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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 2024

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 2024 (the “**Year**” or “**Reporting Period**”).

CONSOLIDATED BALANCE SHEET 31 DECEMBER 2024

RMB

ITEM	Notes	31 December 2024	31 December 2023
Assets			
Current Assets:			
Cash and bank balances	5	9,179,678,124.68	9,117,663,825.52
Held-for-trading financial assets		60,122.67	5,220.00
Notes receivable		933,791.30	3,758,159.19
Accounts receivable	6	1,526,810,256.53	1,477,171,063.02
Financing receivables		15,232,141.87	4,445,475.96
Prepayments		64,815,102.00	55,483,678.87
Other receivables	7	261,437,606.97	121,733,914.08
Including: Dividends receivable		1,578,000.00	72,000.00
Inventories	8	2,422,588,723.48	2,641,169,798.03
Contract assets		5,584,567.76	8,817,641.75
Non-current assets due within one year		49,263,308.47	69,763,811.83
Other current assets		77,116,925.26	508,621,658.45
Total Current Assets		13,603,520,670.99	14,008,634,246.70

ITEM	Notes	31 December 2024	31 December 2023
Non-current Assets:			
Long-term receivables	9	39,192,878.89	34,562,954.24
Long-term equity investments	10	806,322,100.70	771,481,018.72
Other equity instrument investments	11	2,284,471,141.07	1,767,951,589.74
Other non-current financial assets	12	422,828,090.06	449,082,949.02
Investment properties		76,601,687.11	94,146,451.73
Fixed assets	13	2,359,715,499.52	2,380,738,171.45
Construction in progress		73,670,872.15	39,549,969.11
Right-of-use assets		234,572,966.34	299,090,003.20
Intangible assets		336,018,285.26	369,853,435.66
Development cost		3,745,447.13	1,045,459.68
Goodwill	14	622,652,907.24	622,652,907.24
Long-term prepaid expenses		26,459,764.43	32,940,683.68
Deferred tax assets	15	7,215,301.85	50,401,253.62
Other non-current assets	16	2,001,715,747.53	865,432,280.53
Total Non-current Assets		9,295,182,689.28	7,778,929,127.62
TOTAL ASSETS		22,898,703,360.27	21,787,563,374.32
Liabilities and shareholders' equity			
Current Liabilities:			
Short-term borrowings		10,000,000.00	10,000,000.00
Notes payable		4,486,667.50	36,299,683.81
Accounts payable	17	5,453,032,475.59	5,470,058,096.76
Advance receipts		1,662,994.41	519,377.31
Contract liabilities	18	603,867,865.69	607,861,828.48
Employee benefits payable		908,819,864.44	795,130,708.68
Taxes payable		42,024,302.50	70,497,049.35
Other payables	19	308,454,407.85	564,176,104.54
Including: Dividends payable		–	222,091,380.00
Non-current liabilities due within one year		76,862,500.83	94,775,135.71
Other current liabilities		184,325,801.95	224,857,867.64
Total Current Liabilities		7,593,536,880.76	7,874,175,852.28

ITEM	Notes	31 December 2024	31 December 2023
Non-current Liabilities:			
Lease liabilities		179,938,995.53	230,930,029.86
Long-term employee benefits payable		–	30,581,649.90
Deferred income		53,436,961.20	20,083,863.80
Deferred tax liabilities	15	64,861,474.37	217,635,807.37
Total Non-current Liabilities		298,237,431.10	499,231,350.93
TOTAL LIABILITIES		7,891,774,311.86	8,373,407,203.21
Shareholders' Equity:			
Share capital	20	1,233,841,000.00	1,233,841,000.00
Capital reserve		2,524,643,969.45	2,523,663,464.41
Other comprehensive income	25	1,855,336,515.47	1,137,699,551.17
Surplus reserve		1,431,148,312.43	1,294,713,238.91
Retained profits	21	7,561,485,821.67	6,881,030,888.86
Total Shareholder's Equity Attributable to Equity Holders of the Parent		14,606,455,619.02	13,070,948,143.35
Non-controlling Interests		400,473,429.39	343,208,027.76
TOTAL SHAREHOLDERS' EQUITY		15,006,929,048.41	13,414,156,171.11
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		22,898,703,360.27	21,787,563,374.32

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

RMB

ITEM	<i>Notes</i>	Amount recognized in the current year	Amount recognized in the prior year
I. Operating income	22	12,328,513,892.29	11,868,490,425.19
Less: Operating costs	22	7,802,676,830.02	7,353,177,164.40
Taxes and levies		53,221,266.46	33,658,727.68
Selling expenses		1,438,983,986.01	1,402,613,434.32
Administrative expenses		1,673,614,925.66	1,618,076,543.08
Research and development expenditure		30,463,683.64	19,979,888.16
Finance expenses		(217,168,251.44)	(229,255,367.79)
Including: Interest expenses		12,441,882.61	17,875,456.73
Interest income		245,460,218.10	262,917,080.23
Add: Other income		105,902,307.93	87,366,135.02
Investment income		181,423,463.59	58,616,191.88
Including: Income from investments in associates and joint ventures		51,321,668.80	23,887,314.33
Gain (loss) from changes in fair values		(9,942,365.68)	(57,013,180.91)
Gain (loss) on credit impairment		(31,230,043.82)	(104,498,605.94)
Gain (loss) on asset impairment		(42,899,168.97)	(52,453,238.17)
Gain on disposal of assets		1,655,050.26	2,176,929.50
II. Operating profit		1,751,630,695.25	1,604,434,266.72
Add: Non-operating income		2,682,376.70	5,512,274.85
Less: Non-operating expenses		45,386,948.81	46,774,480.41
III. Total profit		1,708,926,123.14	1,563,172,061.16
Less: Income tax expenses	24	105,264,449.29	(65,178,244.15)

ITEM	Notes	Amount recognized in the current year	Amount recognized in the prior year
IV. Net profit		1,603,661,673.85	1,628,350,305.31
(I)Categorized by the nature of continuing operations:			
1. Net profit from continuing operations		1,603,661,673.85	1,628,350,305.31
(II) Categorized by ownership:			
1. Net profit attributable to shareholders of the parent		1,544,856,196.33	1,579,146,004.64
2. Profit or loss attributable to non-controlling interests		58,805,477.52	49,204,300.67
V. Other comprehensive income, net of tax		717,636,964.30	(307,718,663.01)
Other comprehensive income attributable to shareholders of the parent, net of tax		717,636,964.30	(307,718,663.01)
(I)Other comprehensive income not reclassified to profit or loss		717,636,964.30	(307,718,663.01)
1. Changes in other equity instrument investment at fair value		717,636,964.30	(307,718,663.01)
VI. Total comprehensive income		2,321,298,638.15	1,320,631,642.30
Total comprehensive income attributable to shareholders of the parent		2,262,493,160.63	1,271,427,341.63
Total comprehensive income attributable to non-controlling interests		58,805,477.52	49,204,300.67
VII.Earnings per share:			
(I)Basic earnings per share (RMB/share)	26	1.25	1.28
(II)Diluted earnings per share (RMB/share)		1.25	1.28

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

RMB

ITEM	Amount recognized in the current year	Amount recognized in the prior year
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	12,939,608,391.10	12,832,555,129.18
Receipts of tax refunds	97,505,449.62	39,783,480.66
Other cash receipts relating to operating activities	393,903,480.51	314,280,677.37
Sub-total of cash inflows from operating activities	13,431,017,321.23	13,186,619,287.21
Cash payments for goods purchased and services received	8,132,515,163.97	7,770,340,955.90
Cash payments to and on behalf of employees	1,838,151,893.23	1,715,047,781.20
Payments of various types of taxes	386,515,207.98	153,273,617.16
Other cash payments relating to operating activities	1,301,356,224.42	1,194,928,721.63
Sub-total of cash outflows from operating activities	11,658,538,489.60	10,833,591,075.89
Net Cash Flow from Operating Activities	1,772,478,831.63	2,353,028,211.32
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	28,450,610.87	180,126,653.55
Cash receipts from investment income	195,521,762.30	96,524,886.21
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	2,394,927.68	6,095,019.42
Other cash receipts relating to investing activities	890,000,000.00	262,076,126.01
Sub-total of cash inflows from investing activities	1,116,367,300.85	544,822,685.19
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	151,196,837.47	180,491,129.51
Cash payments to acquire investments	211,763,664.25	223,412,133.02
Other cash payments relating to investing activities	1,576,352,500.00	601,870,238.65
Sub-total of cash outflows from investing activities	1,939,313,001.72	1,005,773,501.18
Net Cash Flow used in Investing Activities	(822,945,700.87)	(460,950,815.99)

ITEM	Amount recognized in the current year	Amount recognized in the prior year
III. Cash Flows from Financing Activities:		
Cash received from borrowings	10,000,000.00	10,000,000.00
Sub-total of cash inflows from financing activities	10,000,000.00	10,000,000.00
Cash payments for repayment of debts	10,000,000.00	18,000,000.00
Cash payments for distribution of dividends and profits and settlement of interest expenses	950,884,516.13	420,820,187.60
Including: Payments for distribution of dividends and profits to non-controlling shareholders of subsidiaries	559,570.85	569,355.87
Other cash payments relating to financing activities	114,408,583.13	146,999,012.22
Sub-total of cash outflows from financing activities	1,075,293,099.26	585,819,199.82
Net Cash Flow used in Financing Activities	(1,065,293,099.26)	(575,819,199.82)
IV. Net (Decrease)/Increase in Cash and Cash Equivalents	(115,759,968.50)	1,316,258,195.51
Add: Opening balance of Cash and Cash Equivalents	9,078,342,824.79	7,762,084,629.28
V. Closing Balance of Cash and Cash Equivalents	8,962,582,856.29	9,078,342,824.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 Mr. Zhou Qing. 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, Xinhua Star, No. 238, Sanse Road, Jinjiang District, Chengdu, Sichuan.

The Group is actually and 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; printing of publications, printed matters of package and decoration and other printed matters; plate-leased printing and supply of textbooks; investments in publications and assets management; leasing of properties; business services; wholesale and retail of goods; import and export business; education ancillary services; and catering business.

The parent of the Company is Sichuan Xinhua Publishing and Distribution Group Co., Ltd. (“**Sichuan Xinhua Publishing and Distribution Group**”). 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 2023), 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 2024, 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 Announcement on Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises of Cultural System Reform (Announcement of the MoF, State Administration of Taxation and Publicity Department No. 20 of 2024) issued by the MoF, State Administration of Taxation and Publicity Department of the Communist Party of China (“**Publicity Department**”), the Company and its subsidiaries, Beijing Shuchuan Xinhua Bookstore Book Distribution Co., Ltd. (“**Beijing Shuchuan**”), Sichuan Xinhua Online Network Co., Ltd. (“**Xinhua Online**”), Sichuan Winshare Cultural Communication Co., Ltd. (“**Sichuan Cultural Communication**”) and the Company’s fourteen publishing units enjoyed enterprise income tax exemption from the registration date of transformation until 31 December 2027.

In accordance with the Notice on the Continuous Implementation of Several Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises of Cultural System Reform (Announcement of the MoF, State Administration of Taxation and Publicity Department No. 71 of 2023), the Announcement on the List of the First Batch of State-transformed Cultural Enterprises (Liang Cai Fa Shui [2021] No. 4) and the Announcement on Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises of Cultural System Reform (Announcement of the MoF, State Administration of Taxation and Publicity Department No. 20 of 2024) issued by the MoF, State Administration of Taxation and Publicity Department, Liangshanzhou Xinhua Bookstore Co., Ltd. (“**Liangshanzhou Xinhua Bookstore**”), a subsidiary of the Company, was entitled to the enterprise income tax exemption policy from 1 January 2021 to 31 December 2027.

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

Value-added tax

Pursuant to Notice on Renewing the Implementation of Promoting Cultural Value-added Tax Preferential Policies (Announcement of MoF and the State Administration of Taxation No. 60 of 2023) issued by the MoF and the State Administration of Taxation, for the period from 1 January 2024 to 31 December 2027, 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 were entitled to preferential policy of 100% reimbursement of value-added tax during publishing phase; apart from the above publications that were entitled to preferential policy of 100% reimbursement of value-added tax, other publications such as books, journals, audio-visual products and electronic publications were entitled to preferential policy of 50% reimbursement of value-added tax during publishing phase; and the book wholesale and retail business was entitled to exemption from value-added tax.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

In 2024, the Group implemented the relevant regulations and guidelines of the ASBE issued by the MoF in recent years, mainly including:

- The provisions on “Classification of Current Liabilities and Non-current Liabilities” in the ASBE Interpretation No. 17 (Cai Kuai [2023] No. 21);
- The provisions on “Accounting Treatment for Warranty-type Quality Guarantees that do not Belong to Individual Performance Obligations” in the ASBE Interpretation No. 18 (Cai Kuai [2024] No. 24).

