 29 August 2023, Mr. Zhou Qing was elected as the chairman of the Company. Pursuant to the articles of association of the Company (the “**Articles of Association**”), the legal representative of the Company has been changed from Mr. Luo Yong to 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 mainly engaged in: sales of books, newspapers, journals, electronic publications; wholesale of audio-visual products (for exclusive purpose of chain store); manufacture of electronic publications and audiovisual products; production of audio tapes, video tapes; logistics; and wholesale and retail of pre-packaged food, dairy products (not including infant formula, solely operated by branch office management); printing of publications, printed matters of package and decoration and other printed matters; (the valid period of the above business scope is subject to the approval of licenses). Plate-leased printing and supply of textbooks; investments in publications and assets management; leasing of properties; business services; wholesale and retail of goods; import and export business; education ancillary services; catering business; and ticketing agency. (The items above exclude pre-licensing items while the post-licensing items are subject to the approval of licenses and shall be operated according to the licenses)

The parent 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 (“**MoF**”). In addition, the Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting (Revised in 2014), Hong Kong Companies Ordinance and Listing Rules.

Going concern

The Group assessed its ability to continue as a going concern for the 12 months subsequent to 30 June 2023, 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 MoF, the State Administration of Taxation and the Publicity Department of the Chinese Communist Party, 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 houses under the Company enjoy enterprise income tax exemption for five years from 1 January 2019.

In accordance with the Notice on Several Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises for Continuous Implementation of Cultural System Reform (Cai Shui [2019] No. 16) and the Announcement on the List of the First Batch of State-transformed Cultural Enterprises issued by the MoF, State Administration of Taxation and Publicity Department of the Communist Party of China, 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.

The Company’s subsidiaries, Sichuan Winshare Education Technology Co., Ltd. and Sichuan Winshare Online E-commerce Co., Ltd., which fall within the encouraged industries in the Western Region included in the Notice on Renewing the Enterprise Income Tax Policy for Great Western Development (Notice of the MoF [2020] No. 23) issued by the MoF, the State Administration of Taxation, and the National Development and Reform Commission, 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 the MoF and the State Administration of Taxation No. 10 of 2021) issued by the MoF 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.

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 2023, 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

Accounting Standards for Business Enterprises Interpretation No.16

On 30 November 2022, the MoF issued the ASBE Interpretation No.16 (“**Interpretation No.16**”) under the document Cai Kuai [2022] No.31, which regulates the accounting treatment of exemption from initial recognition of deferred income tax related to assets and liabilities arising from a single transaction, and has been implemented since 1 January 2023. The Group is of the view that the adoption of the such requirements has no material effect on the Group’s and the Company’s financial statements.

5. CASH AND BANK BALANCES

RMB

Item	30 June 2023 (Unaudited)			31 December 2022 (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	217,040.89	1.0000	217,040.89	187,653.59	1.0000	187,653.59
Bank balances:						
RMB (Note 1)	7,937,747,755.54	1.0000	7,937,747,755.54	7,759,845,394.77	1.0000	7,759,845,394.77
USD	18,373.05	7.2258	132,759.98	32,732.41	6.9646	227,968.14
EUR	68.69	7.8771	541.08	68.69	7.4229	509.88
HKD	53,870.42	0.9220	49,668.53	54,067.69	0.8933	48,298.67
Other currency funds:						
RMB (Note 2)	39,250,676.21	1.0000	39,250,676.21	41,490,681.57	1.0000	41,490,681.57
Total			7,977,398,442.23			7,801,800,506.62

Note 1: At the end of the Period, the bank balances include 3-month above time deposits and interests amounting to RMB3,329,702,926.03 (31 December 2022: RMB3,135,000,000.00) with an interest rate of 1.90%-3.85%. The management held the term deposits for the Period with the intention of flexible arrangement of funds and withdrew funds at any time depending on the capital needs.

Note 2: At the end of the Period, other currency funds include the balances with Alipay App account and WeChat App account and securities account of RMB3,588,250.34 (31 December 2022: RMB1,774,804.23), and the remaining are restricted currency funds. At the end of the Period, the Group's cash and bank balances with restricted ownership consist of security deposit for the issuance of bank acceptance bills of RMB0 (31 December 2022: RMB2,332,892.40), security deposit placed in bank for the issuance of guarantee letter of RMB8,689,281.27 (31 December 2022: RMB11,013,630.46), the special fund for housing reform and housing repair of RMB24,874,896.96 (31 December 2022: RMB24,805,093.75), security deposit for travel service quality of Sichuan Winshare Xingzhi Study Tour Travel Agency Co., Ltd., a subsidiary of the Company, of RMB1,100,000.00 (31 December 2022: RMB1,100,000.00) and frozen bank deposits as a result of the litigation against Xinhua Winshare Commercial Chain (Beijing) Co., Ltd., a subsidiary of the Company, of RMB998,247.64 (31 December 2022: RMB464,260.73).

6. ACCOUNTS RECEIVABLE

(1) Disclosure by aging

Aging	30 June 2023 (Unaudited)			31 December 2022 (Audited)			RMB	
	Amount	Proportion (%)	Credit loss provision	Carrying amount	Amount	Proportion (%)		Credit loss provision
Within 1 year	1,833,317,510.49	71.82	269,253,371.65	1,564,064,138.84	1,744,811,568.82	71.75	238,824,789.41	1,505,986,779.41
More than 1 year but not exceeding 2 years	269,218,594.83	10.55	110,379,623.88	158,838,970.95	335,133,131.90	13.78	143,241,119.84	191,892,012.06
More than 2 years but not exceeding 3 years	181,448,805.08	7.11	181,448,805.08	-	163,725,649.39	6.73	163,725,649.39	-
More than 3 years	268,608,807.35	10.52	268,608,807.35	-	188,284,332.45	7.74	188,284,332.45	-
Total	2,552,593,717.75	100.00	829,690,607.96	1,722,903,109.79	2,431,954,682.56	100.00	734,075,891.09	1,697,878,791.47

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

(2) Change in credit loss provision in the Current Period

The credit loss provision made for the Current Period was RMB72,176,469.07, the credit loss provision reversed was RMB2,675,401.11, and the credit loss provision for long-term receivables transferred amounted to RMB26,113,648.91.

(3) Accounts receivable actually written off for the Current Period

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

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

RMB

Name of entity	Relationship with the Group	30 June 2023 (Unaudited)	As a percentage of the total accounts receivable (%)	Credit loss provision as at 30 June 2023 (Unaudited)
Customer A	Third party	124,143,585.66	4.86	124,143,585.66
Customer B	Third party	94,021,908.15	3.68	2,805,826.69
Customer D	Third party	88,023,725.40	3.45	8,140,258.37
Customer E	Third party	56,302,910.56	2.21	39,504,452.58
Customer I	Third party	44,444,330.06	1.74	6,375,798.71
Total		406,936,459.83	15.94	180,969,922.01

The total transaction volume between the above-mentioned customers A, D, E and I and the Group for the Period accounted for less than 0.1% of the Group's operating income.

7. INVENTORIES

(1) Categories of inventories

Item	30 June 2023 (Unaudited)			31 December 2022 (Audited)			RMB
	Book balance	Provision for decline in value	Carrying amount	Book balance	Provision for decline in value	Carrying amount	
Goods on hand	2,413,280,384.11	266,974,743.21	2,146,305,640.90	2,602,469,892.90	237,987,252.92	2,364,482,639.98	
Work-in-progress	106,035,965.35	–	106,035,965.35	156,205,462.21	–	156,205,462.21	
Raw materials	70,338,192.26	3,337,396.06	67,000,796.20	55,489,519.64	3,337,396.06	52,152,123.58	
Total	2,589,654,541.72	270,312,139.27	2,319,342,402.45	2,814,164,874.75	241,324,648.98	2,572,840,225.77	

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

(2) Provision for decline in value of inventories

Category of inventories	1 January 2023		Decrease in the Current Period		30 June 2023 (Unaudited)		RMB
	Increase in the Current Period	Write-off in the Current Period	Reversal in the Current Period	Current Period	Current Period	Current Period	
Goods on hand	237,987,252.92	–	5,146,986.27	3,078,183.39	–	266,974,743.21	
Raw materials	3,337,396.06	–	–	–	–	3,337,396.06	
Total	241,324,648.98	37,212,659.95	5,146,986.27	3,078,183.39	–	270,312,139.27	

Note: As the expected net realizable value was lower than the cost of inventories at the end of the Period, a provision for decline in value of inventories amounting to RMB37,212,659.95 (Same Period of Last Year: RMB19,347,328.54) was made during the Current Period. As a result of inventories scrapping, the provision for the decline in value of inventories amounting to RMB3,078,183.39 (Same Period of Last Year: nil) was written off during the Current Period. As the goods provided for the decline in value of inventories were sold, the provision for the decline in value of inventories amounting to RMB5,146,986.27 (Same Period of Last Year: RMB7,655,510.12) was reversed.

