WIN SHARE

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)

2015 INTERIM RESULTS ANNOUNCEMENT

The board (the "**Board**") of directors (the "**Directors**") 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 2015 (the "**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 2014.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**2,418,955**	2,182,451
Cost of sales		**(1,451,481)**	(1,290,837)
Gross profit		**967,474**	891,614
Other income and gains	*4*	**187,141**	140,506
Selling and distribution expenses		**(509,282)**	(462,050)
Administrative expenses		**(257,583)**	(222,246)
Other expenses		**(66,199)**	(47,910)
Share of loss of associates		**(1,647)**	(1,982)
Share of profit of joint ventures		**1,499**	3,900
Finance income, net	*6*	**4,332**	4,067
Profit before tax		**325,735**	305,899
Income tax expense	*7*	**(1,137)**	(928)
Profit for the Period	*5*	**324,598**	304,971
Profit (loss) for the Period attributable to:			
Owners of the Company		**343,736**	321,889
Non-controlling interests		**(19,138)**	(16,918)
		324,598	304,971
EARNINGS PER SHARE			
– Basic (RMB)	*9*	**0.30**	0.28

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Profit for the Period	**324,598**	304,971
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Effect of income tax exemption from year 2014 to year 2018	**–**	(6,476)
Item that may be subsequently reclassified to profit or loss:		
Fair value gain on available-for-sale investment	**783,314**	56,088
Other comprehensive income for the Period	**783,314**	49,612
Total comprehensive income for the Period	**1,107,912**	354,583
Total comprehensive income attributable to:		
Owners of the Company	**1,127,050**	371,501
Non-controlling interests	**(19,138)**	(16,918)
	1,107,912	354,583

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2015 (Unaudited) *RMB'000***	31 December 2014 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**1,575,291**	1,447,282
Prepaid lease payments for land use rights		**262,096**	263,438
Investment properties		**39,674**	40,834
Goodwill		**500,994**	504,301
Other intangible assets		**78,484**	71,631
Interests in associates		**225,972**	227,618
Interest in joint ventures		**421,796**	418,797
Available-for-sale investments	*10*	**2,593,018**	1,578,112
Deferred tax assets		**33,201**	34,089
Long-term prepayments		**153,140**	199,570
Long-term trade receivable		**22,288**	28,574
Entrusted loan		**120,000**	120,000
Total non-current assets		**6,025,954**	4,934,246
Current assets			
Trade and bills receivables	*11*	**829,087**	596,741
Prepayments, deposits and other receivables		**309,253**	468,288
Inventories		**1,217,707**	1,308,768
Available-for-sale investment	*10*	**61,995**	100,000
Short-term investments		**75,000**	94,892
Pledged bank deposits and restricted cash		**29,693**	48,253
Cash and short-term bank deposits		**1,412,325**	1,358,503
Total current assets		**3,935,060**	3,975,445
Current liabilities			
Interest-bearing bank borrowings	*12*	**35,000**	50,000
Trade and bills payables	*13*	**2,124,518**	2,109,602
Deposits received, other payables and accruals		**855,542**	885,325
Dividends payable		**311,787**	–
Tax liabilities		**1,263**	1,201
Total current liabilities		**3,328,110**	3,046,128
Net current assets		**606,950**	929,317
Total assets less current liabilities		**6,632,904**	5,863,563

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Capital and reserves			
Issued capital		**1,135,131**	1,135,131
Reserves		**5,465,147**	4,338,097
Proposed dividends		**–**	340,539
Equity attributable to owners of the Company		**6,600,278**	5,813,767
Non-controlling interests		**(9,887)**	7,104
Total equity		**6,590,391**	5,820,871
Non-current liabilities			
Deferred tax liabilities		**42,513**	42,692
Total non-current liabilities		**42,513**	42,692
Total equity and non-current liabilities		**6,632,904**	5,863,563

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was established in the People's Republic of China (the "**PRC**") on 11 June 2005 as a joint stock limited company as part of the reorganisation of Sichuan Xinhua Publishing Group Co., Ltd.* (四川新華發行集團有限公司) ("**Sichuan Xinhua Publishing Group**"). Details of the information of establishing the joint stock limited company are set out in the Company's prospectus dated 16 May 2007 (the "**Prospectus**").