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

5. CASH AND BANK BALANCES

RMB

Item	31 December 2024			31 December 2023		
	Amounts of the original currencies	Exchange rate	Amount in RMB	Amounts of the original currencies	Exchange rate	Amount in RMB
Cash on hand:						
RMB	202,669.04	1.0000	202,669.04	179,253.14	1.0000	179,253.14
Bank balances:						
RMB (Note 1)	9,133,000,046.19	1.0000	9,133,000,046.19	9,069,239,592.57	1.0000	9,069,239,592.57
USD	19,573.09	7.1884	140,699.20	21,844.91	7.0827	154,720.94
EUR	68.69	7.5257	516.94	68.69	7.8592	539.85
HKD	73,144.44	0.9260	67,734.67	53,408.16	0.9062	48,398.47
Other currency funds:						
RMB (Note 2)	46,266,458.64	1.0000	46,266,458.64	48,041,320.55	1.0000	48,041,320.55
Total			9,179,678,124.68			9,117,663,825.52

Note 1: As at 31 December 2024, the bank balances include 3-month above term deposits amounting to RMB4,874,193,671.25 (31 December 2023: RMB4,395,140,000.00). The management held the time deposits for the period with the intention of flexible arrangement of funds and withdrew funds at any time depending on the capital needs. The bank balances include time deposits with a term exceeding 3 months and maturing within 1 year, which the management intended to hold to maturity with a principal of RMB165,000,000.00, and accrued interest calculated based on the effective interest rate method of RMB11,895,522.33.

Note 2: As at 31 December 2024, other cash and bank balances include the balances with Alipay App account, WeChat App account, E-commerce platform online store account and securities account of RMB6,066,712.58 (31 December 2023: RMB8,720,319.82), and restricted currency funds of RMB40,199,746.06. At the end of the current year, of the Group’s cash and bank balances with restricted ownership, there were: (1) security deposit for the issuance of bank acceptance bills of RMB1,143,195.20; (2) security deposit placed in bank for the issuance of guarantee letter of RMB11,711,980.02; (3) security deposit for travel service quality of Sichuan Winshare Xingzhi Study Tour Travel Agency Co., Ltd., a subsidiary of the Group, of RMB1,100,000.00; (4) special fund for housing reform and housing repair of RMB25,028,286.84; (5) bank deposits frozen as a result of the litigation of a subsidiary of the Group, of RMB1,216,284.00.

(1) Disclosure by aging

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

RMB

Provision for credit loss on an individual basis

RMB

Name of entity	31 December 2024		
	Carrying balance	Provision for credit loss	Provision percentage (%)
Customer A	125,520,987.31	122,142,336.96	97.31
Customer D	84,297,275.50	11,304,657.97	13.41
Customer E	48,182,910.56	32,962,427.48	68.41
Others	202,345,819.72	75,748,497.86	37.44
Total	460,346,993.09	242,157,920.27	52.60

Provision for credit loss on a collective basis

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

RMB

Aging	31 December 2024		
	Carrying balance	Provision for credit loss	Provision percentage (%)
Within 1 year	1,257,173,472.57	114,587,498.51	9.11
More than 1 year but not exceeding 2 years	271,646,026.44	105,610,816.79	38.88
More than 2 years but not exceeding 3 years	132,215,855.08	132,215,855.08	100.00
More than 3 years	267,551,310.41	267,551,310.41	100.00
Total	1,928,586,664.50	619,965,480.79	32.15
			1,308,621,183.71

(3) Credit loss provision made or reversed in the Year

The credit loss provision made for the Year was RMB41,339,815.14, the credit loss provision reversed was RMB8,197,148.43, and the credit loss provision for long-term receivables transferred amounted to RMB4,127,810.92.

(4) Accounts receivable actually written off for the Year

The accounts receivable written off for the Reporting Period was RMB54,994.94.

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

RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of the total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
Customer A	125,520,987.31	–	125,520,987.31	5.24	122,142,336.96
Customer B	97,838,008.38	–	97,838,008.38	4.09	1,922,922.42
Customer D	84,297,275.50	–	84,297,275.50	3.52	11,304,657.97
Customer E	48,182,910.56	19,601.27	48,202,511.83	2.01	32,962,427.48
Customer O	27,867,497.04	–	27,867,497.04	1.16	14,047,293.35
Total	<u>383,706,678.79</u>	<u>19,601.27</u>	<u>383,726,280.06</u>	<u>16.02</u>	<u>182,379,638.18</u>

The total transaction volume between the above-mentioned customers A, D, E and O and the Group in 2024 accounted for less than 0.1% of the Group's operating income.

7. OTHER RECEIVABLES

7.1 Presentation of items

RMB

Item	31 December 2024	31 December 2023
Dividend receivables	1,578,000.00	72,000.00
Other receivables	259,859,606.97	121,661,914.08
Total	261,437,606.97	121,733,914.08

7.2 Dividend receivables

RMB

Item	31 December 2024	31 December 2023
The Commercial Press (Chengdu) Co., Ltd. ("Commercial Press")	1,470,000.00	—
Sichuan Education and Science Forum Magazine Press Co., Ltd. ("Education Forum")	108,000.00	72,000.00
Total	1,578,000.00	72,000.00

7.3 Other receivables

(1) Other receivables by aging

RMB

Aging	Carrying balance as at 31 December 2024	Carrying balance as at 31 December 2023
Within 1 year	175,539,251.01	37,650,205.71
More than 1 year but not exceeding 2 years	5,784,103.73	24,417,276.66
More than 2 years but not exceeding 3 years	22,332,274.48	32,596,120.80
More than 3 years	70,227,643.87	43,062,648.80
Subtotal	273,883,273.09	137,726,251.97
Less: Provision for credit loss	14,023,666.12	16,064,337.89
Total	259,859,606.97	121,661,914.08

(2) *Disclosure by provision method of credit loss*

RMB

Category	31 December 2024				31 December 2023			
	Carrying amount		Credit loss provision		Carrying amount		Credit loss provision	
	Amount	Percentage (%)	Amount	Provision percentage (%)	Amount	Percentage (%)	Amount	Provision percentage (%)
Provision for credit loss on an individual basis	90,620,695.85	33.09	-	-	90,837,939.84	65.96	-	-
Provision for credit loss on a collective basis	183,262,577.24	66.91	14,023,666.12	7.65	46,888,312.13	34.04	16,064,337.89	34.26
Total	273,883,273.09	100.00	14,023,666.12		137,726,251.97	100.00	16,064,337.89	

Provision for credit loss on an individual basis

RMB

Name of entity	31 December 2024			Reason for provision
	Carrying balance	Provision for credit loss	Provision percentage (%)	
Deposit/security deposit/petty cash	90,620,695.85	-	-	N/A

Provision for credit loss on a collective basis

RMB

Aging	31 December 2024			Carrying value
	Carrying balance	Provision for credit loss	Provision percentage (%)	
Within 1 year	167,829,389.93	204,260.47	0.12	167,625,129.46
More than 1 year but not exceeding 2 years	1,844,221.58	230,439.92	12.50	1,613,781.66
More than 2 years but not exceeding 3 years	1,735,375.65	1,735,375.65	100.00	—
More than 3 years	11,853,590.08	11,853,590.08	100.00	—
Total	183,262,577.24	14,023,666.12	7.65	169,238,911.12

(3) Credit loss provision made or reversed in the Year

The credit loss provision made for the Year was RMB9,189,917.32, and the credit loss provision reversed was RMB11,229,589.09.

(4) Other receivables actually written off for the Year

Other receivables written off amounted to RMB1,000.00 for the Reporting Period.

(5) Other receivables presented by nature

RMB

Nature of other receivables	31 December 2024	31 December 2023
Amount due from related parties	116,478.80	116,478.80
Deposit and security deposit	89,353,221.45	89,505,996.46
Petty cash	1,267,474.40	1,331,943.38
Enterprise income tax refund receivable	129,627,012.70	—
Others	53,519,085.74	46,771,833.33
Total	273,883,273.09	137,726,251.97

(6) **Top five debtors with the largest balances of other receivables at the end of the Year**

RMB

Name of entity	Nature	Balance as at 31 December 2024	Aging	As a percentage of the total other receivables (%)	Balance of credit loss provision as at 31 December 2024
State Administration of Taxation Chengdu Jinjiang District Taxation Service	Tax refund receivable	96,577,857.26	Less than 1 year	35.26	–
Higher Education Press Co., Ltd.	Deposit/security deposit	30,000,000.00	Less than 1 year, 2-3 years, more than 3 years	10.95	–
Education Department of Tibet Autonomous Region	Deposit/security deposit	5,230,000.00	More than 3 years	1.91	–
Guangan Jiasiwei Logistics Co., Ltd.	Deposit	5,181,500.00	Less than 1 year	1.89	–
Dazhou Senior High School Peiwen School	Deposit/security deposit	3,158,938.20	More than 3 years	1.15	–
Total		<u>140,148,295.46</u>		<u>51.16</u>	

8. INVENTORIES

(1) Categories of inventories

	31 December 2024			31 December 2023			RMB
Item	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount	
Goods on hand	2,450,567,885.32	224,290,040.35	2,226,277,844.97	2,699,626,136.87	253,610,441.20	2,446,015,695.67	
Work-in-progress	167,871,078.11	–	167,871,078.11	135,593,328.09	–	135,593,328.09	
Raw materials	31,926,748.45	3,486,948.05	28,439,800.40	60,861,877.62	1,301,103.35	59,560,774.27	
Total	2,650,365,711.88	227,776,988.40	2,422,588,723.48	2,896,081,342.58	254,911,544.55	2,641,169,798.03	

There was no inventory pledged at the end of the Year.

(2) Provision for impairment of inventories

	1 January 2024	Provision for the current year	Decrease in the current year		31 December 2024	RMB
Categories of inventories			Write-off for the current year	Reversal for the current year	Other decrease	
Goods on hand	253,610,441.20	43,859,620.62	20,839,594.98	52,340,426.49	–	224,290,040.35
Raw materials	1,301,103.35	2,185,844.70	–	–	–	3,486,948.05
Total	254,911,544.55	46,045,465.32	20,839,594.98	52,340,426.49	–	227,776,988.40

Provision for impairment of inventories on group basis

RMB

Group name	31 December 2024			31 December 2023		
	Carrying amount	Provision for impairment	Proportion of provision for impairment (%)	Carrying amount	Provision for impairment	Proportion of provision for impairment (%)
Goods on hand-General books	1,859,579,869.21	139,478,045.50	7.50	2,083,005,450.42	158,652,774.47	7.62
Goods on hand-Textbooks	445,352,428.98	35,581,319.76	7.99	376,367,792.88	67,966,690.40	18.06
Goods on hand-Paper	28,917,136.02	2,983,770.82	10.32	35,679,978.46	3,046,054.48	8.54
Goods on hand-Others	116,718,451.11	46,246,904.27	39.62	204,572,915.11	23,944,921.85	11.70
Work in progress	167,871,078.11	-	-	135,593,328.09	-	-
Raw materials	31,926,748.45	3,486,948.05	10.92	60,861,877.62	1,301,103.35	2.14
Total	2,650,365,711.88	227,776,988.40		2,896,081,342.58	254,911,544.55	

9. LONG-TERM RECEIVABLES

(1) Details of long-term receivables

Item	31 December 2024			31 December 2023			Range of discount rate
	Book balance	Credit loss provision	Carrying amount	Book balance	Credit loss provision	Carrying amount	
Goods sold by installments (<i>Note</i>)	91,589,834.55	3,133,647.19	88,456,187.36	111,461,175.30	7,134,409.23	104,326,766.07	3.45%-5%
Less: Long-term receivables included in non-current assets due within one year	51,068,383.73	1,805,075.26	49,263,308.47	74,921,437.10	5,157,625.27	69,763,811.83	
Total	40,521,450.82	1,328,571.93	39,192,878.89	36,539,738.20	1,976,783.96	34,562,954.24	

Note: Receivables of goods sold by installments are the Group's receivables of sales of education informatized and equipment 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 3.45%-5% (31 December 2023: 3.65%-5%).

(2) Details of credit loss provisions

The credit loss provision made for the period was RMB14,856,518.42, the credit loss provision reversed was RMB14,729,469.54, and the credit loss provision transferred to accounts receivable amounted to RMB4,127,810.92.