8. OTHER CURRENT ASSETS

(1) Details of other current assets

Item	RMB	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Refund costs receivable (<i>Note 1</i>)	70,434,673.82	62,335,648.40
VAT input tax to be deducted (<i>Note 2</i>)	16,176,713.23	11,802,113.73
Term deposits (<i>Note 3</i>)	428,174,309.59	256,936,775.34
Total	514,785,696.64	331,074,537.47

Note 1: As at the end of the Current Period, the refund costs receivable was RMB70,434,673.82, including the original value of the refund costs receivable of RMB91,694,034.92, and the provision for asset impairment of RMB21,259,361.10, of which the provision for asset impairment loss for the Current Period was RMB3,601,918.94.

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

Note 3: Term deposits are fixed deposits and accrued interests that are held for more than three months and due within one year and the Group does not intend to withdraw in advance, the rate of which is 4.015%-4.07% (31 December 2022: 3.50%-4.07%).

(2) Details of impairment provision

Category	RMB		
	31 December 2022 (Audited)	Provision for the Current Period	30 June 2023 (Unaudited)
Refund costs receivable	17,657,442.16	3,601,918.94	21,259,361.10

9. LONG-TERM RECEIVABLES

(1) Details of long-term receivables

RMB

Item	Balance at the end of the Current Period (Unaudited)		Balance at the end of the prior year (Audited)		Discount rate range
	Book balance	Provision for impairment	Carrying amount	Carrying amount	
Goods sold by instalments (<i>Note</i>)	166,693,227.99	14,000,119.54	152,693,108.45	22,478,605.98	3.65%-5%
Less: Long-term receivables included in non-current assets due within one year	100,362,374.38	8,682,764.18	91,679,610.20	12,609,965.32	3.65%-5%
Net	66,330,853.61	5,317,355.36	61,013,498.25	9,868,640.66	3.65%-5%

Note: Receivables of goods sold by instalments are the Group's receivables for education informatized 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 3.65%-5% (31 December 2022: 4.3%-5%).

(2) Details of credit loss provision made

The credit loss provision made for the Current Period was RMB26,206,803.94, the credit loss provision reversed was RMB8,571,641.47, and the credit loss provision transferred to trade receivables amounted to RMB26,113,648.91.

10. LONG-TERM EQUITY INVESTMENTS

(1) Summary of long-term equity investments:

Item	<i>RMB</i>	
	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Book balance of long-term equity investments	774,907,023.06	755,041,049.96
Less: Provision for impairment of long-term equity investments	6,647,345.57	6,647,345.57
Carrying amount of long-term equity investments	768,259,677.49	748,393,704.39

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

Investee	Changes for the Period							Provision for impairment as at 30 June 2023 (Unaudited)		
	1 January 2023	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	Other decreases
I. Joint Ventures										
Hainan Publishing House Co., Ltd.	265,857,961.16	-	-	12,106,405.64	-	-	-	-	-	277,964,366.80
Sichuan Fudou Technology Co., Ltd. ("Sichuan Fudou")	-	-	-	-	-	-	-	-	-	-
Sanya Xuan Cai Private Equity Venture Capital Fund Management Co., Ltd.	11,679,854.64	-	-	(84,593.70)	-	-	-	-	-	11,595,260.94
Subtotal	277,537,815.80	-	-	12,021,811.94	-	-	-	-	-	289,559,627.74
II. Associates										
Sichuan Winshare BLOGIS Supply Chain Co., Ltd. The Commercial Press (Chengdu) Co., Ltd.	46,498,469.39	-	-	(874,216.03)	-	-	-	-	-	45,624,253.36
Ren Min Eastern (Beijing) Book Industry Co., Ltd. Guizhou Xinhua Winshare Book Audio-Visual Product Chainstore Co., Ltd. ("Guizhou Winshare")	4,199,405.80	-	-	115,508.04	-	-	-	-	-	4,314,913.84
Ming Bo Education Technology Holdings Co., Ltd. Shanghai Jingjie Information Technology Co., Ltd. Sichuan Centennial Preschool Educational Management Co., Ltd. Chengdu Winshare Equity Investment Fund Management Co., Ltd.	10,022,317.16	-	-	(274,151.14)	-	-	(1,200,000.00)	-	-	8,548,166.02
	15,373,341.73	-	-	(450,383.60)	-	-	-	-	-	10,869,958.13
	-	-	-	-	-	-	-	-	-	-
	6,855,485.40	-	-	(231,159.79)	-	-	-	-	-	6,624,325.61
	34,374,989.84	-	-	5,554,269.67	-	-	-	-	-	39,929,259.51

Changes for the Period

Investee	Changes for the Period							Provision for impairment as at 30 June 2023 (Unaudited)	
	1 January 2023	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
Sichuan Education and Science Forum Magazine Press Co., Ltd. Fuzhou Winshare Technology Partnership (Limited Partnership) Sichuan Jiayang Sihuo Film Co., Ltd. Xinhua Yingxuan (Beijing) Screen Culture Co., Ltd. ("Xinhua Yingxuan") Tianjin Tianxi Zhongda Cultural Development Co., Ltd. Winshare Yinshi (Beijing) Cultural Communication Co., Ltd. Hainan Phoenix Xinhua Publishing and Distribution Co., Ltd. Sichuan Cuiya Education Technology Co., Ltd. ("Cuiya Education") Sichuan Digital World Culture Technology Co., Ltd. ("Digital World") (Note 1)	1,257,860.07	-	-	63,913.60	-	-	-	-	1,321,773.67
	4,689,459.42	-	-	58.11	-	-	-	-	4,689,517.53
	125,852.12	-	-	(260.55)	-	-	-	-	125,591.57
	-	-	-	-	-	-	-	-	-
	21,084,082.56	-	-	53,521.22	-	-	-	-	21,137,603.78
	390,421.32	-	-	(117,913.56)	-	-	-	-	272,507.76
	325,984,203.78	-	-	4,549,788.64	-	-	-	-	330,533,992.42
	-	-	-	72,055.32	-	-	-	-	72,055.32
	-	4,900,000.00	-	(63,868.77)	-	-	-	-	4,836,131.23
Subtotal	470,855,888.59	4,900,000.00	-	4,144,161.16	-	-	(1,200,000.00)	-	478,700,049.75
Total	748,393,704.39	4,900,000.00	-	16,165,973.10	-	-	(1,200,000.00)	-	768,259,677.49

Note 1: On 12 March 2023, Sichuan Digital Publishing Co., Ltd., a subsidiary of the Company, and Sichuan New Media Group Co., Ltd. jointly established Digital World, 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

Item	30 June 2023 (Unaudited)		31 December 2022 (Audited)	
	Unrecognized investment losses for the Period	Accumulated unrecognized investment losses	Unrecognized investment losses for the prior year	Accumulated unrecognized investment losses
Guizhou Winshare	–	5,557,990.70	–	5,557,990.70
Sichuan Fudou	274,187.33	3,861,887.57	698,000.00	3,587,700.24
Cuiya Education	–	–	98,683.56	98,683.56
Xinhua Yingxuan	359,840.89	1,156,261.59	796,420.70	796,420.70
Total	634,028.22	10,576,139.86	1,593,104.26	10,040,795.20

11. OTHER EQUITY INSTRUMENT INVESTMENTS

(1) Details of other equity instruments investments

Other equity instrument investments designated at FVTOCI:

RMB

Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Anhui Xinhua Media Co., Ltd. ("Wan Xin Media")	1,170,369,600.00	649,374,400.00
Jiangsu Hagong Intelligent Robot Co., Ltd. ("HGZN")	715,013.32	924,678.88
Bank of Chengdu Co., Ltd. ("Bank of Chengdu")	976,800,000.00	1,224,000,000.00
Others	375,393.81	375,393.81
Total	2,148,260,007.13	1,874,674,472.69

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

RMB

Item	Dividend income recognized for the Period	Accumulated profits (losses)	Amount transferred from other comprehensive income (loss) to retained earnings during the Period	Reasons for equity instruments investments not held for trading designated at FVTOCI
Wan Xin Media	23,058,400.00	983,954,272.00	–	The investment is not held for the purpose of selling it in the near term for short-term gains.
HGZN	–	(51,407.64)	–	
Bank of Chengdu	62,720,000.00	736,800,000.00	–	
Others	–	(1,646,699.35)	–	
Total	85,778,400.00	1,719,056,165.01	–	

12. OTHER NON-CURRENT FINANCIAL ASSETS

	<i>RMB</i>	
Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
CICC Qichen Phase II (Wuxi) Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (“ CICC Qichen Phase II ”) (Note 1)	119,403,332.46	–
Ningbo Meishan Free Trade Port Winshare Dingsheng Equity Investment Partnership (Limited Partnership) (Note 2)	111,808,182.66	97,069,238.93
Qingdao Goldstone Zhixin Investment Center (Limited Partnership) (“ Qingdao Goldstone ”) (Note 3)	91,380,402.27	91,159,133.59
Citic M&A Investment Fund (Shenzhen) Partnership (Limited Partnership) (“ Citic M&A Fund ”) (Note 4)	79,652,669.96	134,475,241.07
Winshare Hengxin (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) (“ Winshare Hengxin ”) (Note 5)	51,616,943.35	141,943,260.43
Xinhua Internet E-commerce Co., Ltd. (“ Xinhua Internet ”) (Note 6)	3,000,000.00	3,000,000.00
Total	456,861,530.70	467,646,874.02

Note 1: On 18 April 2023, Winshare Investment Co., Ltd. (“**Winshare Investment**”), a subsidiary of the Company, signed a partnership agreement to invest in CICC Qichen Phase II at an amount of RMB120,000,000.00, holding 8.7277% of its limited partner share. In the Current Period, the loss from changes in fair value was RMB596,667.54, and transaction costs of RMB2,600,000.00 had been included in investment losses.