On 30 May 2007, the Company's H shares (the "**H Shares**") were listed on the Stock Exchange and 406,340,000 H Shares, consisting of 369,400,000 new H Shares and 36,940,000 H Shares converted from the Company's domestic shares (the "**Domestic Shares**") were issued to the public. On 7 June 2007, an additional 32,361,000 new H Shares and 3,236,100 H Shares converted from the Domestic Shares were issued to the public as a result of the partial exercise of the over-allotment option as detailed in the Prospectus.

The registered office of the Company is located at 12/F, No. 86 Section One, People's South Road, Qingyang District, Chengdu, Sichuan, the PRC.

The Group is principally engaged in publishing and trading of publications and related products in the PRC.

The parent company of the Company is Sichuan Xinhua Publishing Group, a state-owned enterprise established in the PRC. Sichuan Xinhua Publishing Group is a wholly-owned subsidiary of Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司) ("**Sichuan Development**"). Sichuan Development is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government (四川省國有資產監督管理委員會) (the "**SASAC of Sichuan**"), the Company is beneficially controlled by SASAC of Sichuan.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the Period have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with International Accounting Standard ("**IAS**") 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

2.1 PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014, except as described below.

Application of new and revised International Financial Reporting Standards

During the Period, the Group has applied, for the first time, the following new and revised International Financial Reporting Standards and amendments ("**IFRSs**") issued by the International Accounting Standard Board that are relevant for the preparation of the Group's interim condensed consolidated financial statements:

Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*
Amendments to IFRSs	*Annual Improvements to IFRSs 2010-2012 Cycle*
Amendments to IFRSs	*Annual Improvements to IFRSs 2011-2013 Cycle*

The application of the above IFRSs during the Period has had no material effect on the amounts reported in these interim condensed consolidated financial statements and/or disclosures set out in these interim condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group is organised into business units based on business lines. Information reported to the management (including Directors and senior executives), being the chief operating decision makers, for the purposes of resources allocation and assessment of segment performance focuses on types of business lines.

The Group's reportable and operating segments under IFRS 8 are as follows:

Publication:	Publishing of publications including books, periodicals, audio-visual products and digital products; provision of printing services and supply of printing materials
Distribution:	Distribution of textbooks and supplementary materials to schools and students, and the provision of primary and secondary school digitalized education services; retailing, distribution and online sales of publications business.
Others:	Other business such as production and distribution of film & television programs and sales of artwork which do not separately meet the definition of a reportable segment.

Segment revenue and other income reported above represents revenue generated from external customers, allocated other income and allocated interest income and inter-segment sales, which were eliminated on consolidation. Segment profit represents the profit earned by each segment without unallocated interest income and miscellaneous income of the corporate function, dividend income from available-for-sale investments, gains on short-term investments and gains on disposal of subsidiaries. Head office and corporate expenses are also excluded from such measurement. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prices mutually agreed between entities within different segments.

For the purposes of monitoring segment performances and allocating resources between segments:

Segment assets exclude available-for-sale investments, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax liabilities, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

No geographical information is presented as more than 99% of the Group's revenue is derived from customers based in the PRC, and more than 99% of its assets are located in the PRC.