10. LONG-TERM EQUITY INVESTMENTS

(1) Summary of long-term equity investments:

<i>RMB</i>		
Item	31 December 2024	31 December 2023
Book balance of long-term equity investments	812,969,446.27	778,128,364.29
Less: Provision for impairment of long-term equity investments	6,647,345.57	6,647,345.57
Carrying amount of long-term equity investments	<u>806,322,100.70</u>	<u>771,481,018.72</u>

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

Investee	1 January 2024	Changes for the current year					31 December 2024	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			Distribution of cash dividends or profits declared	Provision for impairment loss
I. Joint Ventures										
Hainan Publishing House Co., Ltd.	298,746,253.56	-	-	39,303,439.93	-	-	-	-	338,049,693.49	-
Sichuan Fudou Technology Co., Ltd. ("Fudou Technology")	-	-	-	-	-	-	-	-	-	-
Sanya Xuancui Venture Capital Investment Fund Management Co., Ltd. ("Sanya Xuancui") (Note 1)	4,981,850.94	-	-	(280,576.44)	-	-	(1,600,000.00)	-	3,101,274.50	-
Subtotal	303,728,104.50	-	-	39,022,863.49	-	-	(1,600,000.00)	-	341,150,967.99	-
II. Associates										
Sichuan Winshare BLOGIS Supply Chain Co., Ltd. ("Winshare BLOGIS") (Note 2)	46,150,974.36	-	-	1,007,263.34	-	-	-	-	47,158,237.70	-
Commercial Press	4,662,316.69	-	-	616,747.39	-	-	(1,470,000.00)	-	3,809,064.08	-
Ren Min Eastern (Beijing) Book Industry Co., Ltd.	7,959,776.74	-	-	(505,637.81)	-	-	-	-	7,454,138.93	-
Guizhou Xinhua Winshare Book Audio-Visual Product Chainstore Co., Ltd. ("Guizhou Winshare")	-	-	-	-	-	-	-	-	-	-
Ming Bo Education Technology Holdings Co., Ltd.	9,469,749.55	-	-	20,270.29	-	-	-	-	9,490,019.84	-
Shanghai Jingjie Information Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Sichuan Centennial Preschool Educational Management Co., Ltd.	6,264,056.63	-	-	(505,989.23)	-	-	-	-	5,758,067.40	(1,604,619.30)
Chengdu Winshare Venture Capital Investment Fund Management Co., Ltd.	22,941,231.37	-	-	(842,869.50)	-	-	(960,000.00)	-	21,138,361.87	-

RMB

RMB

Changes for the current year

Investee	1 January 2024	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	31 December 2024	Closing balance of provision for impairment
Education Forum	1,486,532.86	-	-	87,531.95	-	-	(36,000.00)	-	-	1,538,064.81	-
Fuzhou Winshare Technology Partnership (Limited Partnership) ("Fuzhou Winshare") (Note 3)	4,670,233.08	-	-	(910,645.25)	-	-	(585,915.50)	-	-	3,173,672.33	-
Sichuan Jiaoyang Shuo Film Co., Ltd.	125,591.57	-	-	-	-	-	-	-	-	125,591.57	-
Xinhua Yingxuan (Beijing) Screen Culture Co., Ltd.	-	-	-	-	-	-	-	-	-	-	(5,042,726.27)
("Xinhua Yingxuan")	-	-	-	-	-	-	-	-	-	-	-
Tianjin Tianxi Zhongda Cultural Development Co., Ltd. ("Tianxi Zhongda") (Note 4)	21,801,177.68	-	-	1,855,027.94	-	-	-	-	-	23,656,205.62	-
Huaxuan Yinshi (Beijing) Cultural Communication Co., Ltd. ("Huaxuan Yinshi") (Note 5)	538,292.30	-	-	34,962.94	-	-	(28,000.00)	-	-	545,255.24	-
Hainan Phoenix Xinhua Publishing and Distribution Co., Ltd. ("Hainan Phoenix") (Note 6)	336,629,133.67	-	-	10,673,504.03	-	-	(16,700,671.32)	-	-	330,601,966.38	-
Sichuan Cuiya Education Technology Co., Ltd.	-	-	-	96,870.47	-	-	-	-	-	96,870.47	-
("Cuiya Education") (Note 7)	-	-	-	-	-	-	-	-	-	-	-
Sichuan Digital World Culture Technology Co., Ltd.	5,053,847.72	4,900,000.00	-	671,768.75	-	-	-	-	-	10,625,616.47	-
("Digital World") (Note 8)	-	-	-	-	-	-	-	-	-	-	-
Subtotal	467,752,914.22	4,900,000.00	-	12,298,805.31	-	-	(19,780,586.82)	-	-	465,171,132.71	(6,647,345.57)
Total	771,481,018.72	4,900,000.00	-	51,321,668.80	-	-	(21,380,586.82)	-	-	806,322,100.70	(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 June 2017, Sichuan Xinhua Winshare Logistics Co., Ltd. (former name: Sichuan Wenchuan Logistics Co., Ltd.) (“**Winshare Logistics**”), a subsidiary of the Company, entered into an investment agreement with BLOGIS Holdings Limited and Chengdu Longchuang Investment Management Center (Limited Partnership) to jointly establish Winshare BLOGIS with a shareholding proportion of 45%, 40% and 15%, respectively. On 20 April 2023, Winshare Logistics transferred 45% of the equity interests in Winshare BLOGIS it held to the Company at RMB46,234,600.00. According to the latest articles of association of Winshare BLOGIS, the resolutions of Winshare BLOGIS on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses plans etc. must be approved by the shareholders representing more than 50% of the voting power. Therefore, Winshare BLOGIS is an associate of the Group.
- Note 3:* As a limited partner, Winshare Investment, a subsidiary of the Company, contributed 56.34% of the total subscribed capital to Fuzhou Winshare. According to the partnership agreement of Fuzhou Winshare, the investment decision-making committee is responsible for the decision of fund projects. Winshare Investment holds 25% of the voting rights in the investment decision-making committee, by which it can exert significant influence on Fuzhou Winshare. Therefore, Fuzhou Winshare is an associate of the Group.
- Note 4:* In July 2019, Sichuan Tiandi Publishing House Co., Ltd. (“**Tiandi Publishing House**”), a subsidiary of the Company, and Shanghai Ximalaya Network Technology Co., Ltd. (“**Shanghai Ximalaya**”) entered into an investment agreement, jointly establishing Tianxi Zhongda, with a shareholding proportion of 40% and 60% respectively. In 2020, Shanghai Ximalaya transferred 5% of the equity interests of Tianxi Zhongda it held to Huang Wenhua. In June 2021, Shanghai Ximalaya transferred 55% of the equity interests of Tianxi Zhongda it held to Shanghai Xizhao Network Technology Co., Ltd. According to the latest articles of association of Tianxi Zhongda, the resolutions of Tianxi Zhongda on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses plans etc. must be approved by the shareholders representing more than 50% of the voting power. Therefore, Tianxi Zhongda is an associate of the Group.

- Note 5:* In August 2019, the Company entered into an investment agreement with Beijing Guoling Smart Health and Elderly Care Industry Development Centre and Fenglinhong (Beijing) Cultural Communication Co., Ltd., jointly establishing Huaxuan Yinshi, with a shareholding proportion of 40%, 30% and 30% respectively. According to the articles of association, the resolutions of Huaxuan Yinshi on the events such as annual financial budget plan, final accounting plan, profit distribution and making up losses plans etc. must be approved by the shareholders representing more than 50% of the voting power. Therefore, Huaxuan Yinshi is an associate of the Group.
- Note 6:* On 30 December 2020, Hainan Xinhua Bookstore Group Co., Ltd. transferred 25% equity interests in Hainan Phoenix to the Company by way of transfer under an agreement. According to the articles of association of Hainan Phoenix, the Company has appointed two directors to Hainan Phoenix and is able to exercise significant influence over Hainan Phoenix. Therefore, Hainan Phoenix is an associate of the Group.
- Note 7:* On 14 July 2021, the Company entered into an investment agreement with Sichuan Magic Cloud Technology Co., Ltd., Sichuan Daily Newspaper Network Media Development Company Limited, Chengdu Lianxiang Future Technology Partnership (Limited Partnership), Sichuan Cable Radio and Television Network Co., Ltd. and Sichuan Rennixue Education Technology Co., Ltd., jointly establishing Cuiya Education, with a shareholding proportion of 18%, 34%, 18%, 15%, 11% and 4% respectively. According to the articles of association of Cuiya Education, the Company has appointed one director to Cuiya Education. The chairman of the board of directors shall be recommended by the Company and elected and removed by more than half of the directors of the board of directors. As the Company is able to exercise significant influence over Cuiya Education, Cuiya Education is an associate of the Group.
- Note 8:* On 12 March 2023, Sichuan Digital Publishing Co., Ltd., a subsidiary of the Company, and Sichuan New Media Group Co., Ltd. jointly established Digital World, with the shareholding ratios of the two parties being 49% and 51%, respectively. According to the articles of association of Digital World, the Group has appointed a director to Digital World, and can exert significant influence on Digital World. Therefore, Digital World is an associate of the Group.

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

RMB

Item	31 December 2024		31 December 2023	
	Unrecognized investment losses for the current year	Accumulated unrecognized investment losses	Unrecognized investment losses for the current year	Accumulated unrecognized investment losses
Guizhou Winshare	–	5,557,990.70	–	5,557,990.70
Fudou Technology	273,977.79	4,381,733.36	520,055.33	4,107,755.57
Cuiya Education	(2,737.51)	–	(95,946.05)	2,737.51
Xinhua Yingxuan	14,996,970.24	31,115,971.50	15,322,580.56	16,119,001.26
Total	15,268,210.52	41,055,695.56	15,746,689.84	25,787,485.04

11. OTHER EQUITY INSTRUMENT INVESTMENTS

(1) Details of other equity instruments investments

RMB

Item	Changes in the current year					Dividend income recognized in the current year	Accumulated gain included in other comprehensive income	Accumulated loss included in other comprehensive income	Reason for FVTOCI designation
	Balance as at 1 January 2024	Increase in investment	Decrease in investment	Gain included in other comprehensive income for the current year	Loss included in other comprehensive income for the current year	Others	Balance as at 31 December 2024		
Anhui Xinhua Media Co., Ltd. ("Van Xin Media")	866,248,000.00	-	-	48,609,600.00	-	-	914,857,600.00	728,442,272.00	-
Jiangsu Haogong Intelligent Robot Co., Ltd. ("HGZN")	528,195.93	-	-	-	90,048.67	-	438,147.26	-	The investment is not held for the purpose of selling it in the near term for short-term gains.
Bank of Chengdu Co., Ltd. ("Bank of Chengdu")	900,800,000.00	-	-	468,000,000.00	-	-	1,368,800,000.00	1,128,800,000.00	
Others	375,393.81	-	-	-	-	-	375,393.81	-	
Total	1,767,951,589.74	-	-	516,609,600.00	90,048.67	-	2,284,471,141.07	1,857,242,272.00	1,992,108.93

(2) There was no derecognition in the current year.

12. OTHER NON-CURRENT FINANCIAL ASSETS

RMB

Item	31 December 2024	31 December 2023
Citic Buyout Investment Fund (Shenzhen) Partnership (Limited Partnership) ("CITIC Buyout Fund") (Note 1)	54,735,996.10	73,747,350.58
Winshare Hengxin (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) (Note 2)	37,271,655.94	44,208,480.95
Qingdao Goldstone Zhixin Investment Center (Limited Partnership) (Note 3)	110,225.19	293,410.55
Ningbo Meishan Free Trade Port Winshare Dingsheng Equity Investment Partnership (Limited Partnership) ("Winshare Dingsheng") (Note 4)	77,397,665.02	77,426,838.97
Xinhua Internet E-commerce Co., Ltd. ("Xinhua Internet") (Note 5)	1,055,422.24	3,000,000.00
Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership) (Note 6)	39,898,387.42	39,939,517.81
Goldstone Growth Equity Investment (Hangzhou) Partnership (Limited Partnership) (Note 7)	31,263,184.99	29,927,440.57
CICC Qichen Phase II (Wuxi) Emerging Industry Equity Investment Fund Partnership (Limited Partnership) ("CICC Qichen") (Note 8)	119,730,029.16	122,853,320.14
Sinopec Marketing Co., Ltd. ("Sinopec Marketing Company")(Note 9)	61,365,524.00	57,686,589.45
Total	422,828,090.06	449,082,949.02

Note 1: Losses from changes in fair values for 2024 were RMB4,010,872.57 (2023: losses of RMB28,850,254.10), and the recovery of the exit money due to liquidation of investment project totaled RMB15,000,481.91 (2023: RMB31,877,636.39).

Note 2: Losses from changes in fair values for 2024 were RMB6,936,825.01 (2023: gains of RMB29,952,477.91), and the recovery of the exit money due to liquidation of investment project totaled RMB0 (2023: RMB127,687,257.39).

Note 3: The fund was in liquidation. In 2023, the fund transferred the equity interest it held in Sinopec Marketing Company to Winshare Investment. Losses from changes in fair values for the current period were RMB183,185.36.

Note 4: Gains from changes in fair values for 2024 were RMB177,403.60 (2023: losses of RMB27,659,333.65), new investment cost amounted to RMB0 (2023: RMB28,420,265.77) and the recovery of the exit money due to liquidation of investment project amounted to RMB206,577.55 (2023: RMB20,403,332.08).

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 1.39%. Losses from changes in fair value for 2024 were RMB1,944,577.76.

Note 6: On 1 August 2023, the Company entered into a partnership agreement to invest RMB40,000,000.00 in Sichuan Culture Investment Jinwen Equity Investment Fund Partnership (Limited Partnership), holding 19.90% subscription ratio of its limited partner interest. Losses from changes in fair value for the current year were RMB41,130.39.

