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**winshare** 文軒

# 新華文軒出版傳媒股份有限公司

XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.\*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 811)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xinhua Winshare Publishing and Media Co., Ltd.\* (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022 (the “**Year**” or “**Reporting Period**”).

### CONSOLIDATED BALANCE SHEET 31 DECEMBER 2022

		<i>RMB</i>	
ITEM	<i>Notes</i>	31 December 2022	31 December 2021
<b>Current Assets:</b>			
Cash and bank balances	5	7,801,800,506.62	6,040,029,278.72
Held-for-trading financial assets		–	20,945.15
Notes receivable		2,906,232.79	10,545,962.27
Accounts receivable	6	1,697,878,791.47	1,555,884,147.93
Financing receivables		8,499,815.79	5,132,438.00
Prepayments		78,587,315.95	79,323,179.35
Other receivables		129,770,862.20	101,641,043.44
Inventories	7	2,572,840,225.77	2,742,158,426.84
Contract assets		9,567,253.11	34,660,471.53
Non-current assets due within one year		117,238,899.64	172,294,518.11
Other current assets	8	331,074,537.47	502,276,759.44
<b>Total Current Assets</b>		<b>12,750,164,440.81</b>	<b>11,243,967,170.78</b>

RMB

ITEM	Notes	31 December 2022	31 December 2021
<b>Non-current Assets:</b>			
Long-term receivables	9	100,428,300.51	143,479,125.91
Long-term equity investments	10	748,393,704.39	754,803,876.08
Other equity instrument investments	11	1,874,674,472.69	1,608,071,463.87
Other non-current financial assets	12	467,646,874.02	723,047,595.79
Investment properties		95,997,370.92	82,653,580.43
Fixed assets	13	2,453,982,246.63	2,014,782,433.12
Construction in progress	14	47,219,096.45	144,794,764.90
Right-of-use assets		378,694,230.48	345,014,851.31
Intangible assets		391,318,045.86	379,475,191.25
Development cost		1,428,449.38	2,561,158.72
Goodwill	15	622,652,907.24	500,571,581.14
Long-term prepaid expenses		44,357,505.30	15,260,900.36
Deferred tax assets		23,891,140.32	23,931,737.96
Other non-current assets	16	650,538,774.36	791,530,359.26
<b>Total Non-current Assets</b>		<b>7,901,223,118.55</b>	<b>7,529,978,620.10</b>
<b>TOTAL ASSETS</b>		<b>20,651,387,559.36</b>	<b>18,773,945,790.88</b>
<b>Current Liabilities:</b>			
Short-term borrowings		18,000,000.00	–
Notes payable	17	29,776,305.93	45,285,599.60
Accounts payable	18	5,424,399,662.93	5,406,581,179.99
Prepayments		1,167,160.30	–
Contract liabilities	19	584,100,139.24	542,086,414.16
Employee benefits payable		704,546,289.83	594,173,428.34
Taxes payable		70,623,802.58	62,425,209.54
Other payables		404,374,959.26	386,886,795.47
Non-current liabilities due within one year		91,632,641.94	101,706,168.70
Other current liabilities		213,833,204.22	201,498,906.04
<b>Total Current Liabilities</b>		<b>7,542,454,166.23</b>	<b>7,340,643,701.84</b>

RMB

ITEM	Notes	31 December 2022	31 December 2021
<b>Non-current Liabilities:</b>			
Lease liabilities		314,531,302.76	259,594,365.23
Long-term employee benefits payable		33,142,176.77	–
Deferred income		25,359,348.84	31,146,881.78
Deferred tax liabilities		73,867,204.70	32,872,282.61
<b>Total Non-current Liabilities</b>		<b>446,900,033.07</b>	<b>323,613,529.62</b>
<b>TOTAL LIABILITIES</b>		<b>7,989,354,199.30</b>	<b>7,664,257,231.46</b>
<b>Shareholders' Equity:</b>			
Share capital	20	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	1,445,418,214.18	1,178,842,757.57
Surplus reserve		1,154,424,514.15	1,009,210,479.29
Retained profits	21	6,083,770,928.98	5,227,141,020.57
<b>Total Shareholder's Equity Attributable to Equity Holders of the Parent</b>		<b>12,489,979,423.63</b>	<b>11,221,560,023.75</b>
<b>Non-controlling Interests</b>		<b>172,053,936.43</b>	<b>(111,871,464.33)</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>12,662,033,360.06</b>	<b>11,109,688,559.42</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>20,651,387,559.36</b>	<b>18,773,945,790.88</b>

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

		<i>RMB</i>	
ITEM	<i>Notes</i>	Amount recognized in the current year	Amount recognized in the prior year
<b>I. Operating income</b>	22	<b>10,930,302,487.30</b>	10,460,363,983.51
Less: Operating costs	22	<b>6,913,161,426.93</b>	6,646,716,822.70
Taxes and levies		<b>43,002,435.74</b>	46,699,627.72
Selling expenses		<b>1,211,489,002.19</b>	1,121,009,338.73
Administrative expenses		<b>1,401,957,853.09</b>	1,453,389,763.05
Research and development expenditure		<b>14,166,706.34</b>	3,793,741.38
Finance expenses		<b>(143,435,687.28)</b>	(80,383,936.21)
Including: Interest expenses		<b>20,978,186.49</b>	19,487,842.59
Interest income		<b>172,924,385.99</b>	109,754,708.81
Add: Other income		<b>90,597,972.16</b>	81,146,478.58
Investment income		<b>111,855,962.13</b>	112,091,963.82
Including: Income from investments in associates and joint ventures		<b>13,417,994.42</b>	44,348,654.80
Gain/(loss) from changes in fair values	23	<b>(135,138,551.26)</b>	71,685,949.54
Gain/(loss) on credit impairment		<b>(137,642,170.56)</b>	(132,054,924.22)
Gain/(loss) on asset impairment		<b>(45,392,337.19)</b>	(48,395,369.07)
Gains on disposal of assets		<b>40,434,507.58</b>	2,015,713.48
<b>II. Operating profit</b>		<b>1,414,676,133.15</b>	1,355,628,438.27
Add: Non-operating income		<b>4,842,647.91</b>	4,369,008.12
Less: Non-operating expenses		<b>39,719,129.77</b>	51,263,372.53
<b>III. Total profit</b>		<b>1,379,799,651.29</b>	1,308,734,073.86
Less: Income tax expenses	25	<b>(11,435,476.92)</b>	5,452,811.98

ITEM	Notes	RMB	
		Amount recognized in the current year	Amount recognized in the prior year
<b>IV. Net profit</b>		<b>1,391,235,128.21</b>	1,303,281,261.88
(I) Categorized by the nature of continuing operations:			
1. Net profit from continuing operations		<b>1,391,235,128.21</b>	1,303,281,261.88
(II) Categorized by ownership:			
1. Net profit attributable to shareholders of the parent		<b>1,396,673,063.27</b>	1,305,941,469.01
2. Profit or loss attributable to non-controlling interests		<b>(5,437,935.06)</b>	(2,660,207.13)
<b>V. Other comprehensive income, net of tax</b>	26	<b>266,575,456.61</b>	161,264,784.17
Other comprehensive income attributable to shareholders of the parent, net of tax	26	<b>266,575,456.61</b>	161,264,784.17
(I) Other comprehensive income not reclassified to profit or loss	26	<b>266,575,456.61</b>	161,264,784.17
1. Changes in fair value of other equity instrument investment	26	<b>266,575,456.61</b>	161,264,784.17
<b>VI. Total comprehensive income</b>		<b>1,657,810,584.82</b>	1,464,546,046.05
Total comprehensive income attributable to shareholders of the parent		<b>1,663,248,519.88</b>	1,467,206,253.18
Total comprehensive income attributable to non-controlling interests		<b>(5,437,935.06)</b>	(2,660,207.13)
<b>VII. Earnings per share:</b>	27		
(I) Basic earnings per share		<b>1.13</b>	1.06
(II) Diluted earnings per share		<b>N/A</b>	N/A

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

RMB

ITEM	Amount recognized in the current year	Amount recognized in the prior year
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	<b>11,272,472,750.54</b>	11,118,245,552.45
Receipts of tax refunds	<b>105,668,809.76</b>	27,748,888.66
Other cash receipts relating to operating activities	<b>276,431,311.37</b>	212,251,761.50
Sub-total of cash inflows from operating activities	<b>11,654,572,871.67</b>	11,358,246,202.61
Cash payments for goods purchased and services received	<b>7,000,959,591.85</b>	6,712,233,583.71
Cash payments to and on behalf of employees	<b>1,476,143,204.24</b>	1,331,002,015.79
Payments of various types of taxes	<b>148,513,015.48</b>	158,899,022.53
Other cash payments relating to operating activities	<b>1,004,575,935.48</b>	1,108,782,003.37
Sub-total of cash outflows from operating activities	<b>9,630,191,747.05</b>	9,310,916,625.40
Net Cash Flow from Operating Activities	<b>2,024,381,124.62</b>	2,047,329,577.21
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	<b>312,087,592.64</b>	350,201,840.69
Cash receipts from investment income	<b>100,937,967.71</b>	73,149,634.02
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	<b>41,600,265.10</b>	3,947,138.21
Other cash receipts relating to investing activities	<b>658,062,499.89</b>	—
Sub-total of cash inflows from investing activities	<b>1,112,688,325.34</b>	427,298,612.92
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	<b>216,709,664.40</b>	273,749,887.65
Cash payments to acquire investments	<b>191,804,476.98</b>	632,154,425.63
Net cash paid for acquisition of subsidiaries and other business units	<b>71,730,019.83</b>	—
Other cash payments relating to investing activities	<b>400,000,000.00</b>	800,000,000.00
Sub-total of cash outflows from investing activities	<b>880,244,161.21</b>	1,705,904,313.28
Net Cash Flow from Investing Activities	<b>232,444,164.13</b>	(1,278,605,700.36)

RMB

ITEM	Amount recognized in the current year	Amount recognized in the prior year
<b>III. Cash Flows from Financing Activities:</b>		
Cash received from borrowings	<b>18,000,000.00</b>	–
Sub-total of cash inflows from financing activities	<b>18,000,000.00</b>	–
Cash payments for distribution of dividends and profits and settlement of interest expenses	<b>395,414,968.27</b>	383,022,507.41
Including: Payments for distribution of dividends and profits to non-controlling shareholders of subsidiaries	<b>567,435.06</b>	516,793.97
Other cash payments relating to financing activities	<b>115,095,378.01</b>	128,772,750.81
Sub-total of cash outflows from financing activities	<b>510,510,346.28</b>	511,795,258.22
Net Cash Flow from Financing Activities	<b>(492,510,346.28)</b>	(511,795,258.22)
<b>IV. Net Increase in Cash and Cash Equivalents</b>	<b>1,764,314,942.47</b>	256,928,618.63
Add: Opening balance of Cash and Cash Equivalents	<b>5,997,769,686.81</b>	5,740,841,068.18
<b>V. Closing Balance of Cash and Cash Equivalents</b>	<b>7,762,084,629.28</b>	5,997,769,686.81

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. BASIC INFORMATION ABOUT THE COMPANY

The Company was registered at Administration for Market Regulation of Sichuan Province on 11 June 2005 with the share capital of RMB733,370,000.00.

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

The legal representative of the Company is Luo Yong. The registered address of the Company is located at Unit 1, Block 1, No. 238, Sanse Road, Jinjiang District, Chengdu, China and the headquarters is located at Unit 1, Block 1, No. 238, Sanse Road, Jinjiang District, Chengdu, Sichuan.

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 audio-visual 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 of the Company is Sichuan Xinhua Publishing and Distribution Group Co., Ltd.. The de facto controller of the Company is 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 (“**ASBE**”) 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

#### Going concern

The Group assessed its ability to continue as a going concern for the 12 months commencing from 31 December 2022, and found no events or circumstances that may cast significant doubts upon it. Hence the financial statements have been prepared on going concern basis.

### 3. TAX INCENTIVES AND OFFICIAL APPROVALS

#### Enterprise income tax

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) issued by the MoF, State Administration of Taxation and Publicity Department of the Central Committee of the Communist Party of China (“**Publicity Department**”), the Company and its subsidiaries, Beijing Shuchuan Xinhua Bookstore Book Distribution Co., Ltd., Sichuan Xinhua Online Network Co., Ltd., Sichuan Winshare Cultural Communication Co., Ltd. and the Company’s thirteen publishing houses 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 (Liang Cai Fa Shui [2021] No. 4) 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 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.

Beijing Aerospace Cloud Education Technology Co., Ltd. (“**Beijing Aerospace Cloud**”), a subsidiary of the Company, which obtained the high-tech enterprise certificate of No. GR201911008465 on 2 December 2019, was subject to enterprise income tax calculated at 15% of the assessable income from 2019 to 2021 in accordance with the provisions for high-tech enterprises. As the certificate expired on 2 December 2022, and Beijing Aerospace Cloud did not continue to apply for the high-tech enterprise certificate, the enterprise income tax for 2022 was calculated at 25% of the assessable income.

#### Value-added tax

Pursuant to Notice on Persistently Promoting Cultural Value-added Tax Preferential Policies (Announcement of Ministry of Finance and the State Administration of Taxation No. 10 of 2021) issued by the 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.

### 4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Accounting Standards for Business Enterprises Interpretation No.15

On 30 December 2021, the MoF issued the ASBE Interpretation No. 15 (“**Interpretation No. 15**”) as the document Cai Kuai [2021] No. 35. Interpretation No. 15 regulates the accounting treatment of external sales of products or by-products produced before the fixed assets are ready for their intended use or during the research and development process and the judgement on onerous contracts, and has been effective since 1 January 2022. The Group is of the view that the adoption of such provisions has no material effect on the Group’s and the Company’s financial statements.