The following is an analysis of the Group's revenue and results by reportable and operating segments for the six months ended 30 June 2015 and six months ended 30 June 2014:

Six months ended 30 June 2015

	Publication (Unaudited) *RMB'000*	Distribution (Unaudited) *RMB'000*	Others (Unaudited) *RMB'000*	Consolidated (Unaudited) *RMB'000*
Revenue and other income				
Sales to external customers	**122,409**	**2,286,891**	**9,655**	**2,418,955**
Inter-segment sales	**489,475**	**–**	**15**	**489,490**
Other income	**46,033**	**68,366**	**11,643**	**126,042**
	657,917	**2,355,257**	**21,313**	**3,034,487**
Elimination of inter-segment revenue and other income				**(489,490)**
				2,544,997
Results				
Segment results	**113,361**	**168,750**	**(11,162)**	**270,949**
Elimination of inter-segment results				**21,127**
Unallocated income and gains				**2,735**
Unallocated expenses				**(36,849)**
Gains on short-term investments				**3,378**
Gains on disposal of available-for-sale investment				**4,061**
Dividends from available-for-sale investments				**60,334**
Profit before tax				**325,735**

Six months ended 30 June 2014

	Publication (Unaudited) *RMB'000*	Distribution (Unaudited) *RMB'000*	Others (Unaudited) *RMB'000*	Consolidated (Unaudited) *RMB'000*
Revenue and other income				
Sales to external customers	180,951	2,000,448	1,052	2,182,451
Inter-segment sales	326,331	–	–	326,331
Other income	34,333	47,506	5,891	87,730
	541,615	2,047,954	6,943	2,596,512
Elimination of inter-segment revenue and other income				(326,331)
				2,270,181
Results				
Segment results	78,143	108,018	(5,035)	181,126
Elimination of inter-segment results				98,450
Unallocated income and gains				5,455
Unallocated expenses				(35,872)
Gains on short-term investments				1,476
Dividends from available-for-sale investments				55,264
Profit before tax				305,899

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold after deduction of relevant taxes and allowances for returns and trade discount, and after eliminations of all significant intra-group transactions for the Period.

An analysis of revenue, other income and gains is as follows:

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue		
Sales of goods	**2,418,955**	2,182,451
Other income and gains		
Government grants	**46,704**	27,460
Gross rental income	**9,284**	7,599
Commission income	**24,137**	26,129
Gains on short-term investments	**3,378**	1,476
Gains on disposal of available-for-sale investments	**4,061**	–
Dividends from available-for-sale investments	**60,334**	55,264
Others	**39,243**	22,578
Total other income and gains	**187,141**	140,506

5. PROFIT FOR THE PERIOD

The Group's profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Depreciation and amortisation	**66,794**	56,570
Recognition of lease prepayments for land use rights	**3,519**	3,026
Loss (gain) on disposal of items of property, plant and equipment, net	**(13,566)**	142
Minimum lease payments under operating lease on properties	**50,344**	47,338
Impairment of trade and other receivables	**20,026**	12,886
Write-down of inventories to net realisable value	**23,514**	19,689
Staff costs (including Directors' and supervisors' emoluments)		
Wages, salaries and other employee benefits	**293,578**	262,875
Post-employment pension scheme contribution	**48,627**	46,066
	342,205	308,941
Cost of inventories sold	**1,451,481**	1,290,837

6. FINANCE INCOME, NET

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Bank interest income	**5,033**	6,663
Interest expense on bank borrowings, wholly repayable within five years	**(1,558)**	(2,596)
Interest income on long-term receivable	**857**	–
	4,332	4,067

7. INCOME TAX EXPENSE (CREDIT)

The Group is subject to income tax on an independent legal entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group is not liable for income tax in Hong Kong as it did not have any assessable income arising in Hong Kong. Under the prevailing PRC income tax law, except for certain preferential treatment available to the Company and certain subsidiaries, the Group is subject to corporate income tax at a rate of 25% on their respective taxable income.

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current income tax	**828**	1,688
Deferred income tax	**309**	(760)
	1,137	928

In November 2014, the Ministry of Finance and the State Administration of Taxation jointly issued the Circular Cai Shui [2014] No. 84 (the "**Circular**"), pursuant to which an entity qualified as a cultural enterprise or transformed from a cultural public institution to a culture enterprise is exempted from enterprise income tax from 1 January 2014 to 31 December 2018.

Pursuant to the Circular, the Company and fifteen subsidiaries qualified as cultural enterprises were granted income tax exemptions for the Period.

