Zhongnan Media Social Responsibility Research Report Postprint

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Abstract

This research report on the social responsibility of Zhongnan Publishing & Media Group Co., Ltd. (hereinafter referred to as "Zhongnan Media") is authored by Chen Baifu and Deng Zixuan. As a leading enterprise in China's publishing and media industry, Zhongnan Media emerged from the restructuring of core businesses and assets of Hunan Publishing Investment Holding Group Co., Ltd., becoming the first publishing and media stock in China to achieve full-industry-chain listing. Its operations primar…

Full Text

Preamble

This research report on the social responsibility of Zhongnan Publishing & Media Group Co., Ltd. (hereinafter referred to as "Zhongnan Media") is authored by Chen Baifu and Deng Zixuan. As a leading enterprise in China's publishing and media industry, Zhongnan Media emerged from the restructuring of core businesses and assets of Hunan Publishing Investment Holding Group Co., Ltd., becoming the first publishing and media stock in China to achieve full-industry-chain listing. Its operations primarily focus on publishing and distribution, while also encompassing printing, media, education, finance, and other sectors (see Figure 2 [Figure 2: see original paper]), forming a "multi-medium, full-process, comprehensive" industrial development system.

Currently, Zhongnan Media's business covers books, newspapers, periodicals, audio-visual products, electronic publications, internet, animation, mobile media, and frame media, integrating editing, printing, and distribution into a single entity. The group has established six major industrial sectors: publishing, printing, distribution, newspapers, new media, and finance. Committed to integrated innovation and development, Zhongnan Media has transformed itself from a traditional state-owned cultural enterprise with over half a century of history into a publicly listed company with excellent governance, strong industrial performance, and outstanding results. Looking ahead, Zhongnan Media will continue to combine industry with finance, integrate online and offline operations, focus on user-centric services supported by big data, target key customer groups, and persistently advance product innovation, industrial restructuring, and platform development to build a national-level new-type publishing and media group with robust comprehensive strength and social responsibility.

As shown in Figure 3 [Figure 3: see original paper], Zhongnan Media's subsidiaries cover publishing, newspaper and new media operations, printing, distribution, and printing materials sales, with each business area managed by at least one or multiple specialized subsidiaries that have achieved considerable success in market segmentation.

1.1 Company Overview

Zhongnan Publishing & Media Group Co., Ltd. (Zhongnan Media) was established on December 25, 2008, through the restructuring of core businesses and assets of Hunan Publishing Investment Holding Group Co., Ltd. As illustrated in Figure 1 [Figure 1: see original paper], the company's actual controller remained unchanged during the reporting period: Hunan Publishing Investment Holding Group Co., Ltd., which is wholly controlled by Hunan Provincial People's Government, directly holds 61.46% of Zhongnan Media's shares. Additionally, Hunan Shengli Investment Co., Ltd., a wholly-owned subsidiary of Hunan Publishing Investment Holding Group, holds 3.23% of shares. Since its listing on the Shanghai Stock Exchange on October 28, 2010, Zhongnan Media has become China's first publishing and media group with full-industry-chain listing. Through continuous business expansion and innovative operational models, it has emerged as a leading enterprise in China's publishing and media sector.

The publishing and distribution business primarily comprises textbook and supplementary material publishing, as well as general book publishing, with textbooks and supplementary materials occupying an absolutely dominant position. Zhongnan Media owns nine publishing houses including Hunan People's Publishing House, one rental agency, and two content planning organizations. It publishes thousands of supplementary book titles and has independently developed new curriculum standard experimental materials covering nine subjects and ten categories for the Hunan Education Edition, with sales covering 31 provinces and municipalities. The company's general book publishing maintains strong brand advantages and competitiveness, with five of its publishing houses recognized as National Top 100 Publishing Houses. Each publishing house has established a unique brand identity: Hunan People's Publishing House is known for popular political theory and red history publications; Hunan Literature & Art Publishing House for original literature and music; Yuelu Publishing House for classical masterpieces, Hunan culture, and humanities; Hunan Science & Technology Publishing House for medical and popular science; Hunan Fine Arts Publishing House for collections, calligraphy, and comprehensive arts; Hunan Children's

Publishing House for children's literature; and Zhongnan Boji, Shanghai Purui, and Zhongnan Angel for bestsellers in original literature, youth reading, and IP industrial chains. Zhongnan Media's popular science books, classical masterpieces, music brands, original literature, and psychological counseling books rank among the top in their respective markets. According to relevant data, its composition, popular science, literature, and psychological counseling book brands rank first, music brand ranks third, classical literature ranks first in physical stores, and collection books rank second in physical stores.