## 4.2 Accounting Standards for Business Enterprises Interpretation No.16

On 30 November 2022, the MoF issued the ASBE Interpretation No. 16 (“**Interpretation No. 16**”) as the document Cai Kuai [2022] No. 31. Interpretation No. 16 regulates the accounting treatment for the income tax consequences of dividends on financial instruments classified as equity instruments by the issuer and the accounting treatment for the modification of a cash-settled share-based payment to an equity-settled share-based payment, and has been effective since 30 November 2022. The Group is of the view that the adoption of such provisions has no material effect on the Group’s and the Company’s financial statements.

## 5. CASH AND BANK BALANCES

Item	Balance at the end of the current year			Balance at the end of the prior year		
	Amounts of the original currencies	Exchange rate	Amount in RMB	Amounts of the original currencies	Exchange rate	Amount in RMB
Cash on hand:						
RMB	187,653.59	1.0000	187,653.59	1,482,033.90	1.0000	1,482,033.90
Bank balances:						
RMB (Note 1)	7,759,845,394.77	1.0000	7,759,845,394.77	5,994,827,856.42	1.0000	5,994,827,856.42
USD	32,732.41	6.9646	227,968.14	18,348.27	6.3757	116,983.07
EUR	68.69	7.4229	509.88	85.27	7.2197	615.62
HKD	54,067.69	0.8933	48,298.67	95,946.49	0.8176	78,445.85
Other currency funds:						
RMB (Note 2)	41,490,681.57	1.0000	41,490,681.57	43,523,343.86	1.0000	43,523,343.86
<b>Total</b>			<b>7,801,800,506.62</b>			<b>6,040,029,278.72</b>

*Note 1:* At the end of the current year, the bank balances include 3-month above term deposits amounting to RMB3,135,000,000.00 (31 December 2021: RMB2,390,000,000.00) with an interest rate ranging from 2.10% to 3.85%. During the current year, the management held the term deposit 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 current year, other cash and bank balances include the balances with Alipay App account and WeChat App account of RMB1,774,804.23 (31 December 2021: RMB1,263,751.95), and the balances of restricted currency funds of RMB39,715,877.34 (31 December 2021: RMB42,259,591.91). At the end of the current year, of the Group’s cash and bank balances with restricted ownership, there were (1) security deposit placed in bank for the issuance of bank acceptance bills of RMB2,332,892.40 (31 December 2021: RMB4,487,927.88); (2) security deposit placed in bank for the issuance of guarantee letter of RMB11,013,630.46 (31 December 2021: RMB8,087,289.68); (3) 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 2021: RMB1,100,000.00); (4) special fund for housing reform and housing repair of RMB24,805,093.75 (31 December 2021: RMB24,770,900.35); (5) no bank deposits frozen as a result of the completion of litigation of Sichuan Xinhua Printing Co., Ltd., a subsidiary of the Company (31 December 2021: RMB3,813,474.00); and (6) bank deposits frozen as a result of the litigation of Xinhua Winshare Commercial Chain (Beijing) Co., Ltd., a subsidiary of the Company, of RMB464,260.73 (31 December 2021: nil).

## 6. ACCOUNTS RECEIVABLE

### (1) Disclosure by aging

Aging	Balance at the end of the current year			Balance at the end of the prior year			Carrying amount
	Amount	Percentage (%)	Credit loss provision	Amount	Percentage (%)	Credit loss provision	
Within 1 year	1,744,811,568.82	71.75	238,824,789.41	1,623,399,614.62	76.27	198,507,069.96	1,424,892,544.66
More than 1 year but not exceeding 2 years	335,133,131.90	13.78	143,241,119.84	249,522,673.55	11.72	118,531,070.28	130,991,603.27
More than 2 years but not exceeding 3 years	163,725,649.39	6.73	163,725,649.39	127,972,595.20	6.01	127,972,595.20	-
More than 3 years	188,284,332.45	7.74	188,284,332.45	127,489,256.90	6.00	127,489,256.90	-
<b>Total</b>	<b>2,431,954,682.56</b>	<b>100.00</b>	<b>734,075,891.09</b>	<b>2,128,384,140.27</b>	<b>100.00</b>	<b>572,499,992.34</b>	<b>1,555,884,147.93</b>

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

### (2) Changes in credit loss provision in the current year

The amount of provision for credit loss in the current year was RMB120,433,533.43, the amount of provision for credit impairment reversed was RMB12,882,379.75, the amount of credit loss provision for long-term receivables was RMB66,389,989.32, the amount of impairment provision for assets transferred to return cost receivable was RMB12,606,645.70, and the addition due to business combination was RMB7,435,733.21.

### (3) Accounts receivable actually written off for the current year

The accounts receivable written off during the current year amounted to RMB7,194,331.76.

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

*RMB*

Name of entity	Relationship with the Company	Balance at the end of the current year	As a percentage of the total accounts receivable (%)	Closing balance of credit loss provision of the current year
Customer A	Third party	125,235,804.28	5.15	120,216,886.20
Customer B	Third party	120,406,782.80	4.95	3,611,467.32
Customer D	Third party	60,043,937.22	2.47	28,739,149.83
Customer C	Third party	68,476,625.18	2.82	10,513,659.54
Customer E	Third party	58,782,910.56	2.42	33,772,428.67
<b>Total</b>		<b>432,946,060.04</b>	<b>17.81</b>	<b>196,853,591.56</b>

*Note:* The total transaction volume between the above-mentioned customers A, D, C and E and the Group in 2022 accounted for less than 0.1% of the Group's operating income.

## 7. INVENTORIES

### (1) Categories of inventories

Item	Balance at the end of the current year		Balance at the end of the prior year		RMB	
	Book balance	Provision for impairment	Carrying amount	Book balance		Provision for impairment
Goods on hand	2,602,469,892.90	237,987,252.92	2,364,482,639.98	2,742,623,091.17	257,113,472.93	2,485,509,618.24
Work-in-progress	156,205,462.21	–	156,205,462.21	202,673,827.36	–	202,673,827.36
Raw materials	55,489,519.64	3,337,396.06	52,152,123.58	57,312,377.30	3,337,396.06	53,974,981.24
<b>Total</b>	<b>2,814,164,874.75</b>	<b>241,324,648.98</b>	<b>2,572,840,225.77</b>	<b>3,002,609,295.83</b>	<b>260,450,868.99</b>	<b>2,742,158,426.84</b>

There was no inventory pledged or guaranteed at the end of the current year.

### (2) Provision for impairment of inventories

Categories of inventories	1 January 2022		Increase due to business combination		31 December 2022	RMB
	Book balance	Provision for impairment	Decrease in the current year	Increase due to business combination		
Goods on hand	257,113,472.93	40,325,544.21	59,701,468.52	249,704.30	237,987,252.92	
Raw materials	3,337,396.06	–	–	–	3,337,396.06	
<b>Total</b>	<b>260,450,868.99</b>	<b>40,325,544.21</b>	<b>59,701,468.52</b>	<b>249,704.30</b>	<b>241,324,648.98</b>	

Note: A provision for impairment of inventories amounting to RMB40,325,544.21 (2021: RMB48,395,369.07) was made in the current year. The provision for impairment of inventories written off due to retirement of inventories during the current year amounted to RMB36,656,699.62 (2021: RMB17,001,545.61). A reversal of provision for impairment of inventories amounting to RMB23,044,768.90 (2021: RMB14,319,562.18) was made since the goods where provision for impairment of inventories was made were sold. The provision totalled RMB59,701,468.52 (2021: RMB31,321,107.79).

## 8. OTHER CURRENT ASSETS

### (1) Details of other current assets

Item	<i>RMB</i>	
	Balance at the end of the current year	Balance at the end of the prior year
Refund costs receivable ( <i>Note 1</i> )	<b>62,335,648.40</b>	89,691,547.73
VAT input tax to be deducted ( <i>Note 2</i> )	<b>11,802,113.73</b>	11,355,211.82
Term deposits ( <i>Note 3</i> )	<b>256,936,775.34</b>	401,229,999.89
<b>Total</b>	<b>331,074,537.47</b>	502,276,759.44

*Note 1:* As at the end of the current year, the refund costs receivable was RMB62,335,648.40, including the original value of the refund costs receivable of RMB79,993,090.56, and the provision for asset impairment of RMB17,657,442.16, of which the provision for asset impairment loss for the current year was RMB5,050,796.46.

*Note 2:* VAT input tax to be deducted is the amount of 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 ranges from 3.50% to 4.07% (31 December 2021: 2.05%).

### (2) Details of impairment provision

Category	<i>RMB</i>			
	1 January 2022	Other changes	Provision for the current year	31 December 2022
Refund costs receivable	–	<b>12,606,645.70</b>	<b>5,050,796.46</b>	<b>17,657,442.16</b>

## 9. LONG-TERM RECEIVABLES

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

*RMB*

Item	Balance at the end of the current year			Balance at the end of the prior year			Range of discount rate
	Book balance	Bad debts provision	Carrying amount	Book balance	Bad debts provision	Carrying amount	
Goods sold by installments ( <i>Note</i> )	240,145,806.13	22,478,605.98	217,667,200.15	372,822,149.55	57,048,505.53	315,773,644.02	4.3%-5%
Less: Long-term receivables included in non-current assets due within one year	129,848,864.96	12,609,965.32	117,238,899.64	202,851,573.83	30,557,055.72	172,294,518.11	4.3%-5%
<b>Net</b>	<b>110,296,941.17</b>	<b>9,868,640.66</b>	<b>100,428,300.51</b>	<b>169,970,575.72</b>	<b>26,491,449.81</b>	<b>143,479,125.91</b>	<b>4.3%-5%</b>

*Note:* Receivables of goods sold by installments are the Group's receivables of sales of education informatized business, which shall be collected by installments in accordance with the contract. The agreed period in the contract is 2-5 years and the Group has discounted the installments at a discount rate of 4.3%-5% (31 December 2021: 4.75%-5%).

### (2) Changes in the credit loss provision in the current year

The amount of provision for credit loss in the current year was RMB43,133,376.29, the amount of provision for credit impairment reversed was RMB11,313,286.52, and the amount of impairment provision for assets transferred to trade receivables was RMB66,389,989.32.

## 10. LONG-TERM EQUITY INVESTMENTS

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

Item	<i>RMB</i>	
	Balance at the end of the current year	Balance at the end of the prior year
Book balance of long-term equity investments	755,041,049.96	761,451,221.65
Less: Provision for impairment of long-term equity investments	6,647,345.57	6,647,345.57
Carrying amount of long-term equity investments	<u>748,393,704.39</u>	<u>754,803,876.08</u>

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

RMB

Investee	Changes for the current year							Closing balance of provision for impairment		
	1 January 2022	Addition in investment	Reduction in investment	Investment profit or loss recognized under equity method	Adjustment of other comprehensive income	Changes in other equity	Distribution of cash dividends or profits declared		Provision for impairment loss	Others
<b>Joint Ventures</b>										
Hainan Publishing House Co., Ltd.	232,622,964.59	-	-	33,234,996.57	-	-	-	-	-	265,857,961.16
Sichuan Fudou Technology Co., Ltd. ("Fudou Technology")	-	-	-	-	-	-	-	-	-	-
Sanya Xuancai Venture Capital Investment Fund Management Co., Ltd. ("Sanya Xuancai") (Note 1)	12,510,295.91	-	-	(830,441.27)	-	-	-	-	-	11,679,854.64
Liangshan Xinhua Winshare Education Technology Co., Ltd. ("Liangshan Winshare Education Technology") (Note 2)	20,048,975.48	-	-	(1,192,809.37)	-	-	(18,856,166.11)	-	-	-
<b>Subtotal</b>	<b>265,182,235.98</b>	<b>-</b>	<b>-</b>	<b>31,211,745.93</b>	<b>-</b>	<b>-</b>	<b>(18,856,166.11)</b>	<b>-</b>	<b>-</b>	<b>277,537,815.80</b>
<b>Associates</b>										
Sichuan Winshare BLOGIS Supply Chain Co., Ltd	46,234,555.66	-	-	1,163,913.73	-	-	(900,000.00)	-	-	46,498,469.39
The Commercial Press (Chengdu) Co., Ltd.	3,720,175.58	-	-	479,230.22	-	-	-	-	-	4,199,405.80
Ren Min Eastern (Beijing) Book Industry Co., Ltd.	9,731,023.89	-	-	291,293.27	-	-	-	-	-	10,022,317.16
Guizhou Xinhua Winshare Book Audio-Visual Product Chainstore Co., Ltd. ("Guizhou Winshare")	-	-	-	-	-	-	-	-	-	-
Ming Bo Education Technology Holdings Co., Ltd.	28,249,539.37	-	-	(12,876,197.64)	-	-	-	-	-	15,373,341.73
Shanghai Jingjie Information Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Sichuan Winshare Preschool Educational Management Co., Ltd.	5,373,638.40	-	-	1,481,847.00	-	-	-	-	-	6,855,485.40

## Changes for the current year

Investee	1 January 2022	Changes for the current year					31 December 2022	Closing balance of provision for impairment
		Addition in investment	Reduction in investment	Investment profit or loss recognized under equity method	Adjustment of other comprehensive income	Changes in other equity		
Chengdu Winshare Venture Capital Investment Fund Management Co., Ltd.	48,644,654.29	-	-	(14,269,664.45)	-	-	34,374,989.84	-
Sichuan Education and Science Forum Magazine Press Co., Ltd.	892,386.41	-	-	437,473.66	-	(72,000.00)	1,257,860.07	-
Fuzhou Winshare Technology Partnership (Limited Partnership) ("Fuzhou Winshare") (Note 3)	6,667,582.74	-	-	(1,978,123.32)	-	-	4,689,459.42	-
Sichuan Jiaoyang Sihuo Film Co., Ltd. Xinhua Yingxuan (Beijing)	125,852.12	-	-	-	-	-	125,852.12	-
ScreenCulture Co., Ltd. ("Xinhua Yingxuan")	955,363.79	-	-	(955,363.79)	-	-	-	(5,042,726.27)
Tianjin Tianxi Zhongda Cultural Development Co., Ltd.	20,544,298.98	-	-	539,783.58	-	-	21,084,082.56	-
Winshare Yinshi (Beijing) Cultural Communication Co., Ltd.	278,750.32	-	-	111,671.00	-	-	390,421.32	-
Hainan Phoenix Xinhua Publishing and Distribution Co., Ltd. ("Hainan Phoenix")	317,571,337.71	-	-	8,412,866.07	-	-	325,984,203.78	-
Sichuan Cuiya Education Technology Co., Ltd. ("Cuiya Education") (Note 4)	632,480.84	-	-	(632,480.84)	-	-	-	-
Subtotal	489,621,640.10	-	-	(17,793,751.51)	-	(972,000.00)	470,855,888.59	(6,647,345.57)
Total	754,803,876.08	-	-	13,417,994.42	-	(972,000.00)	748,393,704.39	(6,647,345.57)

*Note 1:* According to the articles of association of Sanya Xuancai, Winshare Investment Co., Ltd. (“**Winshare Investment**”), a subsidiary of the Company, has 40% of the voting rights in the shareholders’ meeting and the other two shareholders will enjoy 30% of the voting rights respectively. Resolutions of annual financial budget plans, final accounting plan, profit distribution and make up losses plans made by the shareholders’ meeting of Sanya Xuancai shall be approved by over 75% of the votes from the shareholders. Therefore, Winshare Investment and the other two shareholders have joint control over Sanya Xuancai which is a joint venture of the Group.