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 partner 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 2: Changes in fair value for the Current Period were losses of RMB2,098,552.92. New investment cost amounted to RMB28,420,265.77. The recovery of the exit money due to liquidation of investment project totalled RMB11,582,769.12.

Note 3: Changes in fair value for the Current Period were gains of RMB221,268.68. Dividends received from Qingdao Goldstone amounted to RMB1,486,548.79, which was included in investment income.

Note 4: Changes in fair value for the Current Period were losses of RMB36,821,468.35. The recovery of the exit money due to liquidation of investment project totalled RMB18,001,102.76.

Note 5: Changes in fair value for the Current Period were gains of RMB34,658,106.58. The recovery of the exit money due to liquidation of investment project totalled RMB124,984,423.66.

Note 6: In November 2020, the Company entered into an investment agreement with Xinhua Bookstore Headquarters Co., Ltd. and Wan Xin Media to make an investment of RMB3,000,000.00 in Xinhua Internet. The shareholding of the Company was 1.6585%.

13. FIXED ASSETS

(1) Fixed assets

RMB

Item	Buildings	Machinery and equipment	Electronic equipment and others	Transportation vehicles	Total
Cost as at 30 June 2023 (Unaudited)	2,995,931,246.11	348,076,644.13	218,936,131.51	121,278,557.88	3,684,222,579.63
Accumulated depreciation as at 30 June 2023 (Unaudited)	784,848,578.07	271,198,365.81	160,482,782.38	74,518,764.64	1,291,048,490.90
Impairment provision for fixed assets as at 30 June 2023	15,996.52	-	-	-	15,996.52
Carrying amount as at 30 June 2023 (Unaudited)	2,211,066,671.52	76,878,278.32	58,453,349.13	46,759,793.24	2,393,158,092.21

(2) As at the end of the Current Period, fixed assets of which certificates of title have not been obtained amounted to RMB135,881,550.90 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	Cost as at 1 January 2023	Increase in the Current Period	Decrease in the Current Period	Cost as at 30 June 2023 (Unaudited)	Balance of impairment provision at the end of the Current Period (Unaudited)	Carrying amount at the end of the Current Period (Unaudited)
Acquisitions of fifteen publishing companies (Note 1)	500,571,581.14	-	-	500,571,581.14	-	500,571,581.14
Acquisition of Liangshanzhou Xinhua Bookstore (Note 2)	122,081,326.10	-	-	122,081,326.10	-	122,081,326.10
Others	3,851,606.53	-	-	3,851,606.53	(3,851,606.53)	-
Total	626,504,513.77	-	-	626,504,513.77	(3,851,606.53)	622,652,907.24

Note 1: Goodwill of RMB500,571,581.14 was generated from the Group's acquisition of fifteen publishing companies on 31 August 2010, which has been distributed to related asset groups, including three of the fifteen publishing companies of the publication segment.

Note 2: Goodwill of RMB122,081,326.10 was generated from the Group's acquisition of Liangshanzhou Xinhua Bookstore on 31 December 2022, which has been distributed to the related asset group, being Liangshanzhou Xinhua Bookstore.

(2) Provision for impairment of goodwill

RMB

Name of the investee or item resulting in goodwill	1 January 2023	Increase in the Current Period	Decrease in the Current Period	30 June 2023 (Unaudited)
Others	3,851,606.53	–	–	3,851,606.53

15. OTHER NON-CURRENT ASSETS

RMB

Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Prepaid land funds	35,355,838.00	47,145,880.00
VAT input tax to be deducted (Note 1)	4,231,583.16	3,156,359.29
Prepaid purchase price for property	18,521,803.90	7,796,319.82
Time deposits (Note 2)	470,785,405.44	576,631,252.56
Retention money	12,594,279.74	15,808,962.69
Total	541,488,910.24	650,538,774.36

Note 1: The VAT input tax to be deducted is the VAT input tax that the Group expects to deduct in the following year.

Note 2: Time deposits are fixed deposits that the Group is unable or does not intend to withdraw in advance within one year, the rate of which is 3.10%-3.988% (31 December 2022: 3.55%-4.015%).

16. ACCOUNTS PAYABLE

Details of aging analysis of accounts payable are as follows:

RMB

Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Within 1 year	3,911,004,786.78	4,125,975,181.60
More than 1 year but not exceeding 2 years	777,816,868.32	827,377,961.30
More than 2 years but not exceeding 3 years	234,769,606.85	266,457,368.57
More than 3 years	200,910,728.19	204,589,151.46
Total	5,124,501,990.14	5,424,399,662.93

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.

17. CONTRACT LIABILITIES

(1) Presentation of contract liabilities:

	<i>RMB</i>	
Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Advanced receipts for sold goods	581,709,482.21	580,902,310.97
Membership card points	3,621,989.91	3,197,828.27
Total	585,331,472.12	584,100,139.24

(2) During the Current Period, the Group recognized revenue of RMB415,197,793.08 arising from advanced receipts for sold goods which was within the carrying amount of contract liabilities at the beginning of the year. It is expected that carrying amount of advanced receipts for sold goods at the end of the Period will be recognized as revenue in the coming year.

(3) Analysis on related contract liabilities

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

18. OTHER PAYABLES

(1) Total other payables

	<i>RMB</i>	
Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Dividend payables	150,258,614.00	–
Other payables	405,745,554.03	404,374,959.26
Total	556,004,168.03	404,374,959.26

(2) Dividend payables

RMB

Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Dividend payables – H Shareholders (Note)	<u>150,258,614.00</u>	–
Total	<u>150,258,614.00</u>	<u>–</u>

Note: The above-mentioned dividends payable for H Shares included the balance payable to related parties such as Sichuan Xinhua Publishing and Distribution Group, which did not arise from related party transactions.

(3) Other payables by nature of payments

RMB

Item	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Amounts due to related parties	9,726,394.57	13,445,862.08
Security deposit/deposit/quality warranty/performance security	89,470,933.20	85,885,293.56
Construction and infrastructure construction expenses	71,723,677.28	74,841,393.92
Amounts due to/from other entities	8,217,888.28	7,107,764.78
Others	<u>226,606,660.70</u>	<u>223,094,644.92</u>
Total	<u>405,745,554.03</u>	<u>404,374,959.26</u>

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

19. SHARE CAPITAL

For the Current Period

RMB

Item	1 January 2023	Changes for the Period					30 June 2023 (Unaudited)
		Issue of new shares	Bonus issue	Capitalization of surplus reserve	Others	Subtotal	
Total number of shares	<u>1,233,841,000.00</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,233,841,000.00</u>

For the Same Period of Last Year

RMB

Item	1 January 2022	Changes for the period					30 June 2022 (Unaudited)
		Issue of new shares	Bonus issue	Capitalization of surplus reserve	Others	Subtotal	
Total number of shares	<u>1,233,841,000.00</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,233,841,000.00</u>

20. UNDISTRIBUTED PROFITS

Item	<i>RMB</i>		Proportion of appropriation or distribution
	Current Period (Unaudited)	Prior year (Audited)	
Undistributed profits at the beginning of the Period/year	6,083,770,928.98	5,227,141,020.57	
Add: Net profit attributable to shareholders of the parent company for the Period/year	762,156,455.81	1,396,673,063.27	
Less: Appropriation to statutory surplus reserve	–	145,214,034.86	(1)
Distribution of dividends on ordinary shares	419,505,940.00	394,829,120.00	(2)
Internal carry-over within equity	–	–	
Undistributed profits at the end of the Period/year	6,426,421,444.79	6,083,770,928.98	

(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 in shareholders' meeting

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) (prior year: RMB0.32 (tax-inclusive)) and the total cash dividends of RMB419,505,940.00 (tax-inclusive) (prior year: RMB394,829,120.00 (tax-inclusive)) was distributed.