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

Note 7: On 21 July 2023, Winshare Investment, a subsidiary of the Company, signed a partnership agreement to invest RMB30,000,000.00 in Goldstone Growth Equity Investment (Hangzhou) Partnership (Limited Partnership), holding 3.05% subscription ratio of its limited partner shares. Gains from changes in fair value for the current year were RMB1,335,744.42.

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

Note 8: On 18 April 2023, Winshare Investment, a subsidiary of the Company, signed a partnership agreement to invest in CICC Qichen at an amount of RMB120,000,000.00, holding 8.73% subscription ratio of its limited partner share. In the current year, losses from changes in fair value were RMB2,030,933.43, and liquidation and exit funds of RMB1,092,357.55 (2023: RMB0) were recovered from the investment project.

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

Note 9: Gains from changes in fair value for 2024 were RMB3,678,934.55.

13. FIXED ASSETS

(1) Fixed assets

RMB

Item	Buildings	Machinery and equipment	Electronic equipment and others	Transportation vehicles	Total
Cost as at 31 December 2024	3,109,175,860.92	369,163,859.86	220,236,037.74	124,719,000.82	3,823,294,759.34
Accumulated depreciation as at 31 December 2024	929,678,037.97	280,291,095.84	168,210,352.58	85,383,776.91	1,463,563,263.30
Provision for impairment of fixed assets as at 31 December 2024	15,996.52	–	–	–	15,996.52
Carrying amount as at 31 December 2024	2,179,481,826.43	88,872,764.02	52,025,685.16	39,335,223.91	2,359,715,499.52

(2) As at the end of the Reporting Period, fixed assets of which certificates of title have not been obtained amounted to RMB155,328,186.11 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. GOODWILL

(1) Cost of goodwill

RMB

Name of the investee or item resulting in goodwill	1 January 2024	Increase in the current year Incurred by business combination	Decrease in the current year Changes in scope of consolidation	31 December 2024
Acquisitions of fifteen publishing companies	500,571,581.14	–	–	500,571,581.14
Acquisition of Liangshanzhou Xinhua Bookstore	122,081,326.10	–	–	122,081,326.10
Others	544,629.46	–	–	544,629.46
Total	623,197,536.70	–	–	623,197,536.70

(2) Provision for impairment loss of goodwill

RMB

Name of the investee or item resulting in goodwill	1 January 2024	Increase in the current year Incurred by business combination	Decrease in the current year Changes in scope of consolidation	31 December 2024
Acquisitions of fifteen publishing companies	-	-	-	-
Acquisition of Liangshanzhou Xinhua Bookstore	-	-	-	-
Others	544,629.46	-	-	544,629.46
Total	544,629.46	-	-	544,629.46

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

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

(4) Detailed determination method of recoverable amount

The recoverable amount is determined according to the present value of the expected future cash flow

RMB

Item	Carrying value (Note 1)	Recoverable amount	Impairment amount	Forecast period	Key parameters of forecast period (growth rate, profit margin, etc.) (Note 2)	Basis for the determination of parameters of forecast period	Key parameters of stable period (growth rate, profit margin, discount rate, etc.)	Basis for the determination of key parameters of stable period
Three of the fifteen publishing companies	3,161,660,395.29	5,038,114,133.39	-	5 years	Growth rate: -8%-3% Profit margin: 34.07%-40.64%	Determined based on the performance achieved in the previous five years of the historical years (2020 to 2024)	Growth rate: 1% Profit margin: 35.01% Discount rate: 13%-14%	The growth rate and profit margin are consistent with the last forecast year; the discount rate is formulated based on the specific risks of the publishing business.
Liangshanzhou Xinhua Bookstore	1,069,727,888.10	1,472,477,593.17	-	5 years	Growth rate: 1%-2% Profit margin: 21.39%-28.61%	Determined based on the performance achieved in the previous five years of the historical years (2020 to 2024)	Growth rate: 1% Profit margin: 21.39% Discount rate: 13%-14%	The growth rate and profit margin are consistent with the last forecast year; the discount rate is formulated based on the specific risks of the textbooks and supplementary materials distribution and general books sale business.
Total	4,231,388,283.39	6,510,591,726.56	-					

Notes:

1. Carrying value is the amount of an asset or an asset group with goodwill included.

2. Mainly affected by factors including the adjustments of national education policies and internal business adjustment, it is expected that the revenue of the asset group “three of the fifteen publishing companies” will decrease by 8% in 2025, and the growth rate of revenue will be 2%-3% from 2026 to 2029.

15. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

(1) Deferred tax assets not yet offset

RMB

Item	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	31,818,343.56	7,215,301.85	808,139,056.44	124,465,419.71
Employee benefits payable	-	-	60,774,016.72	9,116,102.51
Deferred income	-	-	32,457,656.43	4,868,648.46
Expected returns of goods	-	-	117,788,324.69	17,668,248.70
Lease liabilities	37,429,271.34	5,614,390.70	308,430,484.50	46,264,572.68
Total	69,247,614.90	12,829,692.55	1,327,589,538.78	202,382,992.06

Note: In accordance with the Announcement on the Continuous Implementation of Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises of Cultural System Reform (Cai Shui [2023] No. 71) issued by the MoF, State Taxation Administration and Publicity Department, in 2023, the management of the Group expected that the Company and its subsidiaries, Beijing Shuchuan, Xinhua Online, Sichuan Cultural Communication and the Company's thirteen publishing units would no longer enjoy enterprise income tax exemption from 1 January 2024. Accordingly, the management of the Group recognized deferred tax assets and deferred tax liabilities respectively for the temporary differences of the above-mentioned companies according to their future applicable tax rate of 15%.

On 6 December 2024, the MoF, State Administration of Taxation and Publicity Department issued the Announcement on Tax Policies for the Transformation of Operating Cultural Institutions into Enterprises of Cultural System Reform (Announcement of the MoF, State Administration of Taxation and Publicity Department No. 20 of 2024), pursuant to which the Company and its subsidiaries, Beijing Shuchuan, Xinhua Online, Sichuan Cultural Communication and the Company's fourteen publishing units enjoy enterprise income tax exemption from the registration date of transformation until 31 December 2027. Accordingly, the abovementioned companies is expected to reverse the corresponding deferred tax assets and deferred tax liabilities from the temporary differences realized before 31 December 2027.

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

RMB

Item	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax liabilities	Deductible temporary differences	Deferred tax liabilities
Asset valuation appreciation due to business combination not involving enterprises under common control	61,260,903.66	15,315,225.91	64,981,412.98	16,245,353.24
Changes in the fair value of other equity instrument investments	138,879.88	34,719.97	1,340,861,600.62	201,152,132.96
Changes in the fair value of other non-current financial assets	5,604,886.57	1,401,221.64	54,442,851.30	9,122,802.48
Asset valuation appreciation of subsidiaries due to restructuring (Note)	192,399,633.76	48,099,908.44	207,635,209.00	51,908,802.25
Right-of-use assets	37,429,271.34	5,614,390.70	283,367,159.00	42,505,073.85
Investment in associates accounted for using the equity method	-	-	220,314,312.23	33,047,146.83
Refund costs receivable	-	-	104,169,454.67	15,625,418.19
Others	41,593.64	10,398.41	210,752.30	10,816.01
Total	296,875,168.85	70,475,865.07	2,275,982,752.10	369,617,545.81

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

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

RMB

Item	Offsetting amount of deferred tax assets and liabilities at the end of the current year	Balance of deferred tax assets or liabilities, net of offsetting amount, at the end of the current year	Offsetting amount of deferred tax assets and liabilities at the beginning of the current year	Balance of deferred tax assets or liabilities, net of offsetting amount, at the beginning of the current year
Deferred tax assets	5,614,390.70	7,215,301.85	151,981,738.44	50,401,253.62
Deferred tax liabilities	5,614,390.70	64,861,474.37	151,981,738.44	217,635,807.37

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

RMB

Item	31 December 2024	31 December 2023
Deductible temporary differences	704,437,478.80	667,962,551.16
Deductible taxable losses	112,939,364.59	135,859,733.81
Total	817,376,843.39	803,822,284.97

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

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

RMB

Year	31 December 2024	31 December 2023
2024	–	25,586,383.06
2025	13,721,486.61	16,809,175.90
2026	18,151,489.04	21,407,684.45
2027	19,894,932.07	34,581,267.42
2028	37,475,222.98	37,475,222.98
2029	23,696,233.89	–
Total	112,939,364.59	135,859,733.81

16. OTHER NON-CURRENT ASSETS

RMB

Item	31 December 2024	31 December 2023
VAT input tax to be deducted	–	8,670,076.79
Prepaid purchase price for property	–	41,875,311.40
Term deposits and bank certificates of large amount deposit (<i>Note</i>)	1,930,007,651.28	756,272,309.80
Quality guarantee money	11,067,468.46	13,497,664.54
Prepaid price for equipment	19,554,798.00	9,761,080.00
Others	41,085,829.79	35,355,838.00
Total	2,001,715,747.53	865,432,280.53

Note: Time deposits and bank certificates of large amount deposit and interests that the Group does not intend to withdraw in advance within one year, with corresponding interest rates ranging 2.15%-3.55% (31 December 2023: 2.90%-3.55%).

17. ACCOUNTS PAYABLE

Details of aging analysis of accounts payable are as follows:

<i>RMB</i>		
Item	31 December 2024	31 December 2023
Within 1 year	4,281,192,649.53	4,146,690,498.29
More than 1 year but not exceeding 2 years	529,920,928.25	719,572,866.87
More than 2 years but not exceeding 3 years	186,994,251.27	260,061,257.71
More than 3 years	454,924,646.54	343,733,473.89
Total	5,453,032,475.59	5,470,058,096.76

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.

18. CONTRACT LIABILITIES

(1) Presentation of contract liabilities

<i>RMB</i>		
Item	31 December 2024	31 December 2023
Advanced receipts for sold goods	603,137,849.05	607,247,731.49
Membership card points	730,016.64	614,096.99
Total	603,867,865.69	607,861,828.48

- (2) The important contract liabilities aged over 1 year were mainly pre-stored recharge cards amounted to RMB302,918,723.09.

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

RMB

Item	Amount of changes	Reason for change
Advanced receipts for sold goods	304,329,008.40	Revenue recognized for the amount included in the opening carrying amount of contract liabilities
Advanced receipts for sold goods	300,219,125.96	Amount increased due to cash received

(4) **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.

19. OTHER PAYABLES

(1) **Total other payables**

RMB

Item	31 December 2024	31 December 2023
Dividend payables	–	222,091,380.00
Other payables	308,454,407.85	342,084,724.54
Total	308,454,407.85	564,176,104.54

(2) Dividend payables

RMB

Item	31 December 2024	31 December 2023
Dividend payables – Chengdu Huasheng (Group) Industry Co., Ltd.	–	9,600,480.00
Dividend payables – Sichuan Xinhua Publishing and Distribution Group	–	95,794,610.94
Dividend payables – Other A Shareholders	–	37,147,611.06
Dividend payables – Other H Shareholders	–	79,548,678.00
Total	–	222,091,380.00

(3) Other payables by nature

RMB

Item	31 December 2024	31 December 2023
Amounts due to related parties	5,828,100.16	7,455,829.98
Security deposit/deposit/quality warranty/ performance security	74,788,528.47	90,104,757.33
Construction and infrastructure construction expenses	41,613,253.23	39,583,858.78
Amounts due to/from other entities	4,193,341.42	6,844,834.63
Others	182,031,184.57	198,095,443.82
Total	308,454,407.85	342,084,724.54

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

20. SHARE CAPITAL

RMB

Item	1 January 2024	Changes for the current year				Subtotal	31 December 2024
		Issue of new shares	Bonus issue	Capitalization of surplus reserve	Others		
Total number of shares	1,233,841,000.00	-	-	-	-	-	1,233,841,000.00

21. RETAINED PROFITS

RMB

Item	2024	2023	Proportion of appropriation or distribution
Retained profits at the beginning of the year	6,881,030,888.86	6,083,770,928.98	
Add: Net profit attributable to shareholders of the parent for the current year	1,544,856,196.33	1,579,146,004.64	
Less: Appropriation to statutory surplus reserve	136,435,073.52	140,288,724.76	(1)
Distribution of dividends on ordinary shares	727,966,190.00	641,597,320.00	(2)
Retained profits at the end of the year	7,561,485,821.67	6,881,030,888.86	(3)

(1) Appropriation to statutory surplus reserve

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

(2) Cash dividends approved at shareholders' meeting

On 21 May 2024, the resolution regarding the Company's 2023 Annual Profit Distribution Proposal was approved at 2023 annual general meeting of the Company. The profit distribution was based on the Company's total share capital of 1,233,841,000 shares before the implementation of the proposal. The cash dividend per share was RMB0.40 (tax-inclusive). On 16 October 2024, the resolution regarding the Company's 2024 Interim Profit Distribution Proposal was approved at 2024 first extraordinary general meeting of the Company. The profit distribution was based on the Company's total share capital of 1,233,841,000 shares before the implementation of the proposal. The cash dividend per share was RMB0.19 (tax-inclusive).