*Note 2:* In March 2017, the Company and Liangshanzhou Xinhua Bookstore entered into an investment agreement, jointly establishing Liangshan Winshare Education Technology, with a shareholding proportion of 49% and 51% respectively. On 31 December 2022, the Company acquired 51% of the equity interests of Liangshanzhou Xinhua Bookstore.

After the above transaction, the Company directly and indirectly holds 100% of Liangshan Winshare Education Technology in total. The Company has control over Liangshan Winshare Education Technology, and Liangshan Winshare Education Technology has been consolidated into the Group since 31 December 2022. As the Company and Liangshan Winshare Education Technology are not controlled by the same party before and after the combination, it is treated as business combination not under common control. Liangshan Winshare Education Technology has been changed from a joint venture of the Group into a subsidiary of the Group.

*Note 3:* As a limited partner, Winshare Investment, a subsidiary of the Company, contributed 56.34% of the total subscribed capital to Fuzhou Winshare. According to the partnership agreement of Fuzhou Winshare, the Investment Decision-making Committee is responsible for the decision of fund projects. Winshare Investment holds 25% of the voting rights in the Investment Decision-making Committee, by which it can exert significant influence on Fuzhou Winshare. Therefore, Fuzhou Winshare is an associate of the Group.

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

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

RMB

Item	Balance at the end of the current year		Balance at the end of the prior year	
	Unrecognized investment losses for the current year	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	698,000.00	3,587,700.24	324,454.42	2,889,700.24
Cuiya Education	98,683.56	98,683.56	–	–
Xinhua Yingxuan	796,420.70	796,420.70	–	–
<b>Total</b>	<b>1,593,104.26</b>	<b>10,040,795.20</b>	<b>324,454.42</b>	<b>8,447,690.94</b>

## 11. OTHER EQUITY INSTRUMENT INVESTMENTS

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

Other equity instrument investments designated at FVTOCI

RMB

Item	Balance at the end of the current year	Balance at the end of the prior year
Anhui Xinhua Media Co., Ltd. ("Wan Xin Media")	649,374,400.00	646,881,600.00
Jiangsu Hagong Intelligent Robot Co., Ltd. ("HGZN")	924,678.88	814,470.06
Bank of Chengdu Co., Ltd. ("Bank of Chengdu")	1,224,000,000.00	960,000,000.00
Others	375,393.81	375,393.81
<b>Total</b>	<b>1,874,674,472.69</b>	<b>1,608,071,463.87</b>

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

RMB

Item	Dividend income recognized for the current year	Accumulated profits (losses)	Amount transferred from other comprehensive income to retained earnings during the current year	Reasons for equity instruments investments not held for trading designated at FVTOCI
Wan Xin Media	21,188,800.00	462,959,072.00	–	The investment is not held for the purpose of selling it in the near term for short-term gains.
HGZN	–	105,841.53	–	
Bank of Chengdu	50,400,000.00	984,000,000.00	–	
Others	–	(1,646,699.35)	–	
<b>Total</b>	<b>71,588,800.00</b>	<b>1,445,418,214.18</b>	<b>–</b>	

## 12. OTHER NON-CURRENT FINANCIAL ASSETS

RMB

Item	Balance at the end of the current year	Balance at the end of the prior year
Citic Buyout Investment Fund (Shenzhen) Partnership (Limited Partnership) (Note 1)	134,475,241.07	195,611,536.30
Winshare Hengxin (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) ("Winshare Hengxin Fund") (Note 2)	141,943,260.43	266,629,597.40
Qingdao Goldstone Zhixin Investment Center (Limited Partnership) ("Qingdao Goldstone") (Note 3)	91,159,133.59	106,766,123.51
Ningbo Meishan Free Trade Port Winshare Dingsheng Equity Investment Partnership (Limited Partnership) ("Winshare Dingsheng") (Note 4)	97,069,238.93	151,040,338.58
Xinhua Internet E-commerce Co., Ltd. ("Xinhua Internet") (Note 5)	3,000,000.00	3,000,000.00
<b>Total</b>	<b>467,646,874.02</b>	<b>723,047,595.79</b>

Note 1: Losses from changes in fair values for the current year were RMB1,883,819.79, and the recovery of the exit money due to liquidation of investment project totaled RMB59,252,475.44.

Note 2: Losses from changes in fair values for the current year were RMB65,214,969.85, and the recovery of the exit money due to liquidation of investment project totaled RMB59,471,367.12.

Note 3: Losses from changes in fair values for the current year were RMB15,606,989.92, and dividends of RMB2,043,923.69 were received from Qingdao Goldstone, which were included in investment income.

Note 4: During the current year, losses from changes in fair values for the current year were RMB52,426,730.34, new investment cost amounted to RMB14,607,973.42, and the recovery of the exit money due to liquidation of investment project totaled RMB16,152,342.73.

Note 5: In November 2020, the Company entered into an investment agreement with Xinhua Bookstore Headquarters Co., Ltd. and Wan Xin Media to make an investment of RMB3,000,000.00 in Xinhua Internet. The shareholding of the Company was 1.6585%.

### 13. FIXED ASSETS

#### (1) Fixed assets

RMB

Item	Buildings	Machinery and equipment	Electronic equipment and others	Transportation vehicles	Total
Cost as at 31 December 2022	2,996,668,480.42	347,430,161.62	224,796,633.75	121,452,725.12	3,690,348,000.91
Accumulated depreciated as at 31 December 2022	739,379,257.35	264,945,812.00	159,930,672.67	72,094,015.74	1,236,349,757.76
Provision for impairment of fixed assets as at 31 December 2022	15,996.52	-	-	-	15,996.52
Carrying amount as at 31 December 2022	2,257,273,226.55	82,484,349.62	64,865,961.08	49,358,709.38	2,453,982,246.63

(2) As at the end of the current year, fixed assets of which certificates of title have not been obtained amounted to RMB173,162,446.98 in aggregate, and fixed assets of which certificates of title have not been obtained had no significant impact on the Group's operations.

(3) As at the end of the current year, there were no temporary idle fixed assets included in the Group's major operational fixed assets.

### 14. CONSTRUCTION IN PROGRESS

#### (1) Details of construction in progress are as follows:

RMB

Item	Balance at the end of the current year			Balance at the end of the prior year		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Publishing and Media						
Creativity Centre secondary installation project	6,560,656.57	-	6,560,656.57	143,391,674.06	-	143,391,674.06
Neijiang City Company						
Operation Headquarters and Teaching Material Logistics Distribution Center	15,750,407.12	-	15,750,407.12	1,248,831.02	-	1,248,831.02
Yuexi County Xinhua Bookstore comprehensive building construction project	13,072,185.74	-	13,072,185.74	-	-	-
Muli County Xinhua Bookstore complex building construction project	9,799,530.00	-	9,799,530.00	-	-	-
Xichang Xinhua Bookstore storage and logistics base construction project	1,305,269.91	-	1,305,269.91	-	-	-
Liangshanzhou Xinhua Bookstore Co., Ltd. Yanyuan County Branch's textbook warehouse and business comprehensive room project	525,384.91	-	525,384.91			
Others	205,662.20	-	205,662.20	154,259.82	-	154,259.82
<b>Total</b>	<b>47,219,096.45</b>		<b>47,219,096.45</b>	<b>144,794,764.90</b>		<b>144,794,764.90</b>

## (2) Changes in construction in progress for the current year

RMB

Name of item	Budget amount	1 January 2022	Increase in the current year	Transfer to fixed assets for the current year	Transfer to others	Addition due to business combination	31 December 2022	Amount injected as a proportion of budget amount (%)	Construction progress (%)	Amount of accumulated capitalized interest for the current year	Including: Capitalized interest for the current year	Interest capitalization rate for the year (%)	Source of funds
Publishing and Media Creativity Centre secondary installation project	249,000,000.00	143,391,674.06	48,312,950.84	185,143,968.33	-	-	6,560,656.57	83.27	83.27	-	-	-	self-financing
Neijiang City Company Operation Headquarters and Teaching Material Logistics Distribution Center	31,000,000.00	1,248,831.02	14,501,576.10	-	-	-	15,750,407.12	50.81	50.81	-	-	-	self-financing
Yuexi County Xinhua Bookstore comprehensive building construction project	24,500,000.00	-	-	-	-	13,072,185.74	13,072,185.74	53.36	53.36	-	-	-	self-financing
Multi County Xinhua Bookstore complex building construction project	9,989,400.00	-	-	-	-	9,799,530.00	9,799,530.00	98.10	98.10	-	-	-	self-financing
Xichang Xinhua Bookstore storage and logistics base construction project	48,000,000.00	-	-	-	-	1,305,269.91	1,305,269.91	2.72	2.72	-	-	-	self-financing
Liangshanzhou Xinhua Bookstore Co., Ltd. Yanyuan County Branch's textbook warehouse and business comprehensive room project	75,797,700.00	-	-	-	-	525,384.91	525,384.91	0.69	0.69	-	-	-	self-financing
Others	-	154,259.82	4,187,506.76	4,295,742.97	46,023.59	205,662.18	205,662.20	/	/	-	-	-	self-financing
<b>Total</b>	<b>438,287,100.00</b>	<b>144,794,764.90</b>	<b>67,002,033.70</b>	<b>189,439,711.30</b>	<b>46,023.59</b>	<b>24,908,032.74</b>	<b>47,219,096.45</b>	<b>/</b>	<b>/</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 15. GOODWILL

### (1) Carrying amount of goodwill

Name of the investee or item resulting in goodwill	<i>RMB</i>					
	Original value at 1 January 2022	Increase in the current year	Decrease in the current year	Original value at 31 December 2022	Balance of impairment provision at the end of the current year	Carrying amount at the end of the current year
Acquisitions of 15 publishing companies ( <i>Note 1</i> )	500,571,581.14	-	-	500,571,581.14	-	500,571,581.14
Acquisition of Liangshanzhou Xinhua Bookstore ( <i>Note 2</i> )	-	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)	-
<b>Total</b>	<u>504,423,187.67</u>	<u>122,081,326.10</u>	<u>-</u>	<u>626,504,513.77</u>	<u>(3,851,606.53)</u>	<u>622,652,907.24</u>

*Note 1:* Goodwill of RMB500,571,581.14 was generated from the Group's acquisitions of 15 publishing companies on 31 August 2010, which has been distributed to related asset groups, including 3 of the 15 publishing companies of the publication segment.

The recoverable amount of these asset groups is determined based on the present value of its expected future cash flows. The future cash flows are determined based on the financial budget approved by the management for the five-year period. All budget gross profits during the budget period are determined based on the average gross profit achieved in the five years before the historical year (2018 to 2022). The revenue growth rate of operating income after 5 years is 1% (31 December 2021: nil to 2%). Discount rate of 12%-13% (31 December 2021: 14%-15%) is proposed according to the specific risk of publishing business.

*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.

The recoverable amount of the asset group is determined based on the present value of its expected future cash flows. The future cash flows are determined based on the financial budget approved by the management for the five-year period. All budget gross profits during the budget period are determined based on the average gross profit achieved in the five years before the historical year (2018 to 2022). The revenue growth rate of operating income after 5 years is 1%. Discount rate of 12%-13% is proposed according to the specific risk of the businesses of distribution of textbooks and supplementary materials and sales of general books.

The management believes that any reasonable changes in the above assumptions would under no circumstances result in the sum of the respective carrying amount of the relevant asset group exceeds its recoverable amount.