(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 RMB179,944,011.83 (31 December 2022: RMB179,944,011.83).

21. OPERATING INCOME AND OPERATING COSTS

(1) Classification

Item	<i>RMB</i>	
	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
Principal operating income	5,352,613,123.71	4,903,342,824.87
Other operating income (<i>Note</i>)	74,934,504.56	76,462,186.05
Total income	5,427,547,628.27	4,979,805,010.92

Item	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
Principal operating cost	3,313,464,076.94	3,078,347,754.03
Other operating cost	6,513,363.54	5,144,633.23
Total costs	3,319,977,440.48	3,083,492,387.26

Note: Included in other operating income was 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. (Same Period of Last Year: net income from concessionaire sales of RMB16,064,238.54. Among which, revenue from concessionaire sales was RMB104,817,805.68 and cost from concessionaire sales was RMB88,753,567.14.)

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

Product	Principal operating income		Principal operating costs	
	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
I. Publication segment				
Textbooks and supplementary materials	630,262,835.96	576,875,107.68	384,410,842.13	331,618,090.37
General books	453,052,375.88	398,694,148.72	341,453,773.91	297,012,056.71
Printing and supplies	124,594,628.08	93,537,050.78	111,028,016.28	73,922,083.11
Newspapers and journals	23,368,799.61	24,964,504.11	12,923,718.83	13,580,371.31
Others	6,698,450.84	5,542,208.21	4,264,649.30	3,546,640.87
Subtotal	1,237,977,090.37	1,099,613,019.50	854,081,000.45	719,679,242.37
II. Distribution segment				
Textbooks and supplementary materials	2,124,056,783.54	1,871,658,590.44	1,288,602,804.24	1,173,882,035.60
General books	2,528,546,369.34	2,331,163,512.10	1,813,652,563.45	1,692,612,196.91
Education informatized and others	170,388,566.72	191,829,668.54	135,933,768.53	157,996,327.13
Subtotal	4,822,991,719.60	4,394,651,771.08	3,238,189,136.22	3,024,490,559.64
III. Others	178,641,664.62	205,514,584.65	157,089,043.65	191,699,058.64
Less: Inter-segment elimination	886,997,350.88	796,436,550.36	935,895,103.38	857,521,106.62
Total	5,352,613,123.71	4,903,342,824.87	3,313,464,076.94	3,078,347,754.03

In order to meet the diversified learning and reading needs of customers, and provide customers with more targeted services and products, the Group further sorted out product classification and adjusted the above-mentioned disclosure standards.

Details of publication segment and distribution segment and other details are set out in Note 23.

22. INVESTMENT INCOME

RMB

Item	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
Income/(loss) from long-term equity investments under equity method	16,165,973.10	(6,544,933.19)
Investment income/(loss) during the holding of other non-current financial assets	(1,113,451.21)	–
Dividend income during the holding of other equity instrument investments	85,778,400.00	71,588,800.00
Investment income from disposal of held-for-trading financial assets	46,767.90	24,772,049.54
Total	100,877,689.79	89,815,916.35

23. 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 Company'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 informatized and equipment service for secondary and primary schools; retailing, distribution and online sales of publications;

Other segment of the Group covers provision of capital operations, logistic service, advertising 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 measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

(1) Segment reporting information

For the Current Period (Unaudited)

RMB

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
External revenue	420,200,810.50	4,879,491,464.33	127,855,353.44	-	-	5,427,547,628.27
Inter-segment revenue	832,628,014.35	209,124.15	57,116,552.42	-	(889,953,690.92)	-
Total operating income	<u>1,252,828,824.85</u>	<u>4,879,700,588.48</u>	<u>184,971,905.86</u>	<u>-</u>	<u>(889,953,690.92)</u>	<u>5,427,547,628.27</u>
Operating profit	214,924,548.88	527,381,157.77	(8,381,837.18)	29,062,811.57	52,509,977.52	815,496,658.56
Non-operating income	334,343.00	2,583,905.94	36,907.81	-	-	2,955,156.75
Non-operating expenses	62,721.09	16,871,394.39	0.54	-	-	16,934,116.02
Total profit	<u>215,196,170.79</u>	<u>513,093,669.32</u>	<u>(8,344,929.91)</u>	<u>29,062,811.57</u>	<u>52,509,977.52</u>	<u>801,517,699.29</u>
Total assets	<u>8,654,121,389.51</u>	<u>13,522,409,109.57</u>	<u>1,247,865,178.37</u>	<u>2,147,169,600.00</u>	<u>(4,688,287,935.19)</u>	<u>20,883,277,342.26</u>
Total liabilities	<u>3,441,662,724.30</u>	<u>8,032,285,176.29</u>	<u>518,983,548.49</u>	<u>157,654,625.59</u>	<u>(4,572,385,546.09)</u>	<u>7,578,200,528.58</u>
Supplementary information						
Depreciation	6,043,394.32	108,606,277.28	8,156,822.83	-	-	122,806,494.43
Amortization	1,849,305.39	24,680,590.56	2,122,146.08	-	-	28,652,042.03
Interest income	437,718.42	85,268,312.49	276,318.29	-	-	85,982,349.20
Loss on credit impairment recognized in the Current Period	16,583,464.11	67,334,562.79	258,791.42	-	-	84,176,818.32
Impairment losses of assets recognized in the Current Period	26,564,574.01	14,250,004.88	-	-	-	40,814,578.89
Investment income recognized from long-term equity investment under equity method	53,305.50	11,106,802.91	5,005,864.69	-	-	16,165,973.10
Long-term equity investment balances under equity method	27,421,100.25	684,824,539.26	56,014,037.98	-	-	768,259,677.49
Capital expenditure	1,273,058.24	38,868,126.81	259,308.07	-	-	40,400,493.12
Including: Construction in progress	-	9,607,697.20	-	-	-	9,607,697.20
Expenditure arising from purchase of fixed assets	1,273,058.24	13,004,873.47	259,308.07	-	-	14,537,239.78
Expenditure arising from purchase of intangible assets	-	15,576,749.50	-	-	-	15,576,749.50
Development expenditure	-	678,806.64	-	-	-	678,806.64

For the Same Period of Last Year (Unaudited)

RMB

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
External revenue	377,520,262.56	4,452,837,776.81	149,446,971.55	-	-	4,979,805,010.92
Inter-segment revenue	734,063,991.44	2,261,472.95	63,034,851.82	-	(799,360,316.21)	-
Total operating income	<u>1,111,584,254.00</u>	<u>4,455,099,249.76</u>	<u>212,481,823.37</u>	<u>-</u>	<u>(799,360,316.21)</u>	<u>4,979,805,010.92</u>
Operating profit	285,797,069.64	424,121,363.09	(89,901,418.12)	23,561,909.41	66,128,379.51	709,707,303.53
Non-operating income	874,633.27	2,064,541.84	203,150.65	-	-	3,142,325.76
Non-operating expenses	384,617.72	11,286,077.94	1.79	-	-	11,670,697.45
Total profit	<u>286,287,085.19</u>	<u>414,899,826.99</u>	<u>(89,698,269.26)</u>	<u>23,561,909.41</u>	<u>66,128,379.51</u>	<u>701,178,931.84</u>
Total assets	<u>7,853,397,826.66</u>	<u>11,756,647,285.05</u>	<u>1,213,574,281.98</u>	<u>2,147,094,577.77</u>	<u>(4,103,287,818.01)</u>	<u>18,867,426,153.45</u>
Total liabilities	<u>2,938,791,301.68</u>	<u>7,487,794,172.67</u>	<u>520,960,570.70</u>	<u>186,447,452.68</u>	<u>(4,017,453,693.05)</u>	<u>7,116,539,804.68</u>
Supplementary information						
Depreciation	6,882,914.09	95,538,081.14	10,979,934.73	-	-	113,400,929.96
Amortization	2,364,576.67	24,292,162.12	1,310,273.76	-	-	27,967,012.55
Interest income	314,415.50	82,951,531.07	562,736.61	-	-	83,828,683.18
Loss on credit impairment recognized in the current period	15,750,856.63	98,614,729.68	(1,047,930.13)	-	-	113,317,656.18
Impairment losses of assets recognized in the current period	15,442,481.40	3,904,847.14	-	-	-	19,347,328.54
Investment income (loss) recognized from long-term equity investment under equity method	16,978.12	6,880,786.52	(13,442,697.83)	-	-	(6,544,933.19)
Long-term equity investment balances under equity method	21,579,515.62	626,065,036.50	99,714,390.77	-	-	747,358,942.89
Capital expenditure	3,044,688.79	81,658,323.57	8,745,544.38	-	-	93,448,556.74
Including: Construction in progress	101,274.04	47,594,908.90	-	-	-	47,696,182.94
Expenditure arising from purchase of fixed assets	2,640,065.23	28,101,596.57	8,654,393.94	-	-	39,396,055.74
Expenditure arising from purchase of intangible assets	-	1,717,507.03	91,150.44	-	-	1,808,657.47
Development expenditure	303,349.52	4,244,311.07	-	-	-	4,547,660.59

(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 RMB484,287,425.11 (Same Period of Last Year: RMB483,911,769.99), which is attributable to the distribution segment. Apart from the aforesaid single largest customer, the Group has no external customer from which the revenue accounts for 10% or more of the total revenue in the Current 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.