(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 RMB182,982,907.55 (31 December 2023: RMB182,108,211.63) appropriated to subsidiaries.

22. OPERATING INCOME AND OPERATING COSTS

(1) Classification

Item	RMB	
	2024	2023
Operating income from main business (<i>Note 1</i>)	12,148,425,666.72	11,689,548,656.46
Other operating income (<i>Note 2</i>)	180,088,225.57	178,941,768.73
Total operating income	12,328,513,892.29	11,868,490,425.19
Operating costs of main business	7,785,810,419.98	7,335,035,882.02
Other operating costs	16,866,410.04	18,141,282.38
Total operating costs	7,802,676,830.02	7,353,177,164.40

Note 1: Included in operating income from main business was sales revenue of books and publications of RMB11,036,326,687.03 (2023: RMB10,667,057,103.17).

Note 2: Included in other operating income was commissions from concessionaire sales of RMB29,117,048.20. Among which, gross revenue from concessionaire sales was RMB218,883,072.35 and gross cost from concessionaire sales was RMB189,766,024.15 (2023: commissions from concessionaire sales of RMB30,784,987.39. Among which, gross revenue from concessionaire sales was RMB219,302,094.76 and gross cost from concessionaire sales was RMB188,517,107.37).

(2) Income incurred by contracts is as follows:

RMB

Sub-channel	Operating income of the main business		Operating costs of the main business	
	2024	2023	2024	2023
I. Publication segment				
Textbooks and supplementary materials	1,463,887,374.56	1,556,271,062.60	833,086,241.66	897,538,938.66
General books	1,096,817,629.26	1,008,286,358.42	830,122,455.46	753,499,264.25
Printing and supplies	305,154,372.65	350,284,808.10	266,841,821.86	311,644,684.79
Newspapers and journals	54,650,009.54	52,413,052.22	31,430,288.08	27,700,888.19
Others	59,749,966.00	20,202,146.52	41,814,863.45	8,860,439.42
Subtotal	2,980,259,352.01	2,987,457,427.86	2,003,295,670.51	1,999,244,215.31
II. Distribution segment				
Textbooks and supplementary materials	4,385,168,212.78	4,612,499,335.07	2,784,456,848.57	2,843,675,739.34
General books	6,034,041,676.62	5,522,469,769.30	4,407,347,262.80	4,005,050,825.24
Education informatized and others	447,804,772.89	352,000,531.99	363,460,642.83	276,714,387.10
Subtotal	10,867,014,662.29	10,486,969,636.36	7,555,264,754.20	7,125,440,951.68
III. Others	439,467,392.40	433,181,626.51	372,440,388.52	379,833,831.95
Less: Inter-segment elimination	2,138,315,739.98	2,218,060,034.27	2,145,190,393.25	2,169,483,116.92
Total	12,148,425,666.72	11,689,548,656.46	7,785,810,419.98	7,335,035,882.02

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

(3) Details of performance obligation

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

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

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

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

23. SEGMENT REPORTING

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into two reporting segments, 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:	Mainly the provision of textbooks to schools, teachers and students, and education informatized and equipment business for primary and secondary schools, retailing, distribution and online sales of publications, etc.

Other segment of the Group covers provision of capital operations, logistic 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

2024

RMB

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
Operating income from main business	2,980,259,352.01	10,867,014,662.29	439,467,392.40	-	(2,138,315,739.98)	12,148,425,666.72
Operating costs of main business	2,003,295,670.51	7,555,264,754.20	372,440,388.52	-	(2,145,190,393.25)	7,785,810,419.98
Total assets	7,255,856,748.06	15,848,685,396.89	1,147,038,500.76	2,399,133,785.00	(3,752,011,070.44)	22,898,703,360.27
Total liabilities	1,716,979,151.60	9,170,353,843.83	507,862,229.20	80,972,755.00	(3,584,393,667.77)	7,891,774,311.86

2023

RMB

	Publication segment	Distribution segment	Others	Unallocated items	Inter-segment eliminations	Total
Operating income from main business	2,987,457,427.86	10,486,969,636.36	433,181,626.51	-	(2,218,060,034.27)	11,689,548,656.46
Operating costs of main business	1,999,244,215.31	7,125,440,951.68	379,833,831.95	-	(2,169,483,116.92)	7,335,035,882.02
Total assets	8,599,795,205.59	14,771,031,767.39	1,198,050,642.51	1,816,904,624.17	(4,598,218,865.34)	21,787,563,374.32
Total liabilities	3,506,818,267.08	8,318,972,628.12	505,786,859.34	441,797,316.49	(4,399,967,867.82)	8,373,407,203.21

(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 2024 is RMB1,095,796,708.91 (2023: RMB1,065,063,854.18), 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 2024 and 2023.

Inter-segment transfers are measured on the basis of prices negotiated between different segment entities. Segment revenue and segment expenses are determined on the basis of actual revenue and expenses of each segment. Segment assets and liabilities are allocated according to the attributable assets employed by a segment in its operating activities and the attributable liabilities resulting from the operating activities of a segment.

24. INCOME TAX EXPENSES

<i>RMB</i>		
Item	31 December 2024	31 December 2023
Current tax calculated according to tax laws and relevant requirements	12,781,253.15	19,419,803.82
Tax filing differences	954,164.40	(860,757.28)
Deferred income tax expenses	91,529,031.74	(83,737,290.69)
Total	105,264,449.29	(65,178,244.15)

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

<i>RMB</i>		
Item	2024	2023
Accounting profit	1,708,926,123.14	1,563,172,061.16
Income tax expenses calculated at 25%	427,231,530.79	390,793,015.29
Tax concessions	(428,952,735.31)	(457,515,429.89)
Effect of non-deductible expenses	1,797,903.84	25,205,652.66
Effect of non-assessable income	(1,348,504.40)	(21,655,990.99)
Effect of utilization of deductible losses for which no deferred income tax asset was recognized in the prior period	(1,067,680.29)	(2,439,038.06)
Effect of utilization of deductible temporary differences for which no deferred income tax asset was recognized in the prior period	(318,298.49)	(8,000,173.29)
Effect of deductible temporary differences or deductible losses for which no deferred income tax asset was recognized during the current year	13,633,192.37	123,110,830.17
Tax filing differences	954,164.40	(860,757.28)
Tax effect of tax rate adjustment on the balance of deferred tax assets and deferred tax liabilities at the beginning of the period	93,334,876.38	(113,816,352.76)
Total	105,264,449.29	(65,178,244.15)

25. OTHER COMPREHENSIVE INCOME

<i>RMB</i>						
Item	1 January 2024	Changes for the current year			Less: Other comprehensive income that is transferred to retained earnings	31 December 2024
		Amount before income tax for the current year	Less: Income tax expenses	Post-tax amount attributable to the owner of the parent	Post-tax amount attributable to the non-controlling shareholders	
Changes in fair value of other equity instrument investments	1,137,699,551.17	516,519,551.33	(201,117,412.97)	717,636,964.30	-	1,855,336,515.47

26. CALCULATION PROCESS OF BASIC EARNINGS PER SHARE

For the purpose of calculating basic earnings per share, net profit for the current period attributable to ordinary shareholders is as follows:

	<i>RMB</i>	
	2024	2023
Net profit for the current period attributable to ordinary shareholders	1,544,856,196.33	1,579,146,004.64
Including: Net profit from continuing operations	1,544,856,196.33	1,579,146,004.64

For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process is as follows:

	<i>Number of shares</i>	
	2024	2023
Number of ordinary shares outstanding at the beginning of year	1,233,841,000.00	1,233,841,000.00
Number of ordinary shares outstanding at the end of year	1,233,841,000.00	1,233,841,000.00

Earnings per share:

	<i>RMB</i>	
	2024	2023
Net profit for the current period attributable to ordinary shareholders divided by number of ordinary shares outstanding at the end of year	1.25	1.28
Net profit for the current period attributable to ordinary shareholders and attributable to continuing operation divided by number of ordinary shares outstanding at the end of year	1.25	1.28

The Company has no dilutive potential ordinary shares.

27. EVENTS AFTER THE BALANCE SHEET DATE

At the board meeting held on 27 March 2025, the resolution regarding the profit distribution for 2024 was passed where the undistributed profit at the end of 2024 would be distributed at the price of RMB0.41 (tax inclusive) and the proposed dividend amounted to RMB505,874,810.00 (tax inclusive). The resolution shall take effect upon obtaining approval at the annual general meeting for 2024 to be held in May 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW

Industry Overview

In 2024, the central and local governments introduced a series of policies and measures to support cultural enterprises and boost cultural consumption, further enhancing confidence in the cultural industry's development. General Secretary Xi Jinping delivered an important speech at the 11th group study session of the Political Bureau of the 20th CPC Central Committee, pointing out that the development of new productive forces was an intrinsic requirement and an important focus for promoting high-quality development. It provided fundamental compliance and action guidelines for the publishing industry to accelerate the development of new productive forces and promote high-quality development. The Third Plenary Session of the 20th Central Committee of the Communist Party of China made systematic arrangements for deepening the reform of cultural systems and mechanisms and the reform of state-owned assets and state-owned enterprises to further stimulate the strong vitality of cultural innovation and creation and encourage the publishing industry to accelerate the improvement of management systems and production and operation mechanisms. "National reading" was included in the government work report for the eleventh time. From the initial "promoting national reading" to "deepening national reading activities", the importance of "national reading" has further increased. The release of preferential tax policies for restructured cultural enterprises continued to reduce taxes and burdens on cultural enterprises.

According to the monitoring data publicly published by Beijing OpenBook Co., Ltd. ("**Open Book Data**"), the overall book retail market recorded a sales value of RMB112.9 billion in 2024, representing a year-on-year decrease of 1.52%. Physical bookstores, platform e-commerce, vertical and other e-commerce platforms all showed negative growth. Content e-commerce (formerly short video e-commerce) maintained positive growth, but the growth rate has slowed down significantly. In particular, the physical bookstore channel decreased by 7.90% year-on-year, the platform e-commerce channel decreased by 12.17% year-on-year, the vertical and other e-commerce decreased by 8.51% year-on-year, and the content e-commerce channel increased by 27.61% year-on-year. In terms of sales value by channels, platform e-commerce accounted for the largest proportion, with a sales value accounting for 40.92%. Content e-commerce ranked second, with a sales value accounting for 30.38%. Vertical and other e-commerce and physical bookstores accounted for 14.70% and 13.99%, respectively.

In the new industry environment and the wave of technological revolution, the publishing industry is in a critical period of transformation and upgrading, facing unprecedented opportunities and challenges. Publishing enterprises focus on their main responsibilities and businesses, actively transform policy support into new momentum for industrial development, emphasize on enhancing core functions and core competitiveness, continue to cultivate and develop new productive forces, and solidly promote high-quality development.

Results

In 2024, the Group conscientiously implemented the decisions and arrangements of the Party Central Committee and the Sichuan Provincial Committee on the development of the cultural industry, persisted in promoting high-quality development, and strove to become the first class in the country, thereby achieving both social benefits and economic benefits.

During the Year, the Group realized operating income of RMB12,329 million, representing a year-on-year increase of 3.88%, which was mainly attributable to the sales growth of general books of the Group. Net profit amounted to RMB1,604 million, representing a year-on-year decrease of 1.52%, which was mainly attributable to changes in the enterprise income tax exemption policy, so that the Company and a number of its subsidiaries reversed the deferred income tax expenses recognized at the end of 2023.

Revenue

During the Year, the Group's revenue amounted to RMB12,329 million, representing an increase of 3.88% as compared to RMB11,868 million in the same period last year, which was mainly attributable to the sales growth of general books of the Group.

Operating costs

During the Year, the operating costs of the Group amounted to RMB7,803 million, representing an increase of 6.11% as compared to RMB7,353 million in the same period last year, which was mainly attributable to the increase brought about by the expansion in sales scale. Among which, the principal operating costs amounted to RMB7,786 million, representing a year-on-year increase of 6.15%.

Gross profit margin

During the Year, the consolidated gross profit margin of the Group was 36.71%, decreased by 1.33 percentage points from 38.04% in the same period last year, which was mainly attributable to changes in sales structure. Among which, the gross profit margin of principal businesses was 35.91%, decreased by 1.34 percentage points from 37.25% in the same period last year, which was mainly attributable to changes in sales structure.