**(2) Provision for impairment of goodwill**

RMB

Name of the investee and item resulting in goodwill	1 January 2022	Increase in the current year	Decrease in the current year	31 December 2022
Others	3,851,606.53	–	–	3,851,606.53

**16. OTHER NON-CURRENT ASSETS**

RMB

Item	Balance at the end of the current year	Balance at the end of the prior year
Prepaid land funds	47,145,880.00	35,355,838.00
VAT input tax to be deducted ( <i>Note 1</i> )	3,156,359.29	68,477,191.12
Prepaid purchase price for property	7,796,319.82	29,043,520.00
Term deposits ( <i>Note 2</i> )	576,631,252.56	658,653,810.14
Quality guarantee money	15,808,962.69	–
<b>Total</b>	<b>650,538,774.36</b>	<b>791,530,359.26</b>

*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:* Term deposits are fixed deposits and interests that the Group cannot withdraw in advance or does not intend to withdraw in advance within one year, with interest rates ranging 3.55% to 4.015% (31 December 2021: 3.50% to 4.07%).

**17. NOTES PAYABLE**

RMB

Item	Balance at the end of the current year	Balance at the end of the prior year
Commercial acceptance bills	22,000,000.00	30,772,300.00
Bank acceptance bills	7,776,305.93	14,513,299.60
<b>Total</b>	<b>29,776,305.93</b>	<b>45,285,599.60</b>

At the end of the current year, the Group's deposit for the above-mentioned bank acceptance bills was RMB2,332,892.40 (31 December 2021: RMB4,487,927.88).

At the end of the current year, the Group's bank acceptance bills were due within 6 months.

## 18. ACCOUNTS PAYABLE

Details of aging analysis of accounts payable are as follows:

	<i>RMB</i>	
<b>Item</b>	<b>Balance at the end of the current year</b>	Balance at the end of the prior year
Within 1 year	<b>4,125,975,181.60</b>	4,137,818,371.49
More than 1 year but not exceeding 2 years	<b>827,377,961.30</b>	815,849,243.13
More than 2 years but not exceeding 3 years	<b>266,457,368.57</b>	254,492,255.24
More than 3 years	<b>204,589,151.46</b>	198,421,310.13
<b>Total</b>	<b><u>5,424,399,662.93</u></b>	<b><u>5,406,581,179.99</u></b>

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

## 19. CONTRACT LIABILITIES

### (1) Presentation of contract liabilities

	<i>RMB</i>	
<b>Item</b>	<b>Balance at the end of the current year</b>	Balance at the end of the prior year
Advanced receipts for sold goods	<b>580,902,310.97</b>	539,851,504.56
Membership card points	<b>3,197,828.27</b>	2,234,909.60
<b>Total</b>	<b><u>584,100,139.24</u></b>	<b><u>542,086,414.16</u></b>

(2) During the current year, the Group recognized revenue of RMB539,851,504.56 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 year will be recognized as revenue in 2023.

### (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 exceeding 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 corresponding respective selling prices. Sale consideration allocated to reward points is recognized as contract liabilities, and as revenue upon redemption.

## 20. SHARE CAPITAL

RMB

Item	1 January 2022	Issue of new shares	Changes for the current year			Subtotal	31 December 2022
			Bonus issue	Capitalization of surplus reserve	Others		
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>

RMB

Item	1 January 2021	Issue of new shares	Changes for the prior year			Subtotal	31 December 2021
			Bonus issue	Capitalization of surplus reserve	Others		
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>

## 21. RETAINED PROFITS

RMB

Item	Current year	Prior year	Proportion of appropriation or distribution
Retained profits at the beginning of the year	<b>5,227,141,020.57</b>	4,416,564,721.94	
Add: Net profit attributable to shareholders of the parent for the current year	<b>1,396,673,063.27</b>	1,305,941,469.01	
Less: Appropriation to statutory surplus reserve	<b>145,214,034.86</b>	111,562,794.48	(1)
Distribution of dividends on ordinary shares	<b>394,829,120.00</b>	382,490,710.00	(2)
Internal carry-over within equity	-	1,311,665.90	
Retained profits at the end of the year	<b>6,083,770,928.98</b>	5,227,141,020.57	

### (1) Appropriation to statutory surplus reserve

According to the Articles of Association, the Company is required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital. The statutory surplus reserve can be used to offset the loss of the Company, expanding production and operation or transferring to paid-in capital, but the retained statutory surplus reserve shall not be lower than 25% of the registered capital.

### (2) Cash dividends approved at shareholders' meeting

On 24 May 2022, the resolution regarding the Company's 2021 Annual Profit Distribution Proposal was approved at 2021 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 RMB0.32 (tax-inclusive) (prior year: RMB0.31 (tax-inclusive)) and the total cash dividends of RMB394,829,120.00 (tax-inclusive) (prior year: RMB382,490,710.00 (tax-inclusive)) were distributed.

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

At the end of the current year, the balance of the Group's retained profits includes the surplus reserve of RMB179,944,011.83 (31 December 2021: RMB173,988,205.30) appropriated to subsidiaries.

22. **OPERATING INCOME AND OPERATING COSTS**

(1) **Classification**

	<i>RMB</i>	
<b>Item</b>	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Principal operating income	<b>10,778,208,745.73</b>	10,293,803,203.30
Other operating income ( <i>Note</i> )	<b>152,093,741.57</b>	166,560,780.21
<b>Total income</b>	<b>10,930,302,487.30</b>	10,460,363,983.51
Operating costs of main business	<b>6,900,379,983.70</b>	6,633,549,935.15
Other operating costs	<b>12,781,443.23</b>	13,166,887.55
<b>Total costs</b>	<b>6,913,161,426.93</b>	6,646,716,822.70

*Note:* Included in other operating income was commissions from concessionaire sales of RMB31,323,601.52. Among which, gross revenue from concessionaire sales was RMB213,005,646.03 and gross cost from concessionaire sales was RMB181,682,044.51 (2021: commissions from concessionaire sales of RMB38,718,193.60. Among which, gross revenue from concessionaire sales was RMB254,726,964.79 and gross cost from concessionaire sales was RMB216,008,771.19).

(2) Income incurred by contracts is as follows:

RMB

Sub-channel	Operating income of the main business		Operating costs of the main business	
	Amount recognized in the current year	Amount recognized in the prior year	Amount recognized in the current year	Amount recognized in the prior year
<b>I. Publication segment</b>	<b>2,746,493,616.44</b>	2,826,553,513.10	<b>1,791,829,163.09</b>	1,855,430,118.87
<b>II. Distribution segment</b>				
Education service	6,268,017,683.64	5,846,827,386.54	3,842,919,708.29	3,651,597,420.81
Including: Subscription business	5,932,794,859.17	5,366,021,188.96	3,562,248,875.43	3,250,109,964.70
Education informatized and equipment business	303,346,060.70	373,135,162.51	250,967,701.15	311,572,893.69
Others	31,876,763.77	107,671,035.07	29,703,131.71	89,914,562.42
Online sales	2,532,285,613.46	2,260,461,503.91	2,264,322,956.40	2,022,753,037.45
Physical bookstore sales	689,248,244.47	715,926,178.41	481,541,609.20	488,975,792.61
Others	158,386,788.67	198,922,458.02	147,640,596.74	161,718,947.33
<b>Subtotal</b>	<b>9,647,938,330.24</b>	9,022,137,526.88	<b>6,736,424,870.63</b>	6,325,045,198.20
<b>III. Others</b>	<b>423,107,254.81</b>	456,681,329.69	<b>384,464,476.38</b>	421,172,862.25
Including: Logistics service	412,270,031.41	440,564,135.05	378,970,604.44	412,657,507.09
Less: Inter-segment elimination	2,039,330,455.76	2,011,569,166.37	2,012,338,526.40	1,968,098,244.17
<b>Total</b>	<b>10,778,208,745.73</b>	10,293,803,203.30	<b>6,900,379,983.70</b>	6,633,549,935.15

RMB

Sub-product	Operating income of the main business		Operating costs of the main business	
	Amount recognized in the current year	Amount recognized in the prior year	Amount recognized in the current year	Amount recognized in the prior year
<b>I. Publication segment</b>				
Textbooks and supplementary materials	1,541,244,991.43	1,519,493,448.27	844,281,975.36	830,077,426.73
General books	855,061,660.45	905,765,189.62	666,290,849.37	686,272,879.88
Printing and supplies	285,455,544.69	336,417,613.70	246,331,625.58	301,275,390.76
Newspapers and journals	50,914,736.31	48,164,073.79	28,204,867.69	26,714,236.17
Others	13,816,683.56	16,713,187.72	6,719,845.09	11,090,185.33
<b>Subtotal</b>	<b>2,746,493,616.44</b>	2,826,553,513.10	<b>1,791,829,163.09</b>	1,855,430,118.87
<b>II. Distribution segment</b>				
Textbooks and supplementary materials	5,636,728,669.43	5,164,360,901.21	3,420,066,085.68	3,152,941,828.10
General books	3,675,986,836.34	3,376,970,428.09	3,035,687,952.09	2,770,615,913.99
Education informatized and equipment business	303,346,060.70	373,135,162.51	250,967,701.15	311,572,893.69
Others	31,876,763.77	107,671,035.07	29,703,131.71	89,914,562.42
<b>Subtotal</b>	<b>9,647,938,330.24</b>	9,022,137,526.88	<b>6,736,424,870.63</b>	6,325,045,198.20
<b>III. Others</b>	<b>423,107,254.81</b>	456,681,329.69	<b>384,464,476.38</b>	421,172,862.25
Less: Inter-segment elimination	2,039,330,455.76	2,011,569,166.37	2,012,338,526.40	1,968,098,244.17
<b>Total</b>	<b>10,778,208,745.73</b>	10,293,803,203.30	<b>6,900,379,983.70</b>	6,633,549,935.15

## 23. GAIN (LOSS) FROM FAIR VALUE CHANGE

RMB

Source of gains from fair value change	Amount recognized in the current year	Amount recognized in the prior year
Financial assets at FVTPL	(135,138,551.26)	71,685,949.54
Including: Other non-current financial assets	(135,132,509.90)	71,683,305.72
Held-for-trading financial assets	(6,041.36)	2,643.82
<b>Total</b>	<b>(135,138,551.26)</b>	<b>71,685,949.54</b>

## 24. 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, which are publication segment and distribution segment. The reporting segments are determined based on the Group's business type. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance.

Major products and services delivered or provided by each of the reporting segments of the Group are:

Publication segment: Publishing of publications including books, journals, audio-visual products and digital products; provision of printing services and supply of printing materials; and

Distribution segment: Provision 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, etc.

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

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

**(1) Segment reporting information*****Current year****RMB*

Item	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
External revenue	900,548,816.37	9,766,945,892.37	262,807,778.56	-	-	10,930,302,487.30
Inter-segment revenue	1,871,210,362.95	5,099,497.32	170,365,552.42	-	(2,046,675,412.69)	-
Total operating income	<u>2,771,759,179.32</u>	<u>9,772,045,389.69</u>	<u>433,173,330.98</u>	<u>-</u>	<u>(2,046,675,412.69)</u>	<u>10,930,302,487.30</u>
Operating profit (loss)	707,626,397.40	916,648,535.62	(160,385,884.85)	(32,763,052.88)	(16,449,862.14)	1,414,676,133.15
Non-operating income	1,741,559.42	2,900,699.42	200,389.07	-	-	4,842,647.91
Non-operating expenses	1,222,679.60	38,443,804.37	52,645.80	-	-	39,719,129.77
Total profit (loss)	<u>708,145,277.22</u>	<u>881,105,430.67</u>	<u>(160,238,141.58)</u>	<u>(32,763,052.88)</u>	<u>(16,449,862.14)</u>	<u>1,379,799,651.29</u>
Total assets	<u>8,629,052,879.94</u>	<u>13,723,098,181.01</u>	<u>1,304,566,912.07</u>	<u>1,873,374,400.00</u>	<u>(4,878,704,813.66)</u>	<u>20,651,387,559.36</u>
Total liabilities	<u>3,508,441,413.79</u>	<u>8,642,954,709.34</u>	<u>546,180,394.82</u>	<u>2,070,128.40</u>	<u>(4,710,292,447.05)</u>	<u>7,989,354,199.30</u>
Supplementary information						
Depreciation	11,761,285.58	195,780,430.16	19,287,364.21	-	-	226,829,079.95
Amortization	4,116,104.99	53,740,790.15	3,063,490.84	-	-	60,920,385.98
Interest income	1,355,841.03	171,170,186.36	398,358.60	-	-	172,924,385.99
Loss on credit impairment recognized in the current period	26,707,921.19	110,606,217.89	328,031.48	-	-	137,642,170.56
Impairment losses of assets recognized in the current period	24,645,982.39	20,730,358.28	15,996.52	-	-	45,392,337.19
Investment income from long-term equity investment under equity method	977,257.24	28,355,052.49	(15,914,315.31)	-	-	13,417,994.42
Long-term equity investments under equity method	22,467,794.75	628,683,136.35	97,242,773.29	-	-	748,393,704.39
Capital expenditure	11,477,711.45	157,008,206.00	10,279,952.16	-	-	178,765,869.61
Including: Construction in progress expense	146,041.02	66,855,992.68	-	-	-	67,002,033.70
Expenditure arising from purchase of fixed assets	10,313,131.80	77,605,614.14	10,177,385.79	-	-	98,096,131.73
Expenditure arising from purchase of intangible assets	1,018,538.63	2,338,390.15	102,566.37	-	-	3,459,495.15
Development cost	-	10,208,209.03	-	-	-	10,208,209.03