24. GAINS (LOSSES) FROM FAIR VALUE CHANGE

	<i>RMB</i>	
Source of gains from fair value change	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
Financial assets at FVTPL	(4,637,313.55)	(57,143,903.32)
Including: Other non-current financial assets	(4,637,313.55)	(57,140,318.22)
Held-for-trading financial assets	-	(3,585.10)
Total	(4,637,313.55)	(57,143,903.32)

25. INCOME TAX EXPENSES

	<i>RMB</i>	
Item	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
Current income tax calculated according to tax laws and relevant requirements	12,426,990.55	3,162,187.44
Tax filing differences	(221,901.41)	870,252.91
Deferred income tax expenses	401,167.36	(17,782,171.91)
Total	12,606,256.50	(13,749,731.56)

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

Item	<i>RMB</i>	
	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
Accounting profit	801,517,699.29	701,178,931.84
Income tax expenses calculated at 25%	200,379,424.82	175,294,732.96
Tax concessions	(185,502,256.92)	(199,039,546.32)
Effect of expenses that are not deductible for tax purposes	2,413,025.99	13,202,482.01
Effect of non-assessable income	(21,444,600.00)	(17,897,200.00)
Effect of utilization of deductible losses for which no deferred income tax asset was recognized in the prior period	(2,170,567.15)	(97,469.82)
Effect of deductible temporary differences or deductible losses for which no deferred income tax asset was recognized during the Current Period	19,153,131.17	13,917,016.70
Tax filing differences	(221,901.41)	870,252.91
Total	12,606,256.50	(13,749,731.56)

26. OTHER COMPREHENSIVE INCOME

For the Current Period

RMB

Item	1 January 2023	Changes for the Current Period					Less: Other comprehensive income that is transferred to retained earnings	30 June 2023 (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	Less: Other comprehensive income that is transferred to retained earnings		
Other comprehensive income that cannot be reclassified into profit or loss	1,445,418,214.18	273,585,534.44	(52,416.39)	273,637,950.83	-	-	1,719,056,165.01	
Changes in fair value of other equity instrument investments	1,445,418,214.18	273,585,534.44	(52,416.39)	273,637,950.83	-	-	1,719,056,165.01	

Item	1 January 2022	Changes for the current period					30 June 2022 (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	Less: Other comprehensive income that is transferred to retained earnings	
Other comprehensive income that cannot be reclassified into profit or loss	1,178,842,757.57	321,711,041.35	45,360.34	321,665,681.01	-	-	1,500,508,438.58
Changes in fair value of other equity instrument investments	1,178,842,757.57	321,711,041.35	45,360.34	321,665,681.01	-	-	1,500,508,438.58

27. 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>	
	Amount incurred in the Current Period (Unaudited)	Amount incurred in the Same Period of Last Year (Unaudited)
Net profit for the Current Period attributable to ordinary shareholders	762,156,455.81	717,795,048.76
Including: Net profit from continuing operations	762,156,455.81	717,795,048.76

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>Number of shares</i>	
	Current Period (Unaudited)	Same Period of Last Year (Unaudited)
Number of ordinary shares outstanding at the beginning of the Period	1,233,841,000.00	1,233,841,000.00
Weighted number of ordinary shares outstanding at the end of the Period	1,233,841,000.00	1,233,841,000.00

Earnings per share:

	<i>RMB</i>
	Amount incurred in the Same Period of Last Year (Unaudited)
	Amount incurred in the Current Period (Unaudited)
Net profit for the Current Period attributable to ordinary shareholders divided by weighted number of ordinary shares outstanding at the end of the Period	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 the Period	0.58
	0.62
	0.58

The Company has no dilutive potential ordinary shares.

28. EVENTS AFTER THE BALANCE SHEET DATE

Significant non-adjusting items

Item	Content	Impact on financial position and operating results
Significant external investment	In July 2023, Winshare Investment, as a limited partner, subscribed for the share of Goldstone Growth Equity Investment (Hangzhou) Partnership (Limited Partnership) amounting to RMB100,000,000.00.	No significant impact
	In August 2023, the Company, as a limited partner, subscribed for the share of Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership) amounting to RMB40,000,000.00.	No significant impact

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

INDUSTRY OVERVIEW

In the first half of 2023, in order to deeply promote national reading and improve the modern public cultural service system, the State has successively released the National Youth Student Reading Campaign Implementation Plan (《全國青少年學生讀書行動實施方案》), the Implementation Opinions on Carrying out the National Family Parent-child Reading Campaign of “The Fragrance of Books” (《關於開展「書香飄萬家」全國家庭親子閱讀行動的實施意見》), the Notice on Promoting Physical Bookstores to Participate in Public Cultural Services (《關於推動實體書店參與公共文化服務的通知》) and other policy documents, which will promote the supply of reading products and services by the publishing industry and accelerate the transformation and upgrading of physical bookstores. In order to implement the strategic requirements for the trinity of education, technology, and talents, educational policies such as the Opinions on Strengthening Science Education in Primary and Secondary Schools in the New Era (《關於加強新時代中小學科學教育工作的意見》) and the Action Plan for Deepening the Reform of Basic Education Curriculum and Teaching (《基礎教育課程教學改革深化行動方案》) have been issued one after another, which will bring new opportunities to educational publishing and services. To speed up the construction of digital China, the State issued the Overall Layout Plan for the Construction of Digital China (《數字中國建設整體佈局規劃》), which proposes to create a confident and prosperous digital culture, vigorously develop network culture, promote the digital development of culture, and enhance the service capabilities of digital culture, which is conducive to the further promotion of digitalization of the publishing industry and digital industrialization.

In the first half of 2023, as the economy and society fully resumed normal operation, macro policies took effect and the national economy rebounded. However, the foundation for continuous recovery and development of the domestic economy was still unstable. According to the monitoring data publicly published by Beijing OpenBook Co., Ltd. (“**Open Book Data**”), the book retail market in the first half of the year fell by 2.41% compared with the Same Period of Last Year. In terms of different channels, the retail book market of physical store channel fell by 23.55% year-on-year, and recovery was still facing great difficulties. Among the online store channels, platform e-commerce fell by 6.29% year-on-year, vertical and other e-commerce fell by 7.78%, while short video e-commerce grew by 47.36%. In the overall retail market, there were more than 87,000 new book titles, representing a year-on-year increase of 5.41%. The publication and sales of new books were gradually recovering.

At present, the publishing industry is in the transition period from traditional publishing to integrated innovation, the adjustment period from high-speed growth to high-quality development, and the upgrading period from manufacturing to knowledge servicing. The production and operation mode as well as the marketing communication mode of publishing are transforming rapidly, and the integration with new technologies such as big data, cloud computing, artificial intelligence and blockchain continues to deepen, accelerating the overall transformation and upgrading of the industry.

RESULTS

The Group continued to advance the “three chains” strategy of “strengthening the chain, upgrading the chain and extending the chain” by strengthening the mass publishing and distribution industry chain and the education publishing and distribution industry chain, promoting the upgrading and transformation of the Group’s traditional industry chain to the smart industry chain, and driving the extension of the Group’s industry chain advantages to other markets, so as to create a new growth pole for industrial development.

During the Period, the Group recorded revenue of RMB5,428 million, representing growth of 8.99% as compared with the Same Period of Last Year, which was mainly due to the sales growth of businesses such as education service and online sales of the Group, as well as the increase in sales revenue brought about by the merger and acquisition of Liangshanzhou Xinhua Bookstore. The Group achieved net profit of RMB789 million, representing growth of 10.35% as compared with the Same Period of Last Year, which was mainly attributable to the increase in gross profit brought by sales growth.

Revenue

During the Period, the Group recorded revenue of RMB5,428 million, representing growth of 8.99% as compared with RMB4,980 million in the Same Period of Last Year, among which, revenue from principal businesses amounted to RMB5,353 million, representing year-on-year growth of 9.16%, which was mainly due to the sales growth of businesses such as education service and online sales of the Group, as well as the increase in sales revenue brought about by the merger and acquisition of Liangshanzhou Xinhua Bookstore.