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

RMB

Principal business by industry						
Industry	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	2,980,259,352.01	2,003,295,670.51	32.78	(0.24)	0.20	(0.30)
Distribution	10,867,014,662.29	7,555,264,754.20	30.48	3.62	6.03	(1.57)
Others	439,467,392.40	372,440,388.52	15.25	1.45	(1.95)	2.93
Inter-segment elimination	(2,138,315,739.98)	(2,145,190,393.25)				
Total	12,148,425,666.72	7,785,810,419.98	35.91	3.93	6.15	(1.34)
Principal business by product						
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)
I. Publication	2,980,259,352.01	2,003,295,670.51	32.78	(0.24)	0.20	(0.30)
Textbooks and supplementary materials	1,463,887,374.56	833,086,241.66	43.09	(5.94)	(7.18)	0.76
General books	1,096,817,629.26	830,122,455.46	24.32	8.78	10.17	(0.95)
Printing and supplies	305,154,372.65	266,841,821.86	12.56	(12.88)	(14.38)	1.53
Newspapers and journals	54,650,009.54	31,430,288.08	42.49	4.27	13.46	(4.66)
Others	59,749,966.00	41,814,863.45	30.02	195.76	371.93	(26.12)
II. Distribution	10,867,014,662.29	7,555,264,754.20	30.48	3.62	6.03	(1.57)
Textbooks and supplementary materials	4,385,168,212.78	2,784,456,848.57	36.50	(4.93)	(2.08)	(1.85)
General books	6,034,041,676.62	4,407,347,262.80	26.96	9.26	10.04	(0.52)
Education informatized and others	447,804,772.89	363,460,642.83	18.84	27.22	31.35	(2.55)
III. Others	439,467,392.40	372,440,388.52	15.25	1.45	(1.95)	2.93
Including: Logistics services	431,027,496.33	370,332,954.27	14.08	5.09	0.65	3.78
Inter-segment elimination total	(2,138,315,739.98)	(2,145,190,393.25)				
Total	12,148,425,666.72	7,785,810,419.98	35.91	3.93	6.15	(1.34)

Principal business by region

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	8,323,524,809.24	4,404,099,501.89	47.09	(0.76)	(0.31)	(0.23)
Outside Sichuan Province	3,824,900,857.48	3,381,710,918.09	11.59	15.82	15.93	0.08

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)
Offline sales	6,347,482,240.75	3,843,660,735.51	39.45	(1.27)	1.63	(1.72)
Online sales	5,800,943,425.97	3,942,149,684.48	32.04	10.27	10.95	(0.42)

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:

RMB0,000

	Sales volume (10,000 copies)			Sales value			Operating income			Operating costs			Gross profit margin (%)		
	Prior year	Current period	Growth rate (%)	Prior year	Current period	Growth rate (%)	Prior year	Current period	Growth rate (%)	Prior year	Current period	Growth rate (%)	Prior year	Current period	Change (ppt)
Publication segment:															
Self-compiled textbooks and supplementary materials	10,085.48	9,615.33	(4.66)	124,301.09	135,421.76	8.95	63,588.53	69,516.11	9.32	30,859.42	33,188.96	7.55	51.47	52.26	0.79
Plate-leased textbooks and supplementary materials	17,420.60	14,084.74	(19.15)	133,906.25	110,497.63	(17.48)	85,434.45	69,935.96	(18.14)	53,207.85	44,171.61	(16.98)	37.72	36.84	(0.88)
General books	11,355.26	13,713.93	20.77	449,622.26	547,427.07	21.75	100,828.64	109,681.76	8.78	75,349.93	83,012.25	10.17	25.27	24.32	(0.95)
Printing of textbooks and supplementary materials on behalf of others	2,265.96	2,250.30	(0.69)	9,897.71	10,368.46	4.76	6,604.12	6,936.67	5.04	5,686.62	5,948.05	4.60	13.89	14.25	0.36
Distribution segment:															
Textbooks and supplementary materials	37,901.42	37,035.51	(2.28)	479,859.13	454,195.33	(5.35)	461,249.93	438,516.82	(4.93)	284,367.57	278,445.68	(2.08)	38.35	36.50	(1.85)
General books	25,725.08	25,328.63	(1.54)	896,629.19	1,014,765.20	13.18	552,246.98	603,404.17	9.26	400,505.08	440,734.73	10.04	27.48	26.96	(0.52)

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 RMB2,980 million, representing a decrease of 0.24% as compared with RMB2,987 million during the same period of last year.

During the Year, gross profit margin of the publication segment was 32.78%, decreased by 0.30 percentage points from 33.08% 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 period	Growth rate (%)	Prior year	Current period	Growth rate (%)
Plate-leased textbooks and supplementary materials expenses	10,327.10	9,136.25	(11.53)	N/A	N/A	N/A
Copyright fee	2,771.85	2,835.24	2.29	706.49	1,043.26	47.67
Author's remuneration	2,854.94	3,584.54	25.56	20,792.22	22,134.86	6.46
Printing costs	25,368.20	22,484.15	(11.37)	29,833.46	32,553.07	9.12
Paper costs	46,335.83	41,381.36	(10.69)	17,645.21	20,905.08	18.47
Documentation fee	928.77	986.06	6.17	5,108.43	5,238.48	2.55
Others	1,167.20	2,901.03	148.55	1,264.12	1,137.50	(10.02)

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

According to the Reply on the Publishing Qualifications of Sichuan Education Publishing House and 16 Other Publishers for Primary and Secondary School Supplementary Materials (Chuban Guanzi [2012] No. 605) from the Publishing Management Department of the former General Administration of Press and Publication, Sichuan Education Publishing House Co., Ltd., a subsidiary of the Group, is qualified for the publication of supplementary materials on all subjects, while 8 other publishers are qualified for the publication of supplementary materials on different subjects of primary and secondary schools. Such textbooks and supplementary materials are mainly published for sales within Sichuan Province.

In 2024, in the face of challenges such as the further deepening of national education reform, the adjustment of education policies, and the decline in student numbers, the Group focused on the fundamental task of cultivating virtuous talents, studied market changes, advanced reform and innovation, and carried out education publishing with the strategy of professionalism, differentiation, specialization and branding.

The Group promoted the compilation, revision and review of non-uniformly compiled national curriculum textbooks and local textbooks as required. The national curriculum textbook English (《英語》) for primary schools, national curriculum provincial approved textbooks Information Technology (Grades 3-8) (《信息科技(3-8 年級)》) and Primary School English (Preparatory textbooks for grades 1-2) (《小學英語》(1-2 年級預備級教材)), as well as provincial textbooks such as Lovely Sichuan (《可愛的四川》) and Kindergarten Themed Activities (《幼稚園主題式活動》) have been compiled and revised and successfully passed the review. Through strengthened policies and market researches, the Group developed supplementary material products that met new curriculum standards and channel needs. At the same time, the Group actively expanded subscription channels outside Sichuan to increase market share and brand influence.

The Group paid close attention to changes in technological innovation, user needs, usage scenarios and consumption habits, promoted the integrated development of educational publishing actively and steadily, transformed from paper book publishing to all-media publishing gradually, and provided intelligent and refined educational service products to improve the quality of educational services. The Group gathered high-quality education resources, content resources and technological resources to deeply integrate traditional paper publishing with digital publishing and offline education with online education in order to achieve multi-presentation and multi-channel sales of publishing resources. Based on market demand and user feedback, existing digital products were iteratively upgraded to optimize user experience and enhance product competitiveness. The Group authorized technology companies to develop the Sichuan education version of primary school English textbooks online using the “Chuanxuebao” APP for teachers and students to use, providing strong support for students to learn and teachers to teach. The Group made effort to optimize the functions of the existing digital products by constantly expanding the book and audio resource contents of the exclusive channel of “Sichuan Education Learning” on Ximalaya platform, and the Sichuan education version of textbooks, supplementary materials and activity resources on the “Winshare Youjiao” platform “Sichuan Education Zone”. The Group also pursued in-depth cooperation with Tencent Education in the media-integrated supplementary materials “AI Accompanying Me to Learn Writing • Composition Learning, Practice and Testing in Writing All-in-one” (《AI 伴我學作文• 作文學練考一本通》) series, which was based on the language curriculum standards and focused on unit exercises or unit themes of the language textbooks. This series organically integrated artificial intelligence technology with the publication of paper-based supplementary materials.

During the Year, the sales revenue of textbooks and supplementary materials under the Group's publication segment amounted to RMB1,464 million, representing a decrease of 5.94% as compared to RMB1,556 million in the same period last year. The cost of sales amounted to RMB833 million, representing a decrease of 7.18% as compared to RMB898 million in the same period last year. The gross profit margin was 43.09%, which slightly increased from 42.33% for the same period last year.

General books

In 2024, adhering to the concept of high-quality development, the Group continued to implement the "one enterprise, one policy" management model, strengthened content planning, optimized the publishing structure, enhanced the collaboration between publishing and distribution, and promoted the improvement of publishing quality and efficiency. First, the Group deeply explored the value of content. Focusing on major projects, the Group actively reserved high-quality topics and author resources to drive the planning and production of high-quality books, and create a batch of high-quality original products. Second, the Group strove to achieve "double-effect unification", consolidated theme publishing, deepened the exploration of advantageous areas, and continuously enhanced the influence of publishing. Third, the Group optimized the collaboration mechanism to give full play to the advantages of entire industry chain, strengthen collaboration between publishing units and various channels, and promote sales of general books. According to the Open Book Data, the Group's market share ranked 9th in terms of sales value in the overall book market and 6th among similar units locally.

The Group steadily carried out the integrated development of publishing and continued to enrich the forms of publishing products. During the Year, the publishing units of the Group successively launched 1,291 new integrated products such as e-books, audio books, radio dramas, digital collections, modern paper books, metaverse books, and cultural and creative products based on paper book content. The Group also launched electronic and audio versions of a number of key projects, and continued to operate the audio columns of publication, with steady growth in subscriptions and reading volume across its websites. The AIGC audio book project jointly developed by the Group's subsidiary Tiandi Publishing House and Shanghai Ximalaya Network Technology Co., Ltd. was put on sale online and equipped with high-quality promotion resources.

During the Year, the sales revenue of general books under the Group's publication segment amounted to RMB1,097 million, representing an increase of 8.78% as compared to RMB1,008 million in the same period last year, mainly benefitted from the increase in publications such as theme cultural and educational books. The cost of sales was RMB830 million, representing an increase of 10.17% as compared to RMB753 million in the same period last year. The gross profit margin was 24.32%, which slightly decreased from 25.27% in the same period last year.

Newspapers and journal

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 of these newspapers and journals covers all age groups from infants to middle-aged and elderly people. The number of both publications and readership for newspapers and journal publication of the Group continue to grow. Sichuan Pictorial, Reader's Journal Press, and All-media Panda Platform issued a total of 12,414 posts, with reading volume of over 11.63 million. More than 130,000 users have followed the official WeChat account of Weekly Commercial Publications.

During the Year, a total of 21,502,900 copies/sets of newspapers and journals were sold by the Group. The sales revenue amounted to RMB54,650,000, which increased by 4.27% year-on-year. The selling expenses amounted to RMB31,430,300, which increased by 13.46% year-on-year. The gross profit margin was 42.49%, which decreased by 4.66 percentage points as compared with the same period last year.

(2) Distribution segment

The distribution segment of the Group mainly covers provision of textbooks to schools, teachers and students and education informatized and educational materials business for primary and secondary schools, retailing, distribution and online sales of publications.

During the Year, revenue from the sales of the distribution segment amounted to RMB10,867 million, representing growth of 3.62% as compared with RMB10,487 million during the same period of last year, mainly benefitting from the sales growth of general books.

During the Year, gross profit margin of the distribution segment of the Group was 30.48%, decreased by 1.57 percentage points from 32.05% during the same period of last year, which was mainly due to the effect of changes in sales structure.

Textbooks and supplementary materials

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 for 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 provincial education office each school year. In 2024, the Company entered into the "Government Purchase Contract regarding free textbooks for students during compulsory education in Sichuan Province from 2024 to 2025" (四川省 2024-2025 學年義務教育階段學生免費教科書政府採購合同書).

In 2024, based on the new stage of education reform and development, and faced with changes in external policies and market environment, the Group continued to promote channel innovation, system innovation and business innovation, enhanced education service capabilities, facilitated innovative and integrated development, and built a high-quality education service system that was deeply integrated with education and teaching. In order to actively respond to the adverse effects of the decline in student number, the Group implemented “one city, one policy” to accurately analyze and formulate response strategies, optimize product structure, improve product quality, and enhance service level, building a three-dimensional education service system of “paper-based supplementary materials + digital products”.

During the Year, 370,355,100 copies of textbooks and supplementary materials with sales value of RMB4,542 million were sold by the Group, achieving sales revenue of RMB4,385 million, representing a year-on-year decrease of 4.93%. The cost of sales amounted to RMB2,784 million, representing a decrease of 2.08% as compared to RMB2,844 million in the same period last year. The gross profit margin was 36.50%, decreased by 1.85 percentage points from 38.35% during the same period last year.