**Prior year****RMB**

<b>Item</b>	<b>Publication segment</b>	<b>Distribution segment</b>	<b>Others</b>	<b>Unallocated items</b>	<b>Inter-segment eliminations</b>	<b>Total</b>
External revenue	1,009,321,662.94	9,142,824,157.93	308,218,162.64	-	-	10,460,363,983.51
Inter-segment revenue	1,848,245,803.30	8,677,009.61	162,083,317.54	-	(2,019,006,130.45)	-
<b>Total operating income</b>	<b>2,857,567,466.24</b>	<b>9,151,501,167.54</b>	<b>470,301,480.18</b>	<b>-</b>	<b>(2,019,006,130.45)</b>	<b>10,460,363,983.51</b>
Operating profit (loss)	707,896,689.98	581,077,345.26	72,123,927.49	28,655,677.12	(34,125,201.58)	1,355,628,438.27
Non-operating income	578,390.07	2,611,082.73	1,179,535.32	-	-	4,369,008.12
Non-operating expenses	727,588.38	50,409,516.23	126,267.92	-	-	51,263,372.53
<b>Total profit (loss)</b>	<b>707,747,491.67</b>	<b>533,278,911.76</b>	<b>73,177,194.89</b>	<b>28,655,677.12</b>	<b>(34,125,201.58)</b>	<b>1,308,734,073.86</b>
<b>Total assets</b>	<b>8,229,020,305.12</b>	<b>12,447,725,388.55</b>	<b>1,417,517,315.88</b>	<b>1,834,385,054.33</b>	<b>(5,154,702,273.00)</b>	<b>18,773,945,790.88</b>
<b>Total liabilities</b>	<b>3,456,045,005.70</b>	<b>8,643,319,588.21</b>	<b>521,821,666.74</b>	<b>45,810,739.35</b>	<b>(5,002,739,768.54)</b>	<b>7,664,257,231.46</b>
Supplementary information						
Depreciation	17,099,113.60	215,512,517.69	23,812,318.85	-	-	256,423,950.14
Amortization	4,287,191.48	40,063,282.98	2,611,810.89	-	-	46,962,285.35
Interest income	1,468,619.80	107,857,361.25	428,727.76	-	-	109,754,708.81
Loss on credit impairment recognized in the current period	28,975,584.73	103,622,736.58	(543,397.09)	-	-	132,054,924.22
Impairment losses of assets recognized in the current period	18,592,027.43	29,803,341.64	-	-	-	48,395,369.07
Investment income from long-term equity investment under equity method	620,780.14	31,165,515.27	12,562,359.39	-	-	44,348,654.80
Long-term equity investments under equity method	21,562,537.51	619,184,249.97	114,057,088.60	-	-	754,803,876.08
Capital expenditure	6,004,548.82	286,223,649.95	1,236,591.68	-	-	293,464,790.45
Including: Construction in progress expense	105,378.76	163,552,195.16	-	-	-	163,657,573.92
Expenditure arising from purchase of fixed assets	1,414,150.37	85,816,035.11	1,125,795.23	-	-	88,355,980.71
Expenditure arising from purchase of intangible assets	2,484,011.76	11,708,154.39	110,796.45	-	-	14,302,962.60
Development cost	2,001,007.93	25,147,265.29	-	-	-	27,148,273.22

**(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 a PRC customer and most of the Group's assets are located in China, therefore the regional data are not disclosed.

**(3) Concentration on major customers**

The Group's revenue from its single largest customer for the current year is RMB1,059,549,897.17 (prior year: RMB1,050,094,376.09), 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 year and prior 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.

**25. INCOME TAX EXPENSES**

	<i>RMB</i>	
<b>Item</b>	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Current tax calculated according to tax laws and relevant requirements	<b>9,322,112.88</b>	3,859,046.12
Tax filing differences	<b>966,761.32</b>	(2,746,429.07)
Deferred income tax expenses	<b>(21,724,351.12)</b>	4,340,194.93
<b>Total</b>	<b>(11,435,476.92)</b>	5,452,811.98

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

RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Accounting profit	1,379,799,651.29	1,308,734,073.86
Income tax expenses calculated at 25%	344,949,912.82	327,183,518.47
Tax concessions	(411,024,306.45)	(348,327,878.16)
Effect of non-deductible expenses	22,786,375.98	38,443,122.84
Effect of non-assessable income	(18,140,200.00)	(14,307,562.64)
Effect of utilization of deductible losses for which no deferred income tax asset was recognized in the prior period	(3,339,660.84)	(6,417,555.62)
Effect of utilization of deductible temporary differences for which no deferred income tax asset was recognized in the prior period	(2,865,720.15)	(15,057,981.83)
Effect of deductible temporary differences or deductible losses for which no deferred income tax asset was recognized during the current period	55,231,360.40	26,683,577.99
Tax filing differences	966,761.32	(2,746,429.07)
<b>Total</b>	<b>(11,435,476.92)</b>	<b>5,452,811.98</b>

## 26. OTHER COMPREHENSIVE INCOME

RMB

Item	1 January 2022	Changes for the current year					31 December 2022
		Amount before income tax for the reporting 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	266,603,008.82	27,552.21	266,575,456.61	-	-	1,445,418,214.18
Changes in fair value of other equity instrument investments	1,178,842,757.57	266,603,008.82	27,552.21	266,575,456.61	-	-	1,445,418,214.18

RMB

Item	1 January 2021	Changes for the prior year					31 December 2021
		Amount before income tax for the reporting period	Less: Income tax expense	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	1,016,266,307.50	161,272,512.23	7,728.06	161,264,784.17	-	(1,311,665.90)	1,178,842,757.57
Changes in fair value of other equity instrument investments	1,016,266,307.50	161,272,512.23	7,728.06	161,264,784.17	-	(1,311,665.90)	1,178,842,757.57

## 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>	
	<b>Amount recognized in the current year</b>	Amount recognized in the prior year
Net profit for the current period attributable to ordinary shareholders	<b>1,396,673,063.27</b>	1,305,941,469.01
Including: Net profit from continuing operations	<b>1,396,673,063.27</b>	1,305,941,469.01

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>Shares</i>	
	<b>Current year</b>	Prior year
Number of ordinary shares outstanding at the beginning of year	<b>1,233,841,000</b>	1,233,841,000
Number of ordinary shares outstanding at the end of year	<b>1,233,841,000</b>	1,233,841,000

Earnings per share:

	<i>RMB</i>	
	<b>Current year</b>	Prior year
Number of ordinary shares outstanding at the end of year divided by net profit for the current period attributable to ordinary shareholders	<b>1.13</b>	1.06
Number of ordinary shares outstanding at the end of year divided by net profit for the current period attributable to ordinary shareholders and attributable to continuing operation	<b>1.13</b>	1.06

The Company has no dilutive potential ordinary shares.

## 28. EVENT AFTER THE BALANCE SHEET DATE

After the balance sheet date, the Group had the following significant event:

At the board meeting held on 28 March 2023, the resolution regarding the profit distribution for 2022 was passed where the undistributed profit at the end of 2022 was distributed at the price of RMB0.34 (tax inclusive) and the proposed dividend amounted to RMB419,505,940.00 (tax inclusive). The resolution shall take effect upon obtaining approval at the annual general meeting for 2022 to be held in May 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (I) BUSINESS REVIEW

#### Industry Overview

2022 was a crucial year for China to embark on a new journey of building a modern socialist country in an all-round way and to achieve the second centenary goal. The report of the “20th National Congress” of the Party clearly put forward “implementation of the national culture digitalization strategy”, “implementation of the major cultural industry projects driving strategy” and “enhancement of the spreading and influence of Chinese civilization”, indicating the path for cultural construction in the new era. National reading has been included in the Government Work Report for the ninth consecutive year, and has been transformed from “advocacy” to “in-depth promotion”, which means that national reading has entered a new stage of development. This year was also a crucial year for the implementation of the “14th Five-Year Plan”. The State issued the “Implementation Opinions on Promoting the In-depth Integrated Development of Publishing” and other policy documents, covering integrated development, content construction, talent training, system guarantee and other aspects, which has provided strong policy support for transformation and upgrading of the publishing industry and the realization of high-quality development. The central and local governments introduced policies and measures to support cultural enterprises and boost cultural consumption, further enhancing confidence in the development of the industry.

In 2022, affected by factors such as increasing downward pressure on the economy and weak consumer demand, the book retail market as a whole showed a downward trend. According to the monitoring data published by Beijing OpenBook Co., Ltd., the book retail market recorded an amount of RMB87.1 billion in terms of sales value in 2022, representing a year-on-year decrease of 11.77%. From the perspective of different channels, the share of online retail channel increased significantly, accounting for the dominant position among book retail channels, and the disordered competition in book selling price for online channel intensified. As for the physical retail channel, the sales value of book decreased by 37.22% year-on-year, and the sales on e-commerce platform decreased by 16.06% year-on-year, while short video e-commerce achieved positive growth, a year-on-year increase of 42.86%. In 2022, there were approximately 171,000 new book varieties published in the book retail market, representing a year-on-year decrease of approximately 11.4%.

At present, the competition for high-quality copyright resources in the publishing industry is intensifying, and the progress of digital transformation of traditional publishing is slow. The publishing industry is in the transformation period from traditional publishing to integration and innovation, the adjustment period from high-speed growth to high-quality development, and the upgrading period from production and manufacturing to knowledge and service. The transformation and upgrading of the industry as a whole is accelerated by rapid transformation of the production and operation model and the marketing and communication methods of publishing.

## **RESULTS**

The Group continued to implement the “three chains” development strategy of “strengthening the chain, upgrading the chain and extending the chain”, thereby promoting the integrated innovation development, and achieving both social benefits and economic benefits. During the Year, the Group realized operating income of RMB10,930 million, representing a year-on-year increase of 4.49%, which was mainly attributable to the growth of sales in sectors such as educational services and online sales of the Group. Net profit amounted to RMB1,391 million, representing a year-on-year increase of 6.75%, which was mainly attributable to the increase in gross profit brought by sales growth.

### **Revenue**

During the Year, the Group’s revenue amounted to RMB10,930 million, representing an increase of 4.49% as compared to RMB10,460 million in the same period last year, which was mainly attributable to the growth of sales in sectors such as educational services and online sales of the Group.

### **Operating costs**

During the Year, the operating costs of the Group amounted to RMB6,913 million, representing an increase of 4.01% as compared to RMB6,647 million in the same period last year. Among which, the principal operating costs amounted to RMB6,900 million, representing an increase of 4.02% as compared with that in the same period last year.

### **Gross profit margin**

During the Year, the consolidated gross profit margin of the Group was 36.75%, increased by 0.29 percentage points from 36.46% in the same period last year. Among which, the gross profit margin of principal businesses was 35.98%, slightly increased from 35.56% in the same period last year.

Details of the principal businesses by product and by region are as follows:

RMB

Product	Principal business by product					
	Operating income	Operating costs	Gross profit margin (%)	Change of operating income as compared with prior year (%)	Change of operating costs as compared with prior year (%)	Change of gross profit margin as compared with prior year (ppt)
<b>I. Publication</b>	2,746,493,616.44	1,791,829,163.09	34.76	(2.83)	(3.43)	0.40
Textbooks and supplementary materials	1,541,244,991.43	844,281,975.36	45.22	1.43	1.71	(0.15)
General books	855,061,660.45	666,290,849.37	22.08	(5.60)	(2.91)	(2.15)
Printing and supplies	285,455,544.69	246,331,625.58	13.71	(15.15)	(18.24)	3.26
Newspapers and journals	50,914,736.31	28,204,867.69	44.60	5.71	5.58	0.07
Others	13,816,683.56	6,719,845.09	51.36	(17.33)	(39.41)	17.72
<b>II. Distribution</b>	9,647,938,330.24	6,736,424,870.63	30.18	6.94	6.50	0.29
Textbooks and supplementary materials	5,636,728,669.43	3,420,066,085.68	39.33	9.15	8.47	0.38
General books	3,675,986,836.34	3,035,687,952.09	17.42	8.85	9.57	(0.54)
Education informatized and equipment business	303,346,060.70	250,967,701.15	17.27	(18.70)	(19.45)	0.77
Others	31,876,763.77	29,703,131.71	6.82	(70.39)	(66.97)	(9.67)
<b>III. Others</b>	423,107,254.81	384,464,476.38	9.13	(7.35)	(8.72)	1.35
Inter-segment elimination	(2,039,330,455.76)	(2,012,338,526.40)				
<b>Total</b>	<u>10,778,208,745.73</u>	<u>6,900,379,983.70</u>	<u>35.98</u>	<u>4.71</u>	<u>4.02</u>	0.42

Region	Principal business by region					
	Operating income	Operating costs	Gross profit margin (%)	Change of operating income as compared with prior year (%)	Change of operating costs as compared with prior year (%)	Change of gross profit margin as compared with prior year (ppt)
Within Sichuan Province	7,634,939,820.56	4,129,028,316.03	45.92	5.14	2.36	1.47
Outside Sichuan Province	3,143,268,925.17	2,771,351,667.67	11.83	3.67	6.61	(2.43)

Principal business by sales model						
Sales model	Operating income	Operating costs	Gross profit margin (%)	Change of operating income as compared with prior year (%)	Change of operating costs as compared with prior year (%)	Change of gross profit margin as compared with prior year (ppt)
Publication	2,746,493,616.44	1,791,829,163.09	34.76	(2.83)	(3.43)	0.40
Distribution	9,647,938,330.24	6,736,424,870.63	30.18	6.94	6.50	0.29
Including: Education services	6,268,017,683.64	3,842,919,708.29	38.69	7.20	5.24	1.14
Online sales	2,532,285,613.46	2,264,322,956.40	10.58	12.03	11.94	0.06
Retailing	689,248,244.47	481,541,609.20	30.14	(3.73)	(1.52)	(1.56)
Others	158,386,788.67	147,640,596.74	6.78	(20.38)	(8.71)	(11.92)
Others	423,107,254.81	384,464,476.38	9.13	(7.35)	(8.72)	1.35
Including: Logistics services	412,270,031.41	378,970,604.44	8.08	(6.42)	(8.16)	1.75
Inter-segment elimination	(2,039,330,455.76)	(2,012,338,526.40)				
<b>Total</b>	<b>10,778,208,745.73</b>	<b>6,900,379,983.70</b>	<b>35.98</b>	<b>4.71</b>	<b>4.02</b>	<b>0.42</b>

*Note:* According to the product classification of the current year, the figures for the same period of last year have been adjusted.