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

9. EARNINGS PER SHARE

For the six months ended 30 June 2015, the calculation of basic earnings per share is based on the net profit attributable to owners of the Company of approximately RMB343,736,000 (for the six months ended 30 June 2014: RMB321,889,000) and the weighted average number of ordinary shares of 1,135,131,000 in issue during the six months ended 30 June 2015 (six months ended 30 June 2014: 1,135,131,000 shares).

The Group had no potential ordinary shares in issue during the periods presented and therefore no diluted earnings per share information is presented.

10. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2015 (Unaudited) *RMB'000*	31 December 2014 (Audited) *RMB'000*
Listed equity investments, at fair value *(note i)*	**1,820,487**	1,036,775
Unlisted investments:		
Private equity funds, at fair value *(note ii)*	**271,194**	40,000
Trust product, at fair value	**61,995**	100,000
Unlisted equity investments, at cost less impairment losses *(note iii)*	**501,337**	501,337
Total	**2,655,013**	1,678,112
Analysed for reporting purposes as:		
Current assets	**61,995**	100,000
Non-current assets	**2,593,018**	1,578,112

Notes:

i As at 30 June 2015, the Group's listed equity investments represent investment in Anhui Xinhua Media Co., Ltd. (安徽新華傳媒股份有限公司) ("**Wan Xin Media**") amounting to RMB1,817,970,000 (31 December 2014: RMB1,035,854,000) and investment in Jiangsu Youli Investment Holding Co., Ltd. (江蘇友利投資控股股份有限公司) amounting to RMB2,517,000 (31 December 2014: RMB921,000).

ii As at 30 June 2015, the Group's investment in private equity funds represent investment in CITIC Buyout Investment Fund (Shenzhen) (Limited Partnership) with a carrying amount of RMB40,000,000 (31 December 2014: RMB40,000,000), Qingdao Jinshi Zhixin Investment Center (Limited Partnership) amounting to RMB150,768,000 (31 December 2014: nil), Winshare Hengxin (Shenzhen) Equity Investment Fund (Limited Partnership) amounting to RMB70,000,000 (31 December 2014: nil), and Taizhou Xinheng Zhongrun Investment Fund (Limited Partnership) amounting to RMB10,426,000 (31 December 2014: nil).

iii As at 30 June 2015, the unlisted equity investments principally included investment in Bank of Chengdu Co., Ltd. (成都銀行股份有限公司) ("**Bank of Chengdu**") amounting to RMB240,000,000 (31 December 2014: RMB240,000,000) and investment in Chengdu Institute of Sichuan International Studies University (四川外國語大學成都學院) amounting to RMB260,000,000 (31 December 2014: RMB260,000,000).

11. TRADE AND BILLS RECEIVABLES

The Group normally allows a credit period of not more than 270 days to its customers.

The following is an aged analysis of trade and bills receivables, net of allowance for doubtful debts and sales returns, presented based on the date of delivery of goods and date of rendering of services which approximated the respective dates on which revenue was recognised.

	30 June 2015 (Unaudited) ***RMB'000***	31 December 2014 (Audited) *RMB'000*
Within 3 months	**422,028**	468,923
3 to 6 months	**285,884**	56,436
6 months to 1 year	**87,972**	48,374
1 to 2 years	**22,695**	12,376
Over 2 years	**10,508**	10,632
	829,087	596,741

12. INTEREST-BEARING BANK BORROWINGS

As at 30 June 2015, interest-bearing bank borrowings represented two borrowings that amounted to RMB35,000,000 (secured by prepaid lease prepayments for land use rights and properties), which were granted by Bank of Chengdu to Sichuan Xinhua Colour Printing Co., Ltd.(四川新華彩色印務有限公司), a subsidiary of the Company.

13. TRADE AND BILLS PAYABLES

The trade and bills payables are interest-free and are normally settled within one year.