General books

In 2024, the Group continued to promote the transformation and development of the business model of physical bookstores, adhered to the layout optimization of online channels, and strove to improve the online and offline omni-channel operation capabilities. First, the Group continued to promote the upgrading and renovation of stores, integrated local culture to create theme scenes, leveraged original IPs such as Panda Bookstore and jointly developed with IP parties to create cultural and creative hot products, so as to enhance readers’ cultural consumption experience. Second, the Group optimized the “product + activity + service” model, focused on the cultural consumption needs of institutional customers, actively expanded government and enterprise business, proactively integrated into the public cultural service system, and promoted the construction of high-quality cultural resources to reach the grassroots. Third, leveraging the changes in market demand spurred by the “double reduction” policy, the Group built a three-dimensional marketing matrix with student books as the core, and fully met the diversified and personalized reading needs of teachers and students through precise market layout and innovative service models. Fourth, the Group strengthened the refined operation of e-commerce channels, promoted the iterative upgrade of “Winshare Cloud Store”, enhanced the “self-broadcasting + influencer broadcasting + social networking” content e-commerce matrix, and advanced online and offline integrated projects such as “Reading at Home”, so as to further consolidate the leading advantages of national book e-commerce and the integrated development advantages of online and offline channels.

During the Year, 253,286,300 copies of general books with sales value of RMB10,148 million were sold by the Group. The sales revenue amounted to RMB6,034 million, representing a year-on-year increase of 9.26%, mainly benefitted from the growth brought about by refined online operations and expansion into the innovative and diversified market demands. The cost of sales amounted to RMB4,407 million, representing a year-on-year increase of 10.04%. The gross profit margin was 26.96%, representing a year-on-year decrease of 0.52 percentage points. In particular, the sales revenue through third-party e-commerce platforms amounted to RMB2,159 million, accounting for 35.78% of the total revenue of general books.

Education informatized and others

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 Group built a digital service matrix by using PC platform, mini-programs, official accounts, etc., with a total of 3.1246 million visits throughout the Year. In order to comply with the strategic positioning of an educational powerhouse of “education digitization” and the trend of multi-media integration in the textbooks and supplementary materials market, the Group cooperated with leading domestic education digitization brands to launch integrated media supplementary materials that directly reached C-end users, building a three-dimensional education service system of “paper-based supplementary materials + digital products”. The Group continued to promote the optimization and upgrading of the “Winshare Youxue” online service platform, covering more than 6,000 schools and serving more than 4.75 million students. Throughout the province, the education business served a total of 447,600 primary and secondary school students; 467 teacher training projects were organized and implemented, serving more than 109,100 teachers.

During the Year, sales revenue of education informatized and other business of the Group amounted to RMB448 million, representing a year-on-year increase of 27.22%, mainly affected by the delivery time of education informatized projects. The cost of sales amounted to RMB363 million, representing a year-on-year increase of 31.35%. The gross profit margin was 18.84%, representing a decrease of 2.55 percentage points from 21.39% in the same period last year.

(II) ANALYSIS OF OPERATING RESULTS AND FINANCIAL PERFORMANCE

Expenses

During the Year, the Group’s selling expenses amounted to RMB1,439 million, representing an increase of 2.59% as compared to RMB1,403 million in the same period last year, mainly due to the slight increase in expenses including advertising and promotion fees, e-commerce platform service fees and labor cost.

During the Year, the Group’s administrative expenses amounted to RMB1,674 million, representing an increase of 3.43% as compared to RMB1,618 million in the same period last year, mainly due to the slight increase in expenses including labor cost.

During the Year, the Group’s finance expenses amounted to RMB-217 million as compared to RMB-229 million in the same period last year, the change of which was mainly due to the slight decrease in interest income.

During the Year, the Group’s research and development (“**R&D**”) expenses amounted to RMB30,463,700, representing an increase of 52.47% as compared to RMB19,979,900 in the same period last year, which was mainly due to the increase in investment in business management systems and technological innovation applications integrated with business during the Year.

Gain from changes in fair value

During the Year, the Group's loss from changes in fair value amounted to RMB9,942,400, representing a decrease of loss of RMB47,070,800 as compared with a loss from changes in fair value of RMB57,013,200 in the same period last year, which was mainly due to changes in fair value of projects held by funds such as Winshare Dingsheng and CITIC Buyout Fund invested by the Group during the Year due to the impact of capital market conditions.

Investment income

During the Year, the Group's investment income amounted to RMB181 million, representing an increase of 209.51% from RMB59 million in the same period last year, which was mainly due to the investment losses of approximately RMB54 million caused by the bankruptcy and liquidation of two holding subsidiaries last year, while for this year, the investment income recognized by joint ventures and associates as well as the dividends received from participating companies such as Bank of Chengdu and Wan Xin Media increased significantly compared with the same period last year.

Other incomes and non-operating income/expenses

During the Year, the Group's other incomes amounted to RMB106 million, representing an increase of 21.22% as compared to RMB87 million in the same period last year, which was mainly due to the increase in book subsidy income.

During the Year, the Group's non-operating income amounted to RMB2,682,400, representing a decrease of 51.34% as compared to RMB5,512,300 in the same period last year, which was mainly due to receipt of residual value income from scrapped goods last year.

During the Year, the Group's non-operating expenses amounted to RMB45,386,900, the change of which was small as compared with RMB46,774,500 in the same period last year.

Gains on asset disposal

During the Year, the Group's gain on asset disposal amounted to RMB1,655,100, representing a decrease of 23.97% as compared to RMB2,176,900 in the same period last year.

Credit impairment losses

During the Year, credit impairment losses of the Group amounted to RMB31,230,000, representing a decrease of RMB73,268,600 from RMB104,498,600 in the same period last year, which was mainly due to the strengthened efforts in recovering historical debts during the Year. Some of these historical debts were collected, reducing the credit impairment losses provided as compared with last year.

Income tax expenses

During the Year, the Group's income tax expenses amounted to RMB105,264,400, as compared to RMB-65,178,200 in the same period last year, which was mainly due to changes in the preferential tax policies for restructured cultural enterprises, so that the Company and a number of its subsidiaries reversed deferred income tax expenses of RMB96 million recognized at the end of 2023.

Other comprehensive income

During the Year, the Group's net other comprehensive income after tax amounted to RMB718 million, representing an increase of RMB1,025 million as compared to a loss of RMB308 million in the same period last year, which was mainly due to the increase in the market value of Wan Xin Media and Bank of Chengdu held by the Company of RMB517 million this year, as well as changes in preferential tax policies for restructured cultural enterprises, so that deferred tax liabilities of RMB201 million recognized at the end of 2023 for the relevant assets were reversed.

Profit

During the Year, the Group achieved a net profit of RMB1,604 million, representing a year-on-year decrease of 1.52%, which was mainly due to changes in preferential tax policies for restructured cultural enterprises, so that deferred income tax expenses recognized by the Company and a number of its subsidiaries at the end of 2023 were reversed. Net profit attributable to the shareholders of the Company amounted to RMB1,545 million, representing a year-on-year decrease of 2.17%. Net profit attributable to the shareholders of the Company after non-recurring gain or loss amounted to RMB1,658 million, representing a year-on-year increase of 2.10%.

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 RMB1.25, which decreased by 2.34% as compared to RMB1.28 in the same period last year. For details regarding the calculation of earnings per share, please refer to Note 26 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	13,124,334.23
R&D commitments capitalized for the current year	7,914,429.64
Total R&D commitments	21,038,763.87
Total R&D commitments as a percentage of revenue (%)	0.17
Percentage of R&D commitments capitalized (%)	37.62
Total no. of R&D personnel of the Company	75
No. of R&D personnel as a percentage of total no. of personnel of the Company (%)	1.00

The R&D commitments of the Group amounted to RMB21,038,800, representing an increase of 103.98% as compared to RMB10,314,300 in the same period last year, mainly due to the increase in investment in business management systems and technological innovation applications integrated with business during the Year.

ANALYSIS OF CHANGES IN CASH FLOW

During the Year, cash flow from operating activities of the Group amounted to net inflow of RMB1,772 million, decreased by 24.67% as compared to net inflow of RMB2,353 million in the same period last year, which was mainly due to the year-on-year increase in enterprise income tax, property tax and other taxes and labor cost.

During the Year, cash flow from investing activities of the Group amounted to net outflow of RMB823 million, as compared to net outflow of RMB461 million in the same period last year, which was mainly due to the increase in time deposits placed this year as compared with the same period last year.

During the Year, cash flow from financing activities of the Group amounted to net outflow of RMB1,065 million, increased by RMB489 million as compared to net outflow of RMB576 million in the same period last year, which was mainly due to the cash dividends paid this year of RMB950 million, representing an increase of RMB530 million compared with RMB420 million in the same period last year.

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

RMB

Item	This period	The same period last year	Change (%)	Reasons of change
Tax refund received	97,505,449.62	39,783,480.66	145.09	The increase was mainly due to changes in preferential enterprise income tax policies, so that enterprise income tax refund of RMB60 million was received.
Taxes paid	386,515,207.98	153,273,617.16	152.17	Mainly due to changes in preferential tax policies, so that the enterprise income tax, property tax and other taxes paid during the period increased significantly year-on-year.
Cash receipts from recovery of investment	28,450,610.87	180,126,653.55	(84.21)	Mainly due to the recovery of investment of approximately RMB154 million due to fund exit last year.
Cash receipts from investment income	195,521,762.30	96,524,886.21	102.56	Mainly due to the increase in dividends received from participating companies such as Bank of Chengdu, Wan Xin Media, and Hainan Phoenix this year compared with last year.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,394,927.68	6,095,019.42	(60.71)	Mainly due to the compensation for housing demolition received by a single subsidiary in the same period last year.
Other cash receipts relating to investing activities	890,000,000.00	262,076,126.01	239.60	It represents time deposit withdrawal upon maturity.
Other cash payments relating to investing activities	1,576,352,500.00	601,870,238.65	161.91	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 paid to distribute dividends, profits or repay interest	950,884,516.13	420,820,187.60	125.96	The cash dividends paid this year was RMB950 million, representing an increase of RMB530 million compared with RMB420 million in the same period last year.

ASSETS AND LIABILITIES ANALYSIS

As at 31 December 2024, 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
Held-for-trading financial assets	60,122.67	0.00	5,220.00	0.00	1,051.78	It mainly represents the stocks invested by the Company.
Notes receivable	933,791.30	0.00	3,758,159.19	0.02	(75.15)	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	15,232,141.87	0.07	4,445,475.96	0.02	242.64	Mainly due to the increase in the balance of receivables settled by bank acceptance bills in the resource supply business and logistics business at the end of the Year as compared with the beginning of the Year.
Other receivables	261,437,606.97	1.14	121,733,914.08	0.56	114.76	Mainly due to changes in preferential enterprise income tax policies, as the Company was recognized as a restructured cultural enterprise, enterprise income tax could be refunded. The relevant refund procedures were basically completed in the first quarter of 2025.
Contract assets	5,584,567.76	0.02	8,817,641.75	0.04	(36.67)	The decrease was mainly due to the recovery of quality warranty upon expiration.

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 current assets	77,116,925.26	0.34	508,621,658.45	2.33	(84.84)	Mainly due to the recovery of time deposits due within one year upon maturity, so that the closing balance was less than the opening balance.
Construction in progress	73,670,872.15	0.32	39,549,969.11	0.18	86.27	Mainly due to the increase in investment by Liangshanzhou Xinhua Bookstore, a subsidiary of the Company, in projects under construction during the Year (Xichang storage and logistics base and Yanyuan County warehouse and business comprehensive room) compared with the beginning of the Year.
Development expenditure	3,745,447.13	0.02	1,045,459.68	0.00	258.26	Mainly due to the increase in software R&D projects that have not yet been completed at the end of the Year compared with the beginning of the Year.
Deferred tax assets	7,215,301.85	0.03	50,401,253.62	0.23	(85.68)	Mainly due to changes in preferential tax policies for restructured cultural enterprises, the Company and a number of its subsidiaries have written back the deferred tax assets recognized for impairment provisions, deferred income and other items at the end of 2023.
Other non-current assets	2,001,715,747.53	8.74	865,432,280.53	3.97	131.30	Mainly due to the increase in time deposits and bank certificates of large amount deposit with no intention to withdraw in advance.

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 payable	4,486,667.50	0.02	36,299,683.81	0.17	(87.64)	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 beginning of the Year.
Receipts in advance	1,662,994.41	0.01	519,377.31	0.00	220.19	Mainly due to changes in the balance of house rental received in advance.
Taxes payable	42,024,302.50	0.18	70,497,049.35	0.32	(40.39)	Mainly due to the decrease in unpaid value-added tax, enterprise income tax and other taxes for the current period.
Other receivables	308,454,407.85	1.35	564,176,104.54	2.59	(45.33)	Mainly due to the decrease in closing balance as compared to the opening balance as a result of the payment for 2023 special dividends of RMB222 million during the Year.
Long-term employee benefits payable	–	–	30,581,649.90	0.14	(100.00)	Mainly due to the external coordination expenses for retired employees of Liangshanzhou Xinhua Bookstore, a subsidiary of the Company, during its restructuring being transferred to the Educational Technology and Equipment Institute of Liangshan Yi Autonomous Prefecture during the Year.
Deferred income	53,436,961.20	0.23	20,083,863.80	0.09	166.07	Mainly due to changes in book subsidies and project subsidies during the 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
Deferred tax liabilities	64,861,474.37	0.28	217,635,807.37	1.00	(70.20)	Mainly due to the decrease in closing balance as compared to the opening balance as a result of changes in preferential tax policies for restructured cultural enterprises, so that the Company reversed the deferred tax liabilities recognized for items including financial assets at the end of 2023.
Other comprehensive income	1,855,336,515.47	8.10	1,137,699,551.17	5.22	63.08	Mainly due to the increase in the market value of Wan Xin Media and Bank of Chengdu held by the Company of RMB517 million this year, as well as changes in preferential tax policies for restructured cultural enterprises, so that deferred tax liabilities of RMB201 million recognized at the end of 2023 for the relevant assets were reversed.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group had cash and short-term deposits of approximately RMB9,180 million (31 December 2023: RMB9,118 million), and short-term borrowings of RMB10 million (31 December 2023: RMB10 million).