## ANALYSIS OF OPERATING DATA

### 1. Overview of Principal Business Segments

The Group's businesses are divided into two reportable segments, namely the publication segment and the distribution segment.

**Overview of operation of the principal business segments is as follows:**

	Sales volume (10,000 copies)		Sales value		Operating income of principal business (excluding tax)		Operating costs of principal business		Gross profit margin (%)						
	Prior year	Current year	Growth rate (%)	Prior year	Current year	Growth rate (%)	Prior year	Current year	Growth rate (%)	Prior year	Current year	Growth rate (ppt)			
<b>Publication segment</b>															
Self-compiled textbooks and supplementary materials	12,744.00	11,782.00	(7.55)	142,506.51	142,134.38	(0.26)	73,783.43	72,413.36	(1.86)	30,105.05	30,248.83	0.48	59.20	58.23	(0.97)
Plate-leased textbooks and supplementary materials	15,350.37	15,521.97	1.12	114,918.09	120,913.78	5.22	72,335.98	75,620.12	4.54	47,898.13	48,954.87	2.21	33.78	35.26	1.48
General books	8,695.70	8,850.56	1.78	334,065.02	338,709.62	1.39	90,576.52	85,506.17	(5.60)	68,627.29	66,629.08	(2.91)	24.23	22.08	(2.15)
Printing of textbooks and supplementary materials on behalf of others	1,834.28	2,166.23	18.10	8,727.51	9,114.60	4.44	5,829.94	6,091.02	4.48	5,004.56	5,224.50	4.39	14.16	14.23	0.07
<b>Distribution segment</b>															
Textbooks and supplementary materials	49,464.88	48,798.16	(1.35)	540,060.91	592,284.45	9.67	516,436.09	563,672.87	9.15	315,294.18	342,006.61	8.47	38.95	39.33	0.38
General books	13,767.98	14,133.49	2.65	604,701.87	666,709.54	10.25	337,697.04	367,598.68	8.85	277,061.59	303,568.80	9.57	17.96	17.42	(0.54)

RMBO,000

## 2. Operating data of various business segments

### *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 Year, revenue from the sales of the publication segment amounted to RMB2,746 million, representing a decrease of 2.83% as compared with RMB2,827 million during the same period of last year, mainly due to the year-on-year decrease in publication of general books and supply of printing materials.

During the Year, gross profit margin of the publication segment was 34.76%, remaining relatively stable as compared to 34.36% for the same period of last year.

### *Major cost breakdown of the publication segment*

*RMB0,000*

	Publication of textbooks and supplementary materials			Publication of general books		
	Prior year	Current year	Growth rate (%)	Prior year	Current year	Growth rate (%)
Plate-leased textbooks and supplementary materials expenses	9,641.11	9,721.85	0.84	N/A	N/A	N/A
Copyright fee	2,903.65	3,147.10	8.38	N/A	N/A	N/A
Author's remuneration	2,522.66	2,619.70	3.85	20,048.50	19,884.27	(0.82)
Printing costs	22,410.67	22,891.89	2.15	27,837.07	27,477.65	(1.29)
Logistics costs	-	-	-	2,085.05	1,574.90	(24.47)
Paper costs	43,650.48	44,582.90	2.14	13,110.24	11,966.76	(8.72)
Documentation fee	621.71	619.00	(0.43)	4,047.87	4,354.80	7.58
Others	1,257.46	845.75	(32.74)	1,498.56	1,370.70	(8.53)

*Note:* With respect to the binding of printed materials, the production of general books is priced two ways: free materials only and free binding and materials. Of which, the settlement price for free materials only refers to the printing fee only. For free binding and materials production, the printer will be responsible for paper purchase and the settlement price is inclusive of the printing fee and cost of paper. The printing costs herein are inclusive of the printing fee and cost of paper materials.

### ***Textbooks and supplementary materials publication business***

Sichuan Education Publishing House Co., Ltd., a subsidiary of the Company, obtained the permit for book publication ([Shu] Tu Chu Zheng [Chuan] No. 009) from the National Press and Publication Administration with a validity up to 31 December 2029, and is qualified for the publication of supplementary materials on all subjects of primary and secondary schools. It mainly publishes textbooks and supplementary materials for sales within Sichuan Province.

During the Year, in accordance with the requirements of the latest national policies and market demand, the Group developed and upgraded its products for the four stages of schooling, namely pre-school, compulsory education, high school and vocational education. In particular, the Group focused on developing different series of products such as pre-school and primary school bridging, passing list, concise practices for passing, review on schooling, and character learning and writing. At the same time, in order to meet the demand for new high school teaching materials and new college entrance examinations in Sichuan Province, the Group focused on developing and revising different series of products. Moreover, the Group initially established a series of reading product lines for special education of primary and secondary schools, continuously enriching its products.

Focusing on the integrated development and technological development of education publishing, and changes in user needs, usage, consumption scenarios, etc., the Group gathered high-quality education resources, content resources and technological resources. In addition to optimizing and improving paper products and service system, the Group deeply integrated traditional paper publishing with digital publishing and offline education with online education to achieve multi-carrier presentation and multi-channel sales of publishing resources. The functions of “Sichuan Education Learning App” were further optimized, while an exclusive channel of “Sichuan Education Learning” was set up on Himalaya platform, and a “Sichuan Education Zone” was set up on Winshare Youjiao platform to provide textbooks, supplementary materials and activity resources published by the Group, thus providing users with high-quality online knowledge services. Focusing on the incubation of media-integrated supplementary materials, the Group successfully solved the pain points and difficulties in teaching. The Group gradually transformed from the publication of physical books to the publication of all media, and provided intelligent and unique refined educational services and products to improve the quality of educational services.

During the Year, the value from the sales of textbooks and supplementary materials under the Group’s publication segment amounted to RMB2,722 million. The sales revenue amounted to RMB1,541 million, representing an increase of 1.43% as compared with RMB1,519 million in the same period last year. The cost of sales amounted to RMB844 million, representing an increase of 1.71% as compared with RMB830 million in the same period last year. The gross profit margin was 45.22%, remaining relatively stable as compared to 45.37% for the same period last year.

## **General book publication business**

During the Year, under the guidance of the publication approach of “originality, specialization and integration”, the Group adhered to the correct publishing orientation and practiced the concept of high-quality development. During the Year, the Group organized the publication of various themed publications such as *Show Me China* (《我用一生愛中國》), *Liangshan Affairs* (《涼山敘事》) and the Sichuan series of “Record the Well-off Project (紀錄小康工程)”. Moreover, the Group deeply rooted in the original field, and published books for humanities and social science such as *Abandon Chang’an* (《棄長安》), *Look at History at the Backstage* (《到後台看歷史卸妝》) and *Liberal Studies of Southwest Associated University* (《西南聯大通識課》), as well as literary works such as *Crossing Wajimuliangzi* (《翻過瓦吉姆梁子》), *A New Story of Border Town* (《邊城新記》), *The Fortress Revisited* (《塞影記》) and *The Story of Chengdu* (《成都傳》). The publication projects of “Third Pole (第三極)” and the book series of Sichuan Historical Celebrities (the second batch) were steadily advanced, with the launching of key project publications such as *Compendium of Tibetan Medicine* (《藏醫藥大全》), *Exploring the Third Pole* (《探尋第三極》) and *The Art of Tangka* (《唐卡藝術》). Some books became bestsellers, including *Liberal Studies of Southwest Associated University* which has sold a total of 140,000 sets, with a sales value exceeding RMB50 million. *Show Me China* was honored with the 16th Spiritual Civilization Construction “Five ‘One’ Project” Book Award by the Publicity Department, and *The Story Behind Returning to the Wolves* (《重返狼群背後的故事》) was shortlisted in the 2021 “Chinese Good Books”. 2 books including “Record the Well-off Project Series” were selected into the 2022 key publication topic list of the Publicity Department, and 14 projects including *Ancient Poetry Writings* (《古文辭類纂箋》) were selected into the 2021-2035 national ancient book plan. 9 projects such as *Porcelain Changes the World* (《瓷器改變世界》) were granted the 2022 National Publication Fund.

During the Year, the Group’s publication brand building achieved remarkable results. The Group’s Mingqin Workshop published 22 new book varieties, achieving a publishing sales value of over RMB400 million. Yi Juan Workshop and Whale Song Workshop published 10 and 81 new book varieties, respectively, while Tianxi Culture published 74 new book varieties, achieving a publishing sales value of over RMB90 million, and cooperated with leading hosts such as Dong Fang Zhen Xuan to achieve sales value of over RMB10 million.

During the Year, the Group steadily advanced the “Going Out” effort and was among the best in the country. Through 11 foreign exhibitions such as Bologna Children’s Book Fair and London Book Fair, more than 2,000 books and journals were displayed. The Group also undertook to organize the “Belt and Road” publication cooperation experience exchange meeting, and participated in a number of major events such as the “5 + 5” online discussion meeting of Chinese and Arabic publishers. During the Year, the revenue from external operation reached RMB11 million, exporting 490 copyrights, and the export value of books and journals was approximately RMB5.45 million, representing a year-on-year increase of 14%.

During the Year, the value from the sales of general books under the Group’s publication segment amounted to RMB3,387 million. The sales revenue amounted to RMB855 million, decreased by 5.60% from RMB906 million in the same period last year. The cost of sales was RMB666 million, decreased by 2.91% from RMB686 million in the same period last year; the gross profit margin was 22.08%, decreased by 2.15 percentage points from 24.23% in the same period last year, which was mainly due to factors including the change in sales structure and the larger comprehensive discount during the Year.

## ***Newspapers and journal business***

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.

The newspapers and journal publication of the Group adheres to the concept of high-quality development, and the number of both original reports and readership continues to grow. There were 133 original works released by the customer end of *Reader's Journal Press* and *Diyiduzhe*, increased by 46% year-on-year. 610 articles were released by the "3D communication platform Watch Panda", with total reading volume of 2.16 million. 391 posts were made by the official account of *Publishing Commercial Weekly*, 78% of which were original. The total reading volume on the "Winshare Quan Media service platform" was 7.293 million throughout the year, while more than 100,000 users have followed the official WeChat account of *Publishing Commercial Weekly*.

During the Year, a total of 25,774,300 copies of newspapers and journals were distributed by the Group. The sales revenue amounted to RMB50,914,700, increased by 5.71% from the same period last year. The selling expenses amounted to RMB28,204,900, increased by 5.58% from the same period last year. The gross profit margin was 44.60%, remaining relatively stable as compared to 44.53% for the same period last year.

## **(2) Distribution segment**

The distribution segment of the Group covers provision 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 Year, revenue from the sales of the distribution segment amounted to RMB9,648 million, representing growth of 6.94% as compared with RMB9,022 million during the same period of last year, mainly benefitting from the growth of education service business and online sales business.

During the Year, gross profit margin of the distribution segment of the Group was 30.18%, slightly increased from 29.89% during the same period of last year.

## ***Textbooks and supplementary materials distribution business***

The Company is the only enterprise in Sichuan Province possessing the qualifications to engage in the distribution of primary to secondary textbooks. Being the sole source supplier in Sichuan Province regarding the supply of textbooks to primary and secondary school students during their compulsory education, the Company enters into the purchase contract regarding free textbooks for students during compulsory education (義務教育階段學生免費教科書採購合同) with the Sichuan provincial education office each school year. In 2022, the Company entered into the "government purchase contract regarding free textbooks for students during compulsory education in Sichuan Province from 2022 to 2023" (四川省2022-2023 學年義務教育階段學生免費教科書政府採購合同書).

During the Year, 487,981,600 copies of textbooks and supplementary materials with sales value of RMB5,923 million were sold by the Group. The sales revenue amounted to RMB5,637 million, increased by 9.15% as compared with RMB5,164 million in the same period last year. The cost of sales amounted to RMB3,420 million, representing an increase of 8.47% as compared with RMB3,153 million in the same period last year. The gross profit margin was 39.33%, slightly increased from 38.95% during the same period last year.

### ***Education informatized and equipment business***

The Group provided products and services including subject classroom, innovation education space and smart campus. During the Year, the Group further developed 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 Year, the education informatized and equipment business of the Group achieved sales revenue of RMB303 million, representing a decrease of 18.70% as compared with that in the same period last year, mainly because local financial capital investment dropped significantly compared with the same period last year, and the scale of projects became smaller. The cost of sales amounted to RMB251 million, representing a decrease of 19.45% as compared with that in the same period last year. Gross profit margin was 17.27%, increased by 0.77 percentage points from that in the same period last year, mainly because the Group voluntarily gave up projects with low gross profit that had no guarantee for capital recovery.

### ***General books distribution business***

During the Year, the Group further improved the online and offline distribution channel system. Focusing on the main businesses, the Group created new space for cultural consumption, deeply explored the private domain traffic of physical stores, promoted the integrated development of physical stores and cloud stores. At the same time, the Group vigorously expanded the business outside stores, built a system linking in-store and out-of-store marketing, and made every effort in the distribution and service guarantee of themed current political publications. In addition to creating the new pattern of omni-channel and multi-scenario online reading services, the Group improved the refined operation on self-built official website, Tmall, JD.com and Pinduoduo channels, and actively explored the business model in relation to new media channels such as TikTok, Kuaishou, bilibili and Xiaohongshu. During the Year, despite downward situation of China’s book retail market, the Group’s general book distribution business achieved better results.