The following is an aged analysis of trade and bills payables, presented based on the invoice date at 30 June 2015:

	30 June 2015 (Unaudited) ***RMB'000***	31 December 2014 (Audited) *RMB'000*
Within 3 months	**914,544**	724,984
3 to 6 months	**359,240**	470,640
6 months to 1 year	**380,308**	457,397
1 to 2 years	**209,325**	312,164
Over 2 years	**261,101**	144,417
	2,124,518	2,109,602

As at 30 June 2015, the Group's bills payable amounted to RMB18,120,000 (31 December 2014: RMB76,420,000).

14. PLEDGE OF ASSETS

Certain of the Group's assets are pledged for obtaining bank loans and other banking facilities. A summary of the assets pledged is as follows:

	30 June 2015 (Unaudited) ***RMB'000***	31 December 2014 (Audited) *RMB'000*
Lease prepayment for land use rights	**28,130**	28,469
Property, plant and equipment	**32,677**	34,101
Pledged bank deposits for bills payable	**5,620**	24,234
	66,427	86,804

15. EVENT AFTER THE END OF THE INTERIM PERIOD

On 21 August 2015, the interim condensed consolidated financial statements for the six months ended 30 June 2015 were approved and authorized for issue by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

In order to promote the cultural industry into a pillar of national economy and enhance the overall strength and international influence of the cultural industry, in recent years, the state has released a series of intensive reform policies and measures including continuous financial support and tax incentives to the cultural industry, taking various measures to organize reading events and expediting the development of "Internet +" to promote the integration of traditional media and new forms of media. These policies and measures have effectively invigorated the industry and have created favourable macroscopic conditions for the development of the entire industry.

With respect to the industry development, as the national reading rate continues to rise, the market demand is expected to grow continuously. Under such background, industry leaders possessing rich content resources and innovative development models are sure to have an advantage in the transformation and upgrade of the traditional publishing industry and industry integration.

Operating Results and Financial Review

During the Period, the Group achieved sales revenue of RMB2,419 million and profit of RMB325 million, representing an increase of 10.8% and 6.4% respectively as compared with the same period of 2014; profit attributable to the owners of the Company for the Period was RMB344 million; the basic earnings per share was RMB0.30.

Revenue

During the Period, the Group recorded sales revenue of RMB2,419 million, representing an increase of 10.8% as compared with RMB2,182 million for the same period last year, which was mainly attributable to the growth in sales of the Education service business and Online sales business under the Group's Distribution segment.

Gross Profit margin

The consolidated gross profit margin of the Group for the Period was 40.0%, representing a decrease of 0.9 percentage point as compared with 40.9% in the same period last year, which was mainly attributable to the changes in the sales structure.

Segment Analysis

Revenues in each business segment of the Group for the Period and the corresponding period last year are as follows:

For the six months ended 30 June

				Percentage of segment sales to revenue before inter-segment sales elimination		Percentage of segment external sales to consolidated revenue	
	2015	2014	Change	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	*%*	***%***	*%*	***%***	*%*
Publication segment							
External sales	**122,409**	180,951	(32.4)	**4.2**	7.2	**5.1**	8.3
Inter-segment sales	**489,475**	326,331	50.0	**16.8**	13.0		
Total	**611,884**	507,282	20.6	**21.0**	20.2		
Of which: Printing and materials supply	**71,921**	131,044	(45.1)	**2.5**	5.2		
Distribution segment							
External sales	**2,286,891**	2,000,448	14.3	**78.7**	79.8	**94.5**	91.7
Inter-segment sales	**–**	–	–	**–**	–		
Total	**2,286,891**	2,000,448	14.3	**78.7**	79.8		
Of which: Education service	**1,541,085**	1,392,258	10.7	**53.0**	55.5		
Retailing	**282,970**	309,054	(8.4)	**9.7**	12.3		
Commercial supermarket	**83,579**	74,604	12.0	**2.9**	3.0		
Online sales	**338,298**	200,295	68.9	**11.6**	8.0		
Other segments							
External sales	**9,655**	1,052	817.8	**0.3**	–	**0.4**	–
Inter-segment sales	**15**	–	–	**–**	–		
Total	**9,670**	1,052	819.2	**0.3**	–		
Revenue before inter-segment sales elimination	**2,908,445**	2,508,782	15.9	**100.0**	100.0		
Inter-segment sales elimination	**(489,490)**	(326,331)	50.0				
Consolidated revenue	**2,418,955**	2,182,451	10.8			**100.0**	100.0