As at 31 December 2024, the gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 34.46%, representing a decrease of 3.97 percentage points as compared with 38.43% as at 31 December 2023. The Group's overall financial structure remained relatively stable.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2024, the balance of deposits of the Group amounting to RMB13,955,200 (31 December 2023: RMB12,560,200) was 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 2024	31 December 2023
Current ratio	1.8	1.8
Inventory turnover days	118.4	129.4
Trade receivables turnover days (<i>Note</i>)	46.6	52.0
Trade payables turnover days	256.4	272.0

As at 31 December 2024, the current ratio of the Group was 1.8, remaining stable as compared with that at the end of last year. During the Year, inventory turnover days were 118.4 days, which decreased by 11 days as compared with that of the same period last year. Trade receivables turnover days were 46.6 days, which decreased by 5.4 days as compared with that of the same period last year. Trade payables turnover days were 256.4 days, which decreased by 15.6 days as compared with that of the same period 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 industry features of the publication and distribution business.

Note: The trade receivables turnover days were calculated based on the aggregate amount of accounts receivable, notes 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.

The Company was interested in 80,000,000 shares of Bank of Chengdu. Its shareholding was 1.92%. The cost of investment was RMB240 million. During the Year, the Company recognized a dividend income of RMB71,744,000 from Bank of Chengdu. As at 31 December 2024, the market capitalization of the shares held by the Company in Bank of Chengdu was RMB1,369 million.

The Company was interested in 124,640,000 shares of Wan Xin Media. Its shareholding was 6.37%. The cost of investment was RMB186 million. During the Year, the Company recognized a dividend income of RMB50,479,200 from Wan Xin Media. As at 31 December 2024, the market capitalization of the shares held by the Company in Wan Xin Media was RMB915 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 bring 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.

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

RMB0,000

Name of subsidiary	Nature of business	Shareholding percentage (%)	Registered capital	2024		31 December 2024	
				Operating income	Net profit	Total assets	Net assets
Sichuan Education Publishing House Co., Ltd.	Publication	100.00	1,000.00	105,728.78	49,569.94	157,376.47	119,354.39
Sichuan Publication Printing Co., Ltd.	Publication	100.00	5,000.00	29,236.16	11,158.41	91,634.64	78,427.78
Sichuan Winshare Online E-commerce Co., Ltd.	Sales of publications	92.00	6,000.00	363,057.55	859.49	315,926.79	(7,982.74)

(IV) EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had a total of 7,531 (31 December 2023: 7,691) 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 job salary, performance incentives, subsidies and benefits. Pensions, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing welfare funds, corporate annuity, etc. are available to the employees.

Upholding the human resource principle of "people-oriented", the Group attaches great importance to and cares about the growth and development of employees. The Group constantly provides employees with training and exchange opportunities. By carrying out highly targeted and wide-coverage training as well as outbound exchanges and learning, the Group helps employees enrich their professional skills and improve their skill levels; through job rotation and exchanges as well as multi-position training, the Group cultivates the comprehensive capabilities of employees. Continuously focusing on the strategic goal of "high-quality development", based on the objectives and requirements of personnel training that are in line with the corporate strategies, and with discovery and selection as the premise, good selection and utilization as the foundation, and education and nurturing as the basis, the Group continues to deepen talent training planning and system construction, proactively reserves and builds a talent team, and creates a well-structured talent team. The Group also improves the operation and management level of existing cadres to build a compound management team. Based on the requirements of business development and employee development in terms of capabilities and qualities, the Group improves the professional knowledge and skills of employees as well as their comprehensive quality, with a view to driving business development with employee capabilities and qualities.

During the Year, the Group deepened the training results through online training and combination of online and offline training. Throughout the Year, training sessions were organized with an attendance exceeding 54,000 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, innovating the industrial development model, and capitalizing on the two-tier driven strategy of “technology + capital”, will push ahead the upgrading 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 an innovative and fast-growing publishing and media enterprise.

Operating plans

The Group anchors on the goal of “promoting high-quality development of the Company and striving to be the first class in the country”. Focusing on its main responsibilities and principal businesses, the Group adheres to integrity and innovation, continues to deepen reform, strives to improve quality and efficiency, accelerates digital transformation, and builds industrial competitive edges in the digital era. In 2025, the following operating plans will be implemented:

Enhance capabilities to supply quality contents. Adhere to producing high-quality and beneficial products, refine major theme publishing, focus on key publishing projects, and strengthen the effort to consolidate publishing resources, continuing to gather high-quality content resources and author resources; strengthen the collaboration between publishing and channels, and make full use of channel operating data to promote content planning capabilities; deepen copyright operations and integrated publishing, and continue to build the publishing brand of Winshare; strengthen international communication, and explore the transformation from export of cultural products to export of cultural industries.

Enhance the quality and efficiency of educational services. Continue to promote the transformation of product sales to user and service operations, develop and promote textbook products that meet market demand, and continuously improve product quality; 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”; actively expand labor and practical education business, and enhance capabilities to operate special teacher training projects; focusing on the existing system, use new digital technologies to empower educational services, and gradually realize digital and intelligent transformation.

Optimize the efficiency of reading services. Accelerate the promotion of transformation and upgrading of physical bookstores, vigorously expand government and enterprise services, district and county library distribution as well as rural bookstore business, and actively integrate into the construction of the public cultural service system; accelerate online and offline integrated development, continue to optimize the business model for platform e-commerce, strengthen the construction of content e-commerce, and deepen refined operations that match product content with people’s needs; continue to strengthen data-driven publishing capabilities, accelerate the exploration of new cooperation models in content

development and production, and broaden product categories; deeply develop supply chain collaborative services, promote the in-depth integration of new technologies and businesses, and create a more stable and efficient service network; actively build a national reading activity system supported by the 4•23 National Reading Activity, Tianfu Book Fair, and Annual Reading Ceremony, and continuously enhance the brand influence of these activities.

Strengthen the construction of supply chain service capabilities. Continue to improve the construction layout of “functional warehouses” oriented by operation scenarios, constantly promote the iteration and upgrading of intelligent and professional logistics equipment and supporting systems, comprehensively improve the quality and operational efficiency of logistics services through digital means, realize a more efficient, scientific and intelligent logistics management system, and continuously enhance national supply chain service capabilities of the Group.

Promote industrial development with capital management. Further improve capital management layout, rationally allocate investment portfolios, diversify investment risks, integrate high-quality resources, and continuously create a balanced investment pattern that combines reasonable investment structure, short-term income and long-term value, so as to obtain capital operating gains. At the same time, continue to promote resource integration through capital operations, facilitate the optimization of industrial layout, and promote the transformation, upgrading and integrated innovative development of related businesses.

(VI) POTENTIAL RISKS

The Group has formulated sound business objectives and optimized the operating plans. However, adjustments to industry policies and education policies may affect the operating environment and market competition pattern of the industry. The Group will pay close attention to relevant policy dynamics, and strengthen its policy research capabilities for improvement in operational flexibility as well as response capabilities.

As the development of digital intelligence in the industry further deepens, iteration of technology in the fields of integrated media publishing, smart education, AIGC, etc. accelerates, new business formats and models continue to emerge, and application scenarios continue to be enriched, the new generation of information technology represented by AI has brought challenges to the business and operation management of the Group. The Group will conduct in-depth research on the trends of the integration of culture and technology, further improve the technological innovation mechanism, dig into and expand the innovative application of new technologies, facilitate in-depth integrated development, and nurture and develop new quality productive forces.

In recent years, emerging channels, including content e-commerce and others, have developed rapidly and market competition has further intensified. This trend has placed higher requirements on the content production and channel sales capabilities of the Group’s publishing business. The Group will strengthen market monitoring and analysis, focus on improving content production and service supply levels, optimize channel system and marketing strategies, and continuously improve market competitiveness and risk response capabilities.

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 (including sales of treasury shares).

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 C1 to the Listing Rules during the Year, with the exception of the deviation from code provision B.2.2.

According to code provision B.2.2, each director (including directors with a specific service term) shall take turns to resign, at least once every three years. The service term of the Company's fifth session of the Board of Directors and the Supervisory Committee expired on 23 January 2025. Since the nomination of Director and Supervisor candidates has not been completed, the election and appointment of the Company's fifth session of the Board of Directors, the Supervisory Committee and all the special committees under the Board will be postponed. To maintain the continuity and stability of the work of the Board of Directors and the Supervisory Committee, the terms of the Directors and Supervisors will be extended accordingly. The Company will proceed with the election and appointment of the new session of the Board of Directors and the Supervisory Committee as soon as practicable. Please refer to the announcement of the Company dated 23 January 2025 for details.

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 C3 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 2024.

DIVIDEND

On 22 January 2025, the Company received a letter of “Proposal for Cash Dividend for the Year 2024” from Sichuan Xinhua Publishing and Distribution Group, pursuant to which, Sichuan Xinhua Publishing and Distribution Group proposed to distribute a cash dividend of RMB4.10 (tax inclusive) per 10 shares to all shareholders on the basis of the total share capital registered as at the record date for the distribution of dividend for the year 2024 by the Company. Sichuan Xinhua Publishing and Distribution Group has undertaken to vote in favor when the proposed profit distribution plan for the year 2024 is considered at the shareholders’ meeting of the Company. Please refer to the announcement of the Company dated 22 January 2025 for details of the letter.

The Board has proposed the distribution of dividend for the year ended 31 December 2024 of RMB0.41 (tax inclusive) per share (2023: RMB0.40 (tax inclusive) per share), totaling RMB505,874,800 (tax inclusive) (the “**Dividend for 2024**”). Dividends payable to A shareholders will be declared 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 2024 annual general meeting (the “**2024 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 Taxation Administration Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045” (Guo Shui Han [2011] No. 348), it is confirmed that the overseas resident individual shareholders holding the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax arrangements between the countries where they reside and China or the tax arrangements between mainland China and Hong Kong (Macau). Therefore, the Company will withhold 10% of the dividend as individual income tax, unless it is otherwise specified by the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividends in accordance with the tax rates and according to the relevant procedures as specified by the relevant regulations.

The proposed Dividend for 2024 is subject to the approval by the shareholders at the forthcoming 2024 AGM of the Company.

H shareholders whose names appear on the register of members of the Company at 4:30 p.m. on Thursday, 17 April 2025 are entitled to attend and vote at the 2024 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 2024 of the Company (if approved by the shareholders). The Dividend for 2024 above will be paid on or before 20 July 2025 (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.

2024 AGM

The 2024 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 Tuesday, 20 May 2025. Details of the 2024 AGM will be set out in the notice of the 2024 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) and the Company's website (www.winshare.com.cn).

CLOSURES OF REGISTER OF MEMBERS FOR H SHARES

In order to ascertain the shareholders who are entitled to attend the 2024 AGM and to receive the Dividend for 2024 (if approved by the shareholders), the register of members for H shares will be closed by the Company during the following periods:

To ascertain the H shareholders who are qualified to attend and vote at the 2024 AGM:

Latest time for lodging transfers of H shares	4:30 p.m., Thursday, 17 April 2025
Closure of register of members for H shares	from Sunday, 20 April 2025 to Tuesday, 20 May 2025 (both days inclusive)
Date for holding the 2024 AGM	Tuesday, 20 May 2025

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

Latest time for lodging transfers of H shares	4:30 p.m., Friday, 23 May 2025
Closure of register of members for H shares	from Saturday, 24 May 2025 to Thursday, 29 May 2025 (both days inclusive)
Dividend entitlement date	Thursday, 29 May 2025

In order for the H shareholders to qualify to attend and vote at the 2024 AGM and to receive the Dividend for 2024 (if approved by the shareholders) proposed by the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration before the abovementioned deadlines for lodging the transfer documents.

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) and the website of the Company (www.winshare.com.cn), and the annual report of the Company for 2024 (including the audited financial statements) will be despatched to the shareholders on or before 30 April 2025 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.*
Chairman
Zhou Qing

Sichuan, the PRC, 27 March 2025

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

* *For identification purposes only*