During the Year, 141,334,900 copies of general books with sales value of RMB6,667 million were sold by the Group. The sales revenue amounted to RMB3,676 million, increased by 8.85% as compared with RMB3,377 million in the same period last year, mainly benefitting from the growth of online sales business. The cost of sales amounted to RMB3,036 million, increased by 9.57% as compared with RMB2,771 million in the same period last year. The gross profit margin was 17.42%, slightly decreased from 17.96% for the same period last year. In particular, the revenue from the principal business of online sales business amounted to RMB2,532 million, increased by 12.03% as compared with that in the same period last year, mainly benefitting from the fact that the Group continued to explore the operation model under new technologies on the basis of consolidated construction of core online business capabilities, strengthened digital upgrading of business, and improved the sales matrix of full-media layout and multi-scenario operations, further enhancing the operation capabilities. Among which, the sales revenue secured through third-party e-commerce platforms amounted to RMB1,778 million, accounting for 70.22% of the total revenue of online sales business.

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

### **Expenses**

During the Year, the Group's selling expenses amounted to RMB1,211 million, representing an increase of 8.07% as compared to RMB1,121 million in the same period last year, mainly due to increase in promotion expenses, e-commerce platform service fees and labor cost brought by the sales growth.

During the Year, the Group's administrative expenses amounted to RMB1,402 million, representing a decrease of 3.54% as compared to RMB1,453 million in the same period last year, mainly due to the fact that the Group further strengthened its cost control and effectively saved business entertainment expenses and conference fees.

During the Year, the Group's finance expenses amounted to RMB-143 million as compared to RMB-80 million in the same period last year, the change of which was mainly due to the increase in interest income derived from bank deposits during the Year as compared with that in the same period last year.

During the Year, the Group's research and development ("R&D") expenses amounted to RMB14,166,700, representing an increase of 273.42% as compared to RMB3,793,700 in the same period last year, which was mainly due to the increase in R&D commitments expensed for education informatized and amortization of self-developed software during the Year as compared with that in the same period last year.

### **Gain from changes in fair value**

During the Year, the Group's loss from changes in fair value amounted to RMB135 million, representing a decrease of RMB207 million as compared with a gain from changes in fair value of RMB72 million in the same period last year, mainly due to the changes in fair value of projects held by funds invested by the Group such as Winshare Hengxin Fund and Winshare Dingsheng as a result of fluctuation in share price during the current year, etc.

### **Investment income**

During the Year, the Group's investment income amounted to RMB112 million, which remained relatively stable as compared to that in the same period last year.

### **Other incomes and non-operating income/expenses**

During the Year, the Group's other incomes amounted to RMB90,598,000, representing an increase of 11.65% as compared to RMB81,146,500 in the same period last year, which was mainly due to the increase in refund of value-added tax received during the Year when compared with the prior year.

During the Year, the Group's non-operating income amounted to RMB4,842,600, the change of which was small as compared to RMB4,369,000 in the same period last year.

During the Year, the Group's non-operating expenses amounted to RMB39,719,100, representing a decrease of 22.52% as compared to RMB51,263,400 in the same period last year, which was mainly due to the decrease in external donation of the Group during the Year.

### **Gains on asset disposal**

During the Year, the Group's gain on asset disposal amounted to RMB40,434,500, representing an increase of RMB38,418,800 as compared to RMB2,015,700 in the same period last year, which was mainly due to the compensation for housing demolition received by various subsidiaries during the Year.

### **Income tax expenses**

During the Year, the Group's income tax expenses amounted to RMB-11,435,500, as compared to RMB5,452,800 in the same period last year, which was mainly due to the changes in deferred income tax expenses brought by the changes in fair value of Winshare Hengxin Fund, etc., held by Winshare Investment, a subsidiary of the Company.

### **Other comprehensive income**

During the Year, the Group's net other comprehensive income after tax amounted to RMB267 million, representing an increase of 65.30% as compared to RMB161 million in the same period last year, which was mainly due to the increase of market price of the shares of Bank of Chengdu, a listed company, held by the Company.

### **Profit**

During the Year, the Group achieved a net profit of RMB1,391 million, representing an increase of 6.75% as compared with that in the same period last year. Net profit attributable to the shareholders of the Company amounted to RMB1,397 million, representing an increase of 6.95% as compared with that in the same period last year. Net profit attributable to the shareholders of the Company after non-recurring gain or loss amounted to RMB1,346 million, representing an increase of 2.66% as compared with that in the same period last year, which was mainly attributable to the increase in gross profit brought by the increase in sales.

## Earnings per share

Earnings per share is calculated based on the net profit attributable to the shareholders of the Company for the Year divided by the weighted average number of the ordinary shares in issue during the Year. During the Year, earnings per share of the Group amounted to RMB1.13, which increased by 6.60% as compared to RMB1.06 in the same period last year. For details regarding the calculation of earnings per share, please refer to Note 27 to the consolidated financial statements in this results announcement.

## R&D COMMITMENTS

### Breakdown of R&D commitments

	<i>RMB</i>
R&D expenses for the current year	7,158,747.93
R&D commitments capitalized for the current year	10,208,209.03
Total R&D commitments	17,366,956.96
Total R&D commitments as a percentage of revenue (%)	0.16
Total no. of R&D personnel of the Company	35
No. of R&D personnel as a percentage of total no. of personnel of the Company (%)	0.44
Percentage of R&D commitments capitalized (%)	58.78

The R&D commitments of the Group amounted to RMB17,367,000, representing a decrease of 43.87% as compared to RMB30,942,000 in the same period last year, mainly due to the decrease in the Group's R&D commitments capitalized in education informatized business during the Year has decreased compared with the same period last year.

## ANALYSIS OF CHANGES IN CASH FLOW

During the Year, cash flow from operating activities of the Group amounted to net inflow of RMB2,024 million, as compared to net inflow of RMB2,047 million in the same period last year, the change of which was small.

During the Year, cash flow from investing activities of the Group amounted to net inflow of RMB232 million, as compared to net outflow of RMB1,279 million in the same period last year, mainly due to recovery of costs from exiting funds of RMB135 million, investment dividends and convertible bond investment income of RMB101 million, and the maturity of time deposits leading to net cash inflow during the Year; while the investment fund of RMB317 million in Hainan Phoenix paid and allocation in time deposits which could not be withdrawn in advance within one year with no intention to withdraw in advance led to net cash outflow in the same period last year.

During the Year, cash flow from financing activities of the Group amounted to net outflow of RMB493 million, as compared to net outflow of RMB512 million in the same period last year, the change of which was small.

The major items of cash flow changes are set out below:

*RMB*

<b>Item</b>	<b>2022</b>	<b>2021</b>	<b>Change (%)</b>	<b>Analysis of major changes</b>
Tax refund received	105,668,809.76	27,748,888.66	280.80	Mainly due to the receipt of value-added tax refund amounted to approximately RMB68 million during the Year.
Other cash receipts relating to operating activities	276,431,311.37	212,251,761.50	30.24	Mainly due to the increase in interest income received from bank deposits during the Year as compared with that in the same period last year.
Cash receipts from investment income	100,937,967.71	73,149,634.02	37.99	Mainly due to the increase in income from convertible bond business and dividends from investee companies during the Year as compared with that in the same period last year.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	41,600,265.10	3,947,138.21	953.93	Mainly due to the compensation for housing demolition received by various subsidiaries during the Year.
Other cash receipts relating to investing activities	658,062,499.89	–	N/A	It represents the time deposits with bank recovered during the Year.
Cash from investment payments	191,804,476.98	632,154,425.63	(69.66)	Mainly due to the subscription of convertible bonds of Bank of Chengdu amounted to RMB177 million, while for the same period last year it was mainly due to the investment fund of RMB317 million paid to Hainan Phoenix for purchase of wealth management products.
Net cash paid for acquisition of subsidiaries and other business units	71,730,019.83	–	N/A	It represents the difference between the consideration paid for the acquisition of Liangshanzhou Xinhua Bookstore during the Year and the cash and bank balances held by it.
Other cash payments relating to investing activities	400,000,000.00	800,000,000.00	(50.00)	Mainly due to the change in time deposits that cannot be withdrawn in advance within one year or with no intention to withdraw in advance.
Cash received from borrowings	18,000,000.00	–	N/A	It represents the addition of “Wenchuang Tong (文創通)” loan by three subsidiaries during the Year.

## ASSETS AND LIABILITIES ANALYSIS

As at 31 December 2022, the position of the Group's major assets and liabilities and their movements are as follows:

RMB

Item	At the end of the current period	Amount as at the end of the current period as a percentage of the total assets (%)	At the end of the prior period	Amount as at the end of the prior period as a percentage of the total assets (%)	Percentage change in the amount from the end of the prior period to the end of the current period (%)	Explanation of situation
Notes receivable	2,906,232.79	0.01	10,545,962.27	0.06	(72.44)	Mainly due to the decrease in the balance of receivables settled by commercial acceptance bills in the logistics business at the end of the Year as compared with the beginning of the Year.
Receivables financing	8,499,815.79	0.04	5,132,438.00	0.03	65.61	Mainly due to the increase in the balance of receivables settled by bank acceptance bills in the logistics and commodity sales business at the end of the Year as compared with the beginning of the Year.
Contract assets	9,567,253.11	0.05	34,660,471.53	0.18	(72.40)	Mainly due to the reclassification of contract assets over one year to "other non-current assets".
Other current assets	331,074,537.47	1.60	502,276,759.44	2.68	(34.09)	Mainly due to the changes in time deposits due within one year.
Non-current assets due within one year	117,238,899.64	0.57	172,294,518.11	0.92	(31.95)	Mainly due to the decrease in closing balance of receivables as compared to 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" as the agreed payment period approached.
Long-term receivables	100,428,300.51	0.49	143,479,125.91	0.76	(30.00)	Mainly due to the decrease in closing balance of receivables as compared to 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	At the end of the current period	Amount as at the end of the current period as a percentage of the total assets (%)	At the end of the prior period	Amount as at the end of the prior period as a percentage of the total assets (%)	Percentage change in the amount from the end of the prior period to the end of the current period (%)	Explanation of situation
Other non-current financial assets	467,646,874.02	2.26	723,047,595.79	3.85	(35.32)	Mainly due to the changes in fair value of Winshare Hengxin Fund, Winshare Dingsheng and other funds invested by the Group as a result of the fluctuation in share price during the Year, and the exit and recovery of investment of some projects.
Construction in progress	47,219,096.45	0.23	144,794,764.90	0.77	(67.39)	Mainly due to the completion of the Publishing and Media Creativity Center secondary installation project and its transfer to fixed assets.
Development expenditure	1,428,449.38	0.01	2,561,158.72	0.01	(44.23)	Mainly due to the decrease in the balance formed by the settlement of R&D projects.
Long-term prepaid expenses	44,357,505.30	0.21	15,260,900.36	0.08	190.66	Mainly due to the increase in balance of long-term prepaid expenses as a result of the Group's entry into the Publishing and Media Creativity Center and the purchase of office furniture.
Short-term borrowings	18,000,000.00	0.09	–	–	N/A	It represents the addition of “Wenchuang Tong (文創通)” loan by three subsidiaries during the Year.
Notes payable	29,776,305.93	0.14	45,285,599.60	0.24	(34.25)	Mainly due to the decrease in the balance of trade payables settled by bills for the supply of printing materials business, education informatized and equipment business at the end of the Year as compared with the end of last year.

Item	At the end of the current period	Amount as at the end of the current period as a percentage of the total assets (%)	At the end of the prior period	Amount as at the end of the prior period as a percentage of the total assets (%)	Percentage change in the amount from the end of the prior period to the end of the current period (%)	Explanation of situation
Receipts in advance	1,167,160.30	0.01	–	–	N/A	It represents the house rental received in advance by Liangshanzhou Xinhua Bookstore, a newly acquired holding subsidiary in the current year.
Long-term employee benefits payable	33,142,176.77	0.16	–	–	N/A	It represents the external coordination expenses for retired employees of Liangshanzhou Xinhua Bookstore, a newly acquired holding subsidiary during the Year, during its restructuring.
Deferred tax liabilities	73,867,204.70	0.36	32,872,282.61	0.18	124.71	Mainly due to the increase in deferred tax liabilities arising from the restructuring of Liangshanzhou Xinhua Bookstore, a newly acquired holding subsidiary during the Year, and the asset appreciation during the acquisition.
Minority interests	172,053,936.43	0.83	(111,871,464.33)	(0.60)	N/A	Mainly due to the increase in minority interests brought by Liangshanzhou Xinhua Bookstore, a newly acquired holding subsidiary during the Year.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2022, the Group had cash and short-term deposits of approximately RMB7,802 million (31 December 2021: RMB6,040 million), and short-term borrowings of RMB18 million (31 December 2021: RMB0).

As at 31 December 2022, the gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 38.69%, representing a decrease of 2.13 percentage points as compared with 40.82% as at 31 December 2021. The Group's overall financial structure remained relatively stable.

## **CONTINGENT LIABILITIES**

As at 31 December 2022, the Group did not have any material contingent liabilities.

## **PLEDGE OF ASSETS**

As at 31 December 2022, the balance of deposits of the Group amounting to RMB14,446,500 (31 December 2021: RMB13,675,200) was mainly pledged as security deposits placed with the bank for the issuance of the bank's acceptance bill and letter 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

	31 December 2022	31 December 2021
Current ratio	1.7	1.5
Inventory turnover days	140.3	133.8
Trade receivables turnover days ( <i>Note</i> )	59.2	61.0
Trade payables turnover days	285.9	273.4

As at 31 December 2022, the current ratio of the Group was 1.7, up 0.2 as compared with that at the end of last year. During the Year, inventory turnover days were 140.3 days, which increased by 6.5 days as compared with that of last year. Trade receivables turnover days were 59.2 days, which decreased by 1.8 days as compared with that of last year. Trade payables turnover days were 285.9 days, which increased by 12.5 days as compared with that of last year. The above indicators reflect that the operations of the Group are relatively stable. The turnover days of inventory, trade receivables and trade payables are in line with the publication and distribution business and the industry features.