Operating costs

During the Period, operating costs of the Group amounted to RMB3,320 million, representing growth of 7.67% from RMB3,083 million in the Same Period of Last Year, among which, costs of principal businesses amounted to RMB3,313 million, representing growth of 7.64% as compared with the Same Period of Last Year. The increase in operating costs was mainly due to the increase in costs caused by the expansion of sales scale.

Gross profit margin

During the Period, consolidated gross profit margin of the Group was 38.83%, up by 0.75 percentage point from 38.08% in the Same Period of Last Year, among which, gross profit margin of principal businesses was 38.10%, up by 0.88 percentage point from 37.22% 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, the publication segment and the distribution segment, respectively.

The principal businesses of the Group for the six months ended 30 June 2023 by segment are as follows:

RMB

Analysis table of principal businesses by product						
By product	Principal business revenue	Principal business costs	Gross profit margin (%)	Change of operating income as compared with the Same Period of Last Year (%)	Change of operating costs as compared with the Same Period of Last Year (%)	Change of gross profit margin as compared with the Same Period of Last Year (ppt)
I. Publication	1,237,977,090.37	854,081,000.45	31.01	12.58	18.68	(3.54)
Textbooks and supplementary materials	630,262,835.96	384,410,842.13	39.01	9.25	15.92	(3.50)
General books	453,052,375.88	341,453,773.91	24.63	13.63	14.96	(0.87)
Printing and supplies	124,594,628.08	111,028,016.28	10.89	33.20	50.20	(10.08)
Newspapers and journals	23,368,799.61	12,923,718.83	44.70	(6.39)	(4.84)	(0.90)
Others	6,698,450.84	4,264,649.30	36.33	20.86	20.24	0.32
II. Distribution	4,822,991,719.60	3,238,189,136.22	32.86	9.75	7.07	1.68
Textbooks and supplementary materials	2,124,056,783.54	1,288,602,804.24	39.33	13.49	9.77	2.05
General books	2,528,546,369.34	1,813,652,563.45	28.27	8.47	7.15	0.88
Education informatized and others	170,388,566.72	135,933,768.53	20.22	(11.18)	(13.96)	2.58
III. Others	178,641,664.62	157,089,043.65	12.06	(13.08)	(18.05)	5.34
Of which: Logistics services	171,668,270.05	154,515,789.80	9.99	(15.66)	(18.77)	3.45
Inter-segment elimination total	(886,997,350.88)	(935,895,103.38)				
Total	<u>5,352,613,123.71</u>	<u>3,313,464,076.94</u>	<u>38.10</u>	<u>9.16</u>	<u>7.64</u>	0.88

Analysis table of principal businesses by product

By sales model	Principal business revenue	Principal business costs	Gross profit margin (%)	Change of operating income as compared with the Same Period of Last Year (%)	Change of operating costs as compared with the Same Period of Last Year (%)	Change of gross profit margin as compared with the Same Period of Last Year (ppt)
Offline sales	2,871,758,710.23	1,645,181,834.55	42.71	8.69	7.75	0.49
Online sales	2,480,854,413.48	1,668,282,242.39	32.75	9.72	7.52	1.37
Total	5,352,613,123.71	3,313,464,076.94	38.10	9.16	7.64	0.88

Note: In order to meet the diversified learning and reading needs of customers, the Group provides customers with more targeted services and products by further sorting out product classification. During the Period, the above disclosure standards were adjusted according to the new product classification.

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 RMB1,238 million, representing a growth of 12.58% as compared with RMB1,100 million in the Same Period of Last Year, which was mainly benefited from the growth of textbooks and supplementary materials, general books, and printing and supplies as compared with last year.

During the Period, gross profit margin of the publication segment was 31.01%, representing a decrease of 3.54 percentage points from 34.55% in the Same Period of Last Year, which was mainly due to the lower gross profit margin of textbooks and supplementary materials during the Period as compared with the Same Period of Last Year.

Textbooks and supplementary materials

Focusing on the fundamental task of cultivating virtuous talents, the Group studied market changes, advanced reform and innovation, and carried out educational publishing with the professional strategy of differentiation, specialization and branding. In the first half of 2023, the Group promoted the orderly revision of national standard teaching materials in accordance with the new curriculum plans and curriculum standards for compulsory education. In order to better meet the requirements of the “double reduction” policy and the market, the Group developed new products by means of subject research, and at the same time, adjusted and optimized some of the old products. To accommodate to the use of new textbooks for high schools in Sichuan Province and the new mode of college entrance exam in 2022, the Group developed and upgraded the relevant products. Both the content quality and market sales of these new version of upgraded books have been significantly improved.

During the Period, the Group’s textbooks and supplementary materials publication business achieved principal business revenue of RMB630 million, representing a year-on-year increase of 9.25%. Principal business costs amounted to RMB384 million, representing a year-on-year increase of 15.92%. Gross profit margin was 39.01%, down by 3.50 percentage points year-on-year, which was mainly due to fluctuations in book paper price during the stocking period.

General books

Adhering to the concept of high-quality publishing development, the Group improves the content quality and publishing value of works in multiple dimensions, and steadily promotes the high-quality development of publishing under the guidance of themed publishing and key publishing projects. In the first half of the year, the Group focused on the main line of themed publishing, and launched key themed books such as My Family’s Stories in this “World” (《我家的「人世間」故事》); dug deep into local resources, and steadily promoted the Three Su (三蘇) cultural publishing project, launching the first batch of 19 titles and more than 400 volumes of books including Su Xue Literature Series (《蘇學文獻大系》) and Ye Jiaying on Su Shi Ci (《葉嘉瑩論蘇軾詞》). Four books of the Group including Archaeology on the Qinghai-Tibet Plateau (《青藏高原考古》) won the 8th China Excellent Publication Award (中華優秀出版物獎); Approaching Sanxingdui (《走近三星堆》) was selected as one of the “Chinese Good Books” in 2022; eight books, including We Come for Faith (《我們為信仰而來》), were selected into the proposed project lists for funding of National Publication Foundation (國家出版基金) and National Ancient Books Compilation and Publishing (國家古籍整理出版) in 2023; seven books, including Research on the Protection and Utilization of Traditional Ethnic Villages in the Tibetan, Qiang, Yi Corridor (《藏羌彝走廊地帶民族傳統村落保護與利用研究》), were selected into the 14th Five-Year Plan National Key Publication Publishing Planning Supplementary Project (「十四五」國家重點出版物出版規劃增補項目). Blockchain Publishing Innovation Project – Digital Book Collection (區塊鏈出版發行創新項目——數字藏書) was selected into the cultural industry development project library of Sichuan Province. In the first half of the year, the Group exported 274 copyrights and physical products with a total value of RMB2.15 million. All nine of the Group’s publishing houses were selected into the top 100 in the 2023 Research Report on the Influence of Overseas Collections of Chinese Books. A total of 730 kinds of integrated publications were launched, with the new business format generating revenue of RMB5 million, while the Company was awarded the title of “National Copyright Demonstration Unit”. According to the Open Book Data, in the first half of 2023, the Group’s market share in terms of actual value in the mass book market was ranked 11th among 37 publishing and media groups in China, which was basically the same as compared with the end of 2022.

During the Period, the Group's general books publication business achieved principal business revenue of RMB453 million, representing a year-on-year increase of 13.63%, which was mainly benefited from the growth of publications such as themed cultural and educational books. Principal business costs amounted to RMB341 million, representing a year-on-year increase of 14.96%. Gross profit margin was 24.63%, down by 0.87 percentage point 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 RMB23,368,800, representing a year-on-year decrease of 6.39%. Principal business costs amounted to RMB12,923,700, representing a year-on-year decrease of 4.84%. Gross profit margin was 44.70%, down by 0.90 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 informatized and equipment service 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 RMB4,823 million, representing growth of 9.75% as compared with RMB4,395 million in the Same Period of Last Year, mainly benefiting from the growth of both textbooks and supplementary materials and general books as compared with last year.

During the Period, gross profit margin of the distribution segment of the Group was 32.86%, up by 1.68 percentage points from 31.18% in the Same Period of Last Year, mainly due to the effect brought about by the merger and acquisition of Liangshanzhou Xinhua Bookstore.

Textbooks and supplementary materials

During the Period, the Group gave full play to the advantages of content resource integration and sales network, refined and deepened education service business, adhered to the purpose of meeting customer needs, and subdivided customers for categorized services. By means of channel optimization and business integration, the Group continued to enhance its capabilities in product research and development and marketing service to adapt to the new classroom teaching needs of the "double reduction" policy, continued to deepen the high school education service market, and made efforts in the vocational education service market, so as to achieve sustained growth of education service.