The gross profit and gross profit margin of each business segment of the Group for the Period and the corresponding period last year are as follows:

For the six months ended 30 June

	2015		2014	
	Gross profit *RMB'000*	**Gross profit margin** %	Gross profit *RMB'000*	Gross profit margin %
Publication segment (including inter-segment revenue)	**206,994**	**33.8**	152,819	30.1
Of which: Printing and materials supply	**2,103**	**2.9**	12,816	9.8
Distribution segment (including inter-segment revenue)	**733,466**	**32.1**	640,069	32.0
Of which: Education service	**556,811**	**36.1**	481,260	34.6
Retailing	**103,142**	**36.4**	110,499	35.8
Commercial supermarket	**23,028**	**27.6**	20,075	26.9
Online sales	**39,923**	**11.8**	24,151	12.1
Others segment (including inter-segment revenue)	**5,912**	**61.1**	276	26.2
Inter-segment revenue elimination	**21,102**	**N/A**	98,450	N/A
Total	**967,474**	**40.0**	891,614	40.9

Publication segment

The Group's publication segment covers businesses including publishing of books, periodicals, audio-visual products and digital products; and provision of printing services and supply of materials.

The Group continued to facilitate innovation in the operation and management mechanism of publishing, and actively guided the integration of the publishing and distribution of public books. The synergies and mechanism between publishing and distribution channels have basically been formed, and the development concept of utilizing the strong distribution channels of the Company to propel the development of publishing is beginning to succeed.

During the Period, the publication segment recorded a revenue of RMB612 million (including inter-segment sales), of which revenue from external sales amounted to RMB122 million, representing a decrease of 32.4% as compared with RMB181 million in the corresponding period last year, which was mainly due to a decline in paper sales to external customers during the Period.

During the Period, the gross profit margin of the publication segment was 33.8%, representing an increase of 3.7 percentage points as compared with 30.1% in the same period last year, which was mainly due to a lower proportion of revenue from the paper sales to external customers which carries a lower profit margin.

Distribution segment

The Group's distribution segment covers the centralised purchasing, delivery and distribution of products through different channels; distributing textbooks and supplementary materials to schools and students, and the provision of primary and secondary school digitalized education services; retailing, distribution business and online sales of publications business.

During the Period, the distribution segment recorded a revenue of RMB2,287 million, representing an increase of 14.3% as compared with RMB2,000 million in the same period last year, which was mainly attributable to the revenue growth in the education service business and online sales business.

During the Period, the gross profit margin of the distribution segment was 32.1%, which was substantially the same compared with 32.0% in the same period last year.

Education service

The education service business includes the distribution of textbooks and supplementary materials to schools and students, and the provision of primary and secondary school digitalized education services for primary and secondary schools.

The Company employed effective measures such as optimizing product structure, adjusting marketing strategies, utilizing channel advantages to satisfy customer demands, further uncovering the potential of the supplementary material market, marketing digital education products and exploring the education equipment market to ensure the continued growth of the Education service business.

During the Period, the education service business recorded a sales revenue of RMB1,541 million, representing an increase of 10.7% as compared with RMB1,392 million in the same period last year, which was mainly attributable to the continued increase in the sales of the supplementary materials and digital education products of the Group.

During the Period, the gross profit margin of the education service business was 36.1%, representing an increased of 1.5 percentage points compared with 34.6% in the same period last year, which was mainly attributable to the increased proportion of the sales of our own supplementary materials.

Retailing

The retailing business includes the retail store business, the group-buying business, and the distribution business for colleges, secondary and vocational schools and public libraries.

During the Period, to cope with the impacts of e-commerce and digital publications on traditional publications retailing business, the Group placed business customers at the core of the retailing business and used reading services as an entry point. Through measures such as optimizing the functions of stores and providing value-added services, a cultural service brand with industry influence is established.