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

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

During the Year, the Group focused on its growth strategies and improved existing industrial layout. While developing its principal businesses, the Group pushed ahead the integration of business and finance with a view to establishing the Group as a first-class cultural media group in the PRC.

In order to further expand the book market in Sichuan Province, the Company entered into the equity transfer agreement with Liangshanzhou Development (Holdings) Group Co., Ltd. in December 2022 to acquire 51% equity interest in Liangshanzhou Xinhua Bookstore held by it at a consideration of approximately RMB424 million. Liangshanzhou Xinhua Bookstore has completed the change of business registration.

In order to improve the utilization efficiency of the Company's assets, in December 2021, the 10th meeting in 2021 of the 4th session of the Board of Directors of the Company considered and agreed to the subscription of 177,174 board lots of Chengdu convertible bonds (10 convertible bonds per board lot) (subject to the actual placing announced by Bank of Chengdu) with the Company's own funds of not more than RMB177,174,000. On 3 March 2022, the Company subscribed 1,771,200 convertible bonds of Bank of Chengdu, with a par value of RMB100 each, with the Company's own funds of RMB177,120,000 and sold the convertible bonds in whole on the first day of the listing of convertible bonds of Bank of Chengdu. The net proceeds after handling charges and VAT amounted to RMB24,723,900.

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 Year, the Company recognized a dividend income of RMB50,400,000 from Bank of Chengdu. The Group made use of the share of Bank of Chengdu to carry out the securities refinancing business and realized an income of RMB60,600. As at 31 December 2022, the market capitalization of the shares held by the Company in Bank of Chengdu was RMB1,224 million.

The Company was interested in 6.27% shares of Wan Xin Media. During the Year, the Company recognized a dividend income of RMB21,188,800 from Wan Xin Media. As at 31 December 2022, the market capitalization of the shares held by the Company in Wan Xin Media was RMB649 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 in the future. The Company will monitor the price trends of the A share market and these two stocks from time to time. Coupled with the industrial development, the Company will formulate corresponding investment strategies to continuously and steadily contribute to the finance income of the Company.

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

During the Year, 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

		<i>RMB0,000</i>					
Name of subsidiary	Nature of business	Shareholding percentage (%)	Registered capital	2022		31 December 2022	
				Operating income	Net profit	Total assets	Net assets
Sichuan Education Publishing House Co., Ltd.	Publication of books	100.00	1,000.00	96,416.87	45,251.60	141,652.24	104,798.58
Sichuan Publication Printing Co., Ltd.	Plate-leased printing of textbooks	100.00	5,000.00	37,290.58	13,434.56	84,255.18	72,671.48
Sichuan Youth and Children's Publishing House Co., Ltd.	Publication of books	100.00	11,000.00	21,546.36	5,120.91	74,309.69	63,521.75
Sichuan Printing Materials Co., Ltd.	Wholesaling and retailing of commodities	100.00	3,000.00	55,061.15	167.80	44,271.86	5,414.35
Sichuan Winshare Education Technology Co., Ltd.	Software development and sales of electronic equipment	100.00	33,000.00	17,566.09	(4,553.14)	91,654.19	20,969.13
Sichuan Winshare Online E-commerce Co., Ltd.	Online sales of various products	75.00	6,000.00	314,568.49	31.11	309,864.35	(9,096.94)

#### **(IV) EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2022, the Group had a total of 7,947 (31 December 2021: 7,481) employees.

The Group improves and optimizes its employee remuneration policies and remuneration management system continuously, by which it has established a results performance-based incentive mechanism that aligns employees' remuneration to the Group's development. The standard remuneration package of the Group includes basic salary, performance-based bonus and benefits. Pensions, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing welfare funds, corporate annuity, etc. are available to the employees.

The Group attaches great importance to and cares about the growth and development of employees. The Group has built a multi-layer and multi-format training system and constantly optimizes the contents and types of training. It follows the principle of "standardized management and hierarchical organizational implementation" to conduct training for employees in order to help them enhance their professional skills and thinking awareness as well as expand their areas of expertise. Based on the objectives and requirements of personnel training that are in line with the corporate strategies, the Group plans to build a reserve cadre echelon and strengthen the capacity building of the talent team, helping management cadres improve their operation and management level through different ways while building a compound management team. At the same time, based on the business development requirements of capabilities and qualities of employees at different levels, the Group implements professional post competence training in order to improve the professional knowledge and skills of employees. It also organizes general training to improve the general skills and comprehensive quality of employees, with a view to driving business development with employee capabilities and qualities.

During the Year, the Group innovated the training model and deepened the training results through online training and organic combination of online and offline training. Throughout the Year, more than 250 training sessions were organized with an attendance exceeding 40,000 employees.

## (V) FUTURE PROSPECTS

### Growth strategy

With the goal of becoming an internationally influential comprehensive cultural service group, the Company, by focusing on the principal publishing and media business and innovate the industrial development model, and by capitalizing on the two-wheel driven strategy of “technology + capital”, will push ahead the upgrade of the publishing and media industry chain, and build a premium system covering four major segments namely creative content publishing, education services, cultural consumption services and supply chain services as well as the investment and financing system that features capital operations, so as to meet the needs of the public for a better cultural life, while developing itself into the most innovative and fast-growing publishing and media enterprise in China.

### Operating plans

The Group will thoroughly implement the strategic deployment of “Revitalizing the publishing industry in Sichuan Province” of the Sichuan Provincial Party Committee and the Sichuan Provincial Government, continue to promote the “three chains” strategy to strengthen the mass publishing and distribution industry chain and the education publishing and distribution industry chain, while advancing the upgrading and transformation of the Group’s traditional industry chain to the smart industry chain for the extension of industry chain advantages of the Group to the exterior, thereby creating a new growth pole for industrial development. In 2023, the Company will implement the following operating plans:

1. Promote the development of publication in accordance with the approach of “stabilizing scale, adjusting structure, consolidating foundation and reducing risks”. The Group will optimize topic selection to promote the improvement of quality and efficiency of genres, pursue professional division of labor to adjust the structure of products and channels, construct mechanisms to consolidate the foundation for development, and optimize operational methods to prevent risks. By promoting the implementation of major projects through the “Three Su Culture” publication project, the Group will further deepen copyright operation and integrated publishing, and continue to build the publishing brand of Winshare.
2. Adhere to the general principle of “seeking progress while maintaining stability” and being policy-oriented, continuously improve product quality and service capabilities. The Group will develop and promote textbook products that meet market demand, explore and develop new use scenarios of education equipment at all stages, and provide students with a three-dimensional and high-quality learning experience in the form of “environment + tools + content”. Giving full play to the advantages of professional educational services, the Group will focus on local labor and practical educational activities, develop Winshare’s 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”, the Group will promote after-school service activities.
3. Further strengthen the operation of online channels. The Group will promote channel operation capability through refined operation, actively explore and accelerate the deployment of emerging channels, and optimize the channel operation structure. The Group will strengthen technological innovation and application in product category management, content planning, supply chain management, upstream and downstream cooperation, etc., and enhance the construction of supply chain service capabilities to further improve customer experience.

4. Continue to promote the transformation and upgrading of physical bookstores so as to improve quality and efficiency. The Group will accelerate the integrated development of physical stores and cloud stores, vigorously expand the businesses of government and enterprise services, distribution for district and county libraries and rural bookstores, and strengthen brand building to continuously enhance brand influence.
5. Improve the logistics network management system, improve the efficiency of logistics operation, and continuously enhance the network service capability of the national supply chain.
6. 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.

## **(VI) 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 publishing and distribution industry has become increasingly competitive. Price war, product homogeneity competition, etc., coupled with changes in consumption habits and capabilities of the entire market undoubtedly bring more challenges to the publishing and distribution industry. The market environment faced by the Group is also becoming more complicated, which 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, AI 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 development trends of the integration of industry and technology, improve the technological innovation mechanism, promote upgrading of industry chain, and facilitate in-depth integrated development.

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

During the Year, neither the Company nor any of the subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to achieving sound corporate governance, continuously perfecting and optimizing the internal control system of the Company. The Company has adopted and complied with the principles and code provisions set out in the Corporate Governance Code in Appendix 14 to the Listing Rules during the Year.

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

For the purpose of governing securities transactions by the Directors and the supervisors (the “**Supervisor(s)**”), the Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as a code of conduct for securities transactions by the Directors and Supervisors. Having made specific enquiries to each of the Directors and Supervisors, all Directors and Supervisors confirmed that they have complied with all the terms set out in the Model Code during the Year.

## **AUDIT COMMITTEE**

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

The Audit Committee has reviewed the audited consolidated financial statements of the Group as set out in this results announcement for the Year and has communicated and discussed the financial reporting, risk management and internal control with the management and auditors of the Company. The Audit Committee considered that the consolidated financial statements have been prepared in accordance with applicable accounting standards and requirements and appropriate disclosures were made.

As at the date of this results announcement, so far as the Board is aware, the information set out herein is the same as those to be set out in the Company's annual report for 2022.

## DIVIDEND

The Board has proposed the distribution of dividend for the year ended 31 December 2022 of RMB0.34 (tax inclusive) per share (2021: RMB0.32 (tax inclusive) per share), totaling RMB419,505,940.00 (tax inclusive) (the “**Dividend for 2022**”). Dividends payable to A shareholders will be made and paid in RMB, whereas dividends payable to the H shareholders will be declared in RMB and payable in Hong Kong dollars, the exchange rate of which would be calculated based on the average exchange rate published by the People’s Bank of China during the week preceding the 2022 annual general meeting (the “**2022 AGM**”).

In accordance with the “Corporate Income Tax Law of the People’s Republic of China” and its implementation regulations, where a PRC domestic enterprise distributes dividends to non-resident enterprise shareholders, it is required to withhold 10% corporate income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the dividend as corporate income tax, distribute the dividend to non-resident enterprise shareholders, i.e., any shareholders who hold the Company’s shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H shares registered in the name of other groups and organizations.

Pursuant to the letter titled the “Tax arrangements on dividends paid to Hong Kong residents by mainland companies” issued by the Stock Exchange to the issuers on 4 July 2011 and the “State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045” (Guo Shui Han [2011] No. 348), it is confirmed that the overseas resident individual shareholders holding the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax arrangements between the countries where they reside and China or the tax arrangements between mainland China and Hong Kong (Macau). Therefore, the Company will withhold 10% of the dividend as individual income tax, unless it is otherwise specified by the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividends in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

The proposed Dividend for 2022 is subject to the approval by the shareholders at the forthcoming 2022 AGM of the Company.

H shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Monday, 17 April 2023 are entitled to attend and vote at the 2022 AGM. H shareholders whose names appear on the register of members of the Company on the dividend entitlement date are entitled to the Dividend for 2022 of the Company (if approved by the shareholders). The Dividend for 2022 above will be paid before 18 July 2023 (if approved by the shareholders).

H shareholders are advised to consult their own professional advisers about the tax effect in China, Hong Kong and/or other countries (regions) in respect of owning and disposal of H shares if they are in any doubt as to the above arrangements.

Shareholders should read this paragraph carefully. Should there be anyone who intends to change his/her identity as a shareholder, please seek advice on the relevant procedures from the nominees or trustees. The Company is neither obliged nor responsible for ascertaining the identities of the shareholders. In addition, the Company will withhold corporate income tax and individual income tax in strict compliance with the relevant laws or regulations and the registered information on the H share register of members as at the dividend entitlement date, and will not entertain or assume responsibility for any requests or claims in relation to any delay or inaccuracies in ascertaining the identity of the shareholders or any disputes over the arrangements for withholding the corporate income tax and individual income tax.

## **2022 AGM**

The 2022 AGM will be held at Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the PRC (中國四川省成都市古中市街8號四川新華國際酒店) on Thursday, 18 May 2023. Details of the 2022 AGM will be set out in the notice of the 2022 AGM to be despatched by the Company in due course. Such notice will also be published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.winshare.com.cn](http://www.winshare.com.cn)).

## **CLOSURES OF REGISTER OF MEMBERS FOR H SHARES**

In order to ascertain the shareholders who are entitled to attend the 2022 AGM and to receive the Dividend for 2022 (if approved by the shareholders), the register of members for H shares will be closed by the Company during the following periods:

### ***To ascertain the H shareholders who are qualified to attend and vote at the 2022 AGM:***

Latest time for lodging transfers of H shares	4:30 p.m., Monday, 17 April 2023
Closure of register of members for H shares	from Tuesday, 18 April 2023 to Thursday, 18 May 2023 (both days inclusive)
Date for holding the 2022 AGM	Thursday, 18 May 2023

### ***To ascertain the H shareholders who are entitled to the proposed Dividend for 2022:***

Latest time for lodging transfers of H shares	4:30 p.m., Tuesday, 23 May 2023
Closure of register of members for H shares	from Wednesday, 24 May 2023 to Monday, 29 May 2023 (both days inclusive)
Dividend entitlement date	Monday, 29 May 2023

In order for the H shareholders to qualify to attend and vote at the 2022 AGM and to receive the Dividend for 2022 (if approved by the shareholders) proposed by the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before the abovementioned deadlines for lodging the transfer documents.

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

This annual results announcement of the Company for the Year is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.winshare.com.cn](http://www.winshare.com.cn)), and the annual report of the Company for 2022 (including the audited financial statements) will be despatched to the shareholders on or before 30 April 2023 and will be published on the Stock Exchange's website and the Company's website.

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

Sichuan, the PRC, 28 March 2023

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

\* *For identification purposes only*