During the Period, principal business revenue from textbooks and supplementary materials distribution segment of the Group amounted to RMB2,124 million, representing an increase of 13.49% as compared with RMB1,872 million for the Same Period of Last Year.

General books

During the Period, the Group continued to focus on the integrated online and offline development, and the general book distribution capabilities continued to strengthen. The first was to optimize the network system of physical bookstores, improve store experience, complete the transformation of Guangyuan Bookstore and Zitong Store, and renovate and upgrade Panda Bookstore to provide readers with a more comfortable reading service experience. The second was to actively promote the sales of themed current affairs publications, proactively participate in the construction of the public cultural service system, and deeply intervene in projects such as rural bookstores, university libraries, and party school libraries to meet the differentiated product needs of B-end and G-end customers. The third was to adjust sales strategies, focus on key products, and increase marketing efforts for student reading materials according to market demand after the introduction of “double reduction” policy. The fourth was to continuously optimize the operation of online “cloud stores” by integrating the operating characteristics of physical stores and explore multiple consumption scenarios; continue to strengthen the in-depth operation on comprehensive e-commerce platforms such as Tao’s family, JD.com, and Pinduoduo, and vigorously expand short video and live broadcast businesses, thus consolidating the Group’s leading position in the national book e-commerce market.

During the Period, revenue from the principal businesses of general books distribution business of the Group amounted to RMB2,529 million, representing an increase of 8.47% as compared with RMB2,331 million in the Same Period of Last Year, which was mainly benefited from sales growth in knowledge expansion, comprehensive practice and other student reading materials. Gross profit margin was 28.27%, representing an increase of 0.88 percentage point as compared with the Same Period of Last Year.

Education informatized and others

The Group seized the market opportunities arising from national policies such as new college entrance exam curriculum reform and education informatized 2.0 action plan, and developed the education informatized and education equipment business in the two directions of “integrated business” and “application-oriented business”, focusing on the needs of different school semesters to provide corresponding products and services under the premise of guaranteed funding and effective projects. During the Period, sales revenue of education informatized and education equipment business of the Group amounted to RMB72.32 million, representing a year-on-year decrease of 56.53%, which was mainly due to the significant decline in local financial fund investment as compared with the Same Period of Last Year, and the smaller scale of projects. The Group continued to optimize its online service platform, covering a total of 6,189 schools, serving 434,700 teachers and 4.66 million students; the sales revenue from labor and practical education business amounted to RMB71.81 million, serving a student flow of 259,500; the sales revenue from teacher training business amounted to RMB9.78 million, serving a teacher flow of 91,000.

(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 2023)

Item	RMB		
	Current Period	Same Period of Last Year	Change (%)
Revenue	5,427,547,628.27	4,979,805,010.92	8.99
Operating costs	3,319,977,440.48	3,083,492,387.26	7.67
Selling expenses	660,590,684.41	629,208,473.88	4.99
Administrative expenses	717,781,572.58	595,296,295.63	20.58
Finance expenses	(73,491,949.73)	(69,114,840.22)	N/A
Research and development expenditure	8,668,944.20	2,322,116.03	273.32
Net cashflow generated from operating activities	582,152,981.45	420,724,436.88	38.37
Net cashflow generated from investing activities	(92,831,524.90)	186,678,757.54	(149.73)
Net cashflow generated from financing activities	(309,670,069.47)	(296,206,219.75)	N/A
Taxes and surcharges	7,086,485.01	20,102,483.76	(64.75)
Gain on fair value change (loss represented by “-”)	(4,637,313.55)	(57,143,903.32)	N/A
Asset impairment loss	(40,814,578.89)	(19,347,328.54)	N/A
Gain on asset disposal (loss represented by “-”)	267,758.40	40,342,601.44	(99.34)
Non-operating expenses	16,934,116.02	11,670,697.45	45.10
Income tax expenses	12,606,256.50	(13,749,731.56)	N/A
Minority interests (net loss represented by “-”)	26,754,986.98	(2,866,385.36)	N/A

EXPENSES

During the Period, selling expenses of the Group amounted to RMB661 million, representing an increase of 4.99% from RMB629 million in the Same Period of Last Year, mainly due to the increase in expenses brought about by the merger and acquisition of Liangshanzhou Xinhua Bookstore and the increase in promotion expenses, labor costs, etc. as a result of the expansion in sales scale.

During the Period, administrative expenses of the Group amounted to RMB718 million, representing an increase of 20.58% from RMB595 million in the Same Period of Last Year, mainly due to the increase in expenses brought about by the merger and acquisition of Liangshanzhou Xinhua Bookstore and the increase in labor costs, depreciation, amortization, property management fees, etc. as compared with the Same Period of Last Year.

During the Period, finance expenses of the Group amounted to RMB-73,491,900, the change of which was small as compared with RMB-69,114,800 in the Same Period of Last Year.

During the Period, research and development expenses of the Group amounted to RMB8,668,900, representing growth of 273.32% from RMB2,322,100 in the Same Period of Last Year, mainly due to the increase in capitalized research and development investment in the area of education informatized of the Group and amortization of self-developed software during the Period as compared with the Same Period of Last Year.

GAIN ON FAIR VALUE CHANGE

During the Period, loss on fair value change of the Group amounted to RMB4,637,300, representing a decrease of loss of RMB52,506,600 as compared with loss on fair value change of RMB57,143,900 in the Same Period of Last Year, mainly due to the fair value changes of the items held by the funds including Winshare Hengxin and Citic M&A Fund invested by the Group as a result of stock price fluctuations and other factors during the Period.

INVESTMENT INCOME

During the Period, the Group's investment income was RMB101 million, representing an increase of 12.32% from RMB90 million in the Same Period of Last Year, which was mainly due to the increase in income from dividends from investees in the Period as compared with the Same Period of Last Year.

OTHER INCOMES AND NON-OPERATING INCOME AND EXPENSES

During the Period, other incomes of the Group amounted to RMB57,045,500, representing growth of 12.16% from RMB50,859,600 in the Same Period of Last Year, which was mainly due to the increase in incomes during the Period as a result of the receipt of the Sichuan Provincial Major Literature and Art Excellence Award (四川省重大文藝精品獎) and the Five "One" Project Award (五個一工程獎) by Sichuan Tiandi Publishing House Co., Ltd., a subsidiary of the Company.

During the Period, non-operating income of the Group amounted to RMB2,955,200, representing a decrease of 5.96% from RMB3,142,300 in the Same Period of Last Year.

During the Period, non-operating expenses of the Group amounted to RMB16,934,100, representing growth of 45.10% from RMB11,670,700 in the Same Period of Last Year, mainly due to the increase in external donation expenses during the Period 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 RMB267,800, representing a decrease of RMB40,074,800 from RMB40,342,600 in the Same Period of Last Year, mainly due to the compensation with respect to housing demolition and relocation received by various subsidiaries of the Company in the Same Period of Last Year.

INCOME TAX EXPENSES

During the Period, income tax expenses of the Group amounted to RMB12,606,300, representing an increase of RMB26,356,000 as compared with RMB-13,749,700 in the Same Period of Last Year, mainly due to the change in deferred income tax expenses as a result of the fair value changes of the funds including Winshare Hengxin held by the Company's subsidiary Winshare Investment.

OTHER COMPREHENSIVE INCOME

During the Period, other comprehensive income net, after tax of the Group amounted to RMB274 million, representing a decrease of 14.93% from RMB322 million in the Same Period of Last Year, mainly due to the fluctuations in the market price of shares of listed companies held by the Company including Wan Xin Media and Bank of Chengdu.

PROFIT

Net profit of the Group for the Period amounted to RMB789 million, representing year-on-year growth of 10.35%. Net profit attributable to shareholders of the listed company amounted to RMB762 million, representing year-on-year growth of 6.18%. After deducting non-recurring profit or loss, the net profit attributable to shareholders of the listed company amounted to RMB801 million, representing a year-on-year increase of 24.78%, which was mainly attributable to the increase in gross profit brought by sales growth and the fair value changes of the items held by the funds including Winshare Hengxin invested by the Group as a result of stock price fluctuations and other factors 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 RMB0.62, representing an increase of 6.90% as compared with RMB0.58 in the Same Period of Last Year. For details regarding the calculation of earnings per share, please refer to Note 27 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 RMB582 million, representing an increase of 38.37% as compared with net inflow of RMB421 million in the Same Period of Last Year, mainly due to the substantial increase in net cash inflow from operating activities of general book publication business as compared with the Same Period of Last Year, and the increase in net cash inflow from operating activities brought about by the merger and acquisition of Liangshanzhou Xinhua Bookstore.