During the Period, the retailing business recorded a sales revenue of RMB283 million, representing a decrease of 8.4% as compared with RMB309 million in the same period last year, which was mainly affected by the decrease in sales of the retail store business.

During the Period, the gross profit margin of the retailing business was 36.4%, representing a slight increase compared with 35.8% in the same period last year.

Commercial supermarket

The Group steadily pushed ahead the expansion of the commercial supermarket business and enhanced the sales performance by constantly optimizing the outlet distribution in different regions, actively trying innovative ways to run business, developing marketable products and optimizing the customer services by cooperation with the Company's publishing institutions. During the Period, the commercial supermarket business recorded a sales revenue of RMB84 million, representing an increase of 12.0% as compared with RMB75 million in the same period last year.

The commercial supermarket business recorded a gross profit margin of 27.6%, representing a slight increase as compared with 26.9% in the same period last year.

Online sales

With the constant and rapid growth in the e-commerce market in China, the Group continued to strengthen the infrastructure of the online sales business, by expanding the sales channels and using innovative sales strategies to improve the merchandise organization and logistic delivery abilities of the E-commerce companies and extending the rapid development trend of the online sales business.

During the Period, the online sales business recorded a sales revenue of RMB338 million, representing an increase of 68.9% as compared with RMB200 million in the same period last year.

The gross profit margin of the Online sales business was 11.8%, which was substantially the same as 12.1% in the same period last year.

Other segment

Other segment of the Group covers production and distribution of film & television programs and sales of artwork which do not separately meet the definition of a reportable segment.

During the Period, the other segment recorded a sales revenue of RMB9.67 million (including inter-segment sales), representing an increase of RMB8.62 million as compared with RMB1.05 million in the same period last year, which was mainly due to the increase from the revenue of logistics storage service and the income of the film & television programs business.

Expenses and Costs

Selling and distribution expenses and administrative expenses

During the Period, the Group's total selling and distribution expenses and administrative expenses were RMB767 million, representing an increase of 12.1% as compared with RMB684 million in the same period last year, mainly due to the following factors: firstly, the growth of the sales revenue had led to an increase in logistics and other relevant expenses; secondly, due to the integration of the printing business of the Group, Sichuan Xinhua Colour Printing Co., Ltd. (四川新華彩色印務有限公司), a subsidiary of the Company had to pay dismissal compensation to employees; thirdly, the increased scope of mergers had caused an increase in expenses.

Other expenses

Other expenses of the Group for the Period amounted to RMB66 million, representing an increase of RMB18 million as compared with RMB48 million in the same period last year, which was primarily due to the increase in the Group's provision during the Period.

Net Finance Income

The net finance income of the Group for the Period amounted to RMB4.33 million, representing an increase of RMB0.26 million as compared with RMB4.07 million in the same period last year.

Profit

The Group's profit for the Period amounted to RMB325 million, representing an increase of 6.4% as compared with RMB305 million in the corresponding period last year. The profit attributable to owners of the Company was RMB344 million, representing an increase of 6.8% from RMB322 million in the same period last year.

Earnings Per Share

Earnings per share is calculated by dividing profits attributable to the owners of the Company for the Period by the weighted average number of ordinary shares in issue for the Period. The Group's earnings per share for the Period was RMB0.30, representing an increase of 6.8% from RMB0.28 in the corresponding period last year. Please refer to note 9 to the consolidated financial statements for the calculation of earnings per share.

Liquidity And Financial Resources

As at 30 June 2015, the Group had cash and short-term deposits of approximately RMB1,412 million, except the interest-bearing bank borrowings of RMB35 million of the Company's subsidiaries. The Company did not have any interest-bearing bank and other borrowings.

As at 30 June 2015, the gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 33.8%, representing a slight decrease as compared with 36.3% as at 30 June 2014. The Group's overall financial structure remained relatively stable.