During the Period, net cashflow of the Group generated from investing activities was net outflow of RMB93 million, as compared with net inflow of RMB187 million in the Same Period of Last Year, mainly due to the 2022 cash dividend of RMB86 million as declared by Bank of Chengdu and Wan Xin Media not yet being received during the Period, and the placement of time deposits resulting in net cash outflow; while in the Same Period of Last Year, cost recovery of RMB74 million due to fund exit, investment dividends and convertible bond investment income of RMB98 million, and collection of matured time deposits resulting in net cash inflow.

During the Period, net cashflow of the Group generated from financing activities was net outflow of RMB310 million, the change of which was small as compared with net outflow of RMB296 million in the Same Period of Last Year. The cash outflow was mainly due to the distribution of dividends for A Shares of RMB269 million for 2022 during the Period, the distribution progress of which was basically consistent with that of the Same Period of Last Year.

ASSETS AND LIABILITIES ANALYSIS

(As at 30 June 2023)

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
Notes receivable	1,802,667.17	0.01	2,906,232.79	0.01	(37.97)	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.
Other receivables	227,153,733.07	1.09	129,770,862.20	0.63	75.04	Mainly the receipt of 2022 cash dividend of RMB86 million in July as declared by Bank of Chengdu and Wan Xin Media held by the Company.
Other current assets	514,785,696.64	2.47	331,074,537.47	1.60	55.49	Mainly due to the increase in the closing balance as compared with the opening balance as a result of the fixed deposits due within one year transferred in.
Long-term receivables	61,013,498.25	0.29	100,428,300.51	0.49	(39.25)	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 informatized and equipment business, which adopted collection by instalments, were transferred to “accounts receivable” and “non-current assets due within one year” as the agreed payment period approached.

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
Notes payable	5,000,000.00	0.02	29,776,305.93	0.14	(83.21)	Mainly due to the decrease in the balance of trade payables settled by notes for the provision of printing materials business, logistics business, education informatized and equipment business at the end of the Period as compared with the beginning of the Period.
Other payables	556,004,168.03	2.66	404,374,959.26	1.96	37.50	Mainly due to the H Share cash dividend in 2022 of RMB150 million declared by the Company which was paid in July.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group had cash and short-term deposits of approximately RMB7,977 million (31 December 2022: RMB7,802 million), and short-term borrowings of RMB18 million (31 December 2022: RMB18 million).

As at 30 June 2023, the gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 36.29%, down by 2.40 percentage points as compared with 38.69% as at 31 December 2022. The Group's overall financial structure remains relatively stable.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 30 June 2023, the balance of pledged deposits of the Group amounted to RMB9,789,300 (31 December 2022: RMB14,446,500), representing the security deposits placed with the banks for the issuance of letters of guarantee. Save as disclosed above, the Group did not have any other assets under pledge or guarantee.

FOREIGN EXCHANGE RISK

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

WORKING CAPITAL MANAGEMENT

	30 June 2023	30 June 2022
Current ratio	1.8	1.7
Inventory turnover days	134.5	146.8
Trade receivable and notes turnover days	61.4	66.2
Trade payable and notes turnover days	290.9	305.8

As at 30 June 2023, current ratio of the Group was 1.8, which slightly increased as compared with the Same Period of Last Year. During the Period, the inventory turnover days was 134.5 days, down by 12.3 days as compared with the Same Period of Last Year. The trade receivable and notes turnover days was 61.4 days, down by 4.8 days as compared with the Same Period of Last Year. The trade payable and notes turnover days was 290.9 days, down by 14.9 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.

In order to expand the Group's investment channels and realize the strategic objectives of capital operation business, Winshare Investment, a subsidiary of the Company, contributed RMB150 million to subscribe for a share of CICC Qichen Phase II fund. As of 30 June 2023, Winshare Investment has allocated an investment amount of RMB120 million, and the industrial and commercial registration has not yet been completed.

The Company was interested in 80,000,000 shares of Bank of Chengdu. Its shareholding was 2.14%. The cost of investment was RMB240 million. During the Period, the Company recognized a dividend income of RMB62,720,000 from Bank of Chengdu. As at 30 June 2023, the market capitalization of the shares held by the Company in Bank of Chengdu was RMB977 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 RMB23,058,400 from Wan Xin Media. The Group made use of the share of Wan Xin Media to carry out the securities refinancing business and realized an income of RMB403,100. As at 30 June 2023, the market capitalization of the shares held by the Company in Wan Xin Media was RMB1,170 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.

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

RMB0'000

Name of subsidiary	Nature of business	Shareholding percentage (%)	Registered capital	January to June 2023		30 June 2023	
				Revenue	Net profit	Total assets	Net assets
Sichuan Education Publishing House Co., Ltd.	Publication of books	100.00	1,000.00	39,029.04	19,089.75	147,199.08	123,888.33
Sichuan Winshare Online E-commerce Co., Ltd.	Online sales of different products	75.00	6,000.00	145,107.22	206.41	316,861.88	(8,890.54)

(IV) FUTURE PROSPECTS

The Group will continue to promote the “three chains” strategy, and will implement the following operating plans:

The Group will continue to follow the annual business approach of “stabilizing scale, adjusting structure, consolidating foundation and reducing risks”, continue to optimize topic selection to promote quality and efficiency, focus on professional division of labor to adjust the structure of products and channels, strengthen system construction to consolidate the foundation for development, and scientifically implement business strategies to prevent market risks. In addition, the Group will promote the implementation of major projects through the “Three Su Culture” publication project, further deepen copyright operation and integrated publishing, with a view to driving the high-quality development in the new stage of revitalizing publishing.

Adhering to the general tone of “seeking progress while maintaining stability” and being policy-oriented, the Group will continuously improve product quality and service capabilities. Moreover, the Group will develop and promote textbook products that meet market demand; explore and develop new use scenarios for education equipment at all stages, and provide students with a three-dimensional high-quality learning experience in the form of “environment + tools + content”; give full play to the advantages of professional education services, focusing on local labor and practical education activities; develop featured teacher training courses that meet the needs of teachers, and improve the promotion ability for featured teacher training projects; through the mode of “courses + activities + products” model, promote afterschool service activities.

Focusing on the general book distribution business, the Group will continue to promote the transformation, upgrading and integrated development of physical bookstores; vigorously expand the businesses of government and enterprise services, distribution for district and county libraries and rural bookstores, and actively integrate into the construction of local public cultural service system. In response to the market demand following the introduction of the “double reduction” policy, the Group will increase resource input, adjust sales strategies, and increase the market share for student reading materials. Further, the Group will strengthen the general book distribution business on the Internet, and enhance the expansion and operation of short videos and new media; strengthen the construction of supply chain coordination capabilities, and continuously improve service capabilities and marketing capabilities through technology, data and other means.

The Group will improve the logistics network management system, improve the efficiency of logistics operation, and continuously enhance the network service capability of the national supply chain.

Finally, the Group will promote industrial development with capital management. By developing fund groups, rationally allocating investment portfolios, diversifying investment risks, and strengthening cooperation with leading investment institutions, the Group will integrate high-quality resources, 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 optimized the operating plans. However, adjustments to policies such as cultural industry policies, tax policies and education policies may affect the operating environment and market competition pattern of the industry. The Group will pay close attention to relevant national and industry policies, and strengthen its policy research capabilities for improvement in operational flexibility as well as response capabilities.

In recent years, the macro-economy and market environment have been constantly changing, which has had a certain impact on the publishing industry. For example, the purchase price of commodities and raw materials has fluctuated to a certain extent, and the emerging new media and other sales channels have led to intensified market competition. Factors such as changes in the consumption capabilities of the overall market and reading habits may bring certain market risks and operating pressure. The Group will continue to pay attention to market changes, maintain reasonable and stable resource investment, continuously enhance original publishing capabilities and marketing capabilities, and improve market competitiveness and risk resistance capabilities.

With the rapid iteration and upgrading of information technology, the publishing and distribution business will further integrate with emerging technologies such as big data, cloud computing, artificial intelligence and blockchain. New business forms and new models have been emerging, which bring development opportunities and 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, and promote in-depth integrated development.

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 14 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 10 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 not recommended the payment of an interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

EVENTS AFTER THE PERIOD

In July 2023, Winshare Investment, as a limited partner, subscribed for the share of Goldstone Growth Equity Investment (Hangzhou) Partnership (Limited Partnership) amounting to RMB100,000,000.00.

In August 2023, the Company, as a limited partner, subscribed for the share of Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership) amounting to RMB40,000,000.00.

Such investments are events after the balance sheet date, which have no significant impact on financial position and operating results.

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 2023 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) and the Company (www.winshare.com.cn) respectively. The Company’s 2023 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 2023.

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

Sichuan, the PRC, 29 August 2023

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

* For identification purposes only