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 2015	30 June 2014
Current ratio	**1.2**	1.3
Inventory turnover days	**158.8 days**	186.7 days
Trade and bills receivables turnover days	**53.8 days**	57.2 days
Trade and bills payables turnover days	**266.2 days**	286.2 days

As at 30 June 2015, the current ratio of the Group was 1.2, remaining substantially the same as compared with 1.3 as at 30 June 2014.

During the Period, the trade and bills receivables turnover days were 53.8 days, similar to the trade and bills receivable turnover days of 57.2 days in the same period last year. The inventory turnover days were 158.8 days, representing a decrease of 27.9 days as compared with the inventory turnover days of 186.7 days in the same period last year. The trade and bills payables turnover days were 266.2 days, representing a decrease of 20 days as compared with 286.2 days in the same period last year, which was mainly due to lower inventory stock at the beginning of this year compare with the beginning of last year as affected by the start date of schools' spring semester, and the balance of payables at the beginning of the corresponding period being less than the corresponding period last year, thus reducing the number of turnover days of inventory and payables.

Overview of Material Investments, Acquisitions and Disposals

During the Period, the Group focused on its growth strategies, improved existing industrial layout, and strengthened its efforts in cultural related businesses, with a view to establish the Group as a first-class cultural media group in the PRC.

In order to enhance the market facing operating capability of the publishing business, the Company decided to inject RMB40 million into Sichuan Xinhua Online Network Co., Ltd. (四川新華在線網絡有限責任公司) for the marketing of publishing products and operating the copyright resource business, as well as exploration and implementation of the new media publishing business.

During the Period, the Company obtained the dividend income for 2014 of RMB26 million and RMB14.3336 million from its investees, the Chengdu Institute, Sichuan International Studies University and Wan Xin Media. In addition, the Bank of Chengdu held a shareholders' meeting on 16 June 2015, which determined the distribution of dividends for 2014. The Company will receive RMB20 million in the distribution.

In addition, the Company intends to transfer the 34% equity interest held in Chengdu Xinhui Industrial Co., Ltd. (成都鑫匯實業有限公司). The equity interest is still being listed for transfer according to PRC laws and regulations.

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

FUTURE PROSPECTS

As the state is creating a knowledgeable society and promoting the development of a full-fledged cultural industry in China, along with the rapid development of the cultural industry, the Group will strengthen the integration between internal publishing and distribution channels and promote the integrated development of traditional publishing and new media. It will also continue to optimize the market competitiveness, channel service capabilities and online sales capabilities of publications. The research development and marketing of digital education products will be strengthened, and the operating service capability of the cloud service platform will be enhanced. The establishment of the third party service platform created by integrating the publishing production and distribution chain will be expedited, while the innovation and transformation and upgrade of the businesses of the Group will be steadily implemented. The establishment of the logistics network and informatization will be expedited to enhance the efficiency of the logistics system. Advantageous cultural industry projects will be created through the use of capital measures.

Meanwhile, the Company will steadily push ahead the listing and issuance of A shares according to the Group's development strategies to explore new financing channels. Currently, the related works of listing of A shares of the Company are well underway.

PLEDGE OF ASSETS

Please refer to note 14 to the interim condensed consolidated financial statements for details of the Group's pledge of assets as at 30 June 2015.

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 complied with all applicable code provisions in the Corporate Governance Code 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 (the "**Supervisors**") of the Company, 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 does not recommend payment of any interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

AUDIT COMMITTEE

The Company has established its audit committee ("**Audit Committee**") in compliance with the requirements under 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 2015 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

The interim results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.winshare.com.cn). The Company's 2015 interim report will be dispatched to the shareholders and published on websites of the Stock Exchange and the Company on or before 30 September 2015.

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

Sichuan, the PRC, 21 August 2015

As at the date of this announcement, the Board comprises (a) Mr. Gong Cimin, Mr. Luo Long and Mr. Yang Miao as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Peng and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Han Liyan, Mr. Mak Wai Ho and Ms. Xiao Liping as independent non-executive Directors.

* *For identification purposes only*