In the distribution sector, Zhongnan Media operates four distribution enterprises: Hunan Xinhua Bookstore Co., Ltd., Hunan New Textbook Co., Ltd., Hunan Jiahui Educational Book Distribution Co., Ltd., and Hunan United Educational Publications Distribution Co., Ltd. In addition to traditional physical store sales, the company actively develops online sales through direct flagship stores on Taobao and Tmall, as well as partnerships with major e-commerce platforms including Dangdang, Amazon, and JD.com.

Other businesses include news media, digital education, and financial services. In news media, the company holds exclusive operating rights for Xiaoxiang Morning Post and Changsha Railway Transit, covering newspaper distribution and advertising. It also owns Happy Elderly Newspaper, the new media brand RedNet, among others. In digital education, the company provides big data-centered smart education information platforms for regional campuses, including smart education cloud, smart campus, smart communication, and smart classroom modules. Its subsidiary Tianwen Digital Media developed the "Three Connections and Two Platforms" product series, achieving maximum utilization of software, hardware, and resources, with operating revenue increasing by 34.84% in 2016. In financial services, Zhongnan Media established China's first corporate finance company in the cultural industry in 2014, following an "online + offline" and "culture + finance" development strategy. The finance company primarily provides deposit, loan, and settlement services for group members and was approved to enter the national interbank lending market in 2016, engaging in frequent business transactions with banks and other financial institutions. Pofu Fund, a subsidiary that generates profits through project investments, commenced formal operations and completed its first project investment. In 2015 and 2016, Zhongnan Media's financial services business generated operating revenues of 296 million and 284 million yuan respectively, with gross profits of 85 million, 169 million, and 151 million yuan achieved from 2014 to 2016.

1.2 Corporate Structure Analysis

Figures 4 [Figure 4: see original paper] and 5 [Figure 5: see original paper] clearly illustrate Zhongnan Media's financial structure. From the income structure perspective, the company's revenue growth rate has been declining in recent years, indicating slowing growth momentum. In 2016, Zhongnan Media achieved operating revenue of 11.105 billion yuan, representing a year-on-year increase of 10.10%. In Q1 2017, the company realized operating revenue of 2.135 billion yuan, up 13.12% year-on-year, and net profit attributable to parent company of 352 million yuan, up 7.04% year-on-year. From 2012 to Q1 2017, the company achieved operating revenues of 6.93 billion, 8.033 billion, 9.039 billion, 10.085 billion, 11.105 billion, and 2.135 billion yuan respectively, with year-on-year growth rates of 18.33%, 15.91%, 12.52%, 11.58%, 10.10%, and 13.12%. Net profit attributable to parent company during the same period was 940 million, 1.111 billion, 1.469 billion, 1.695 billion, 1.805 billion, and 352 million yuan, demonstrating steady growth.

Publishing and distribution revenues have maintained stable growth in recent years, accounting for 77% of total operating revenue in 2016. Distribution business (Hunan Xinhua Bookstore) represents the main revenue segment at 58% and contributed 69% of gross profit. Material supply, printing, and newspaper media businesses largely depend on macroeconomic conditions and digital development trends, resulting in slower revenue growth. To align with national education informatization, the company has developed convenient digital publishing services that have grown rapidly in recent years with substantial market potential. In 2016, digital publishing accounted for 4% of revenue and 4% of gross profit, achieving a year-on-year growth rate of 35.37%, which is expected to maintain high-speed growth for the next 3-5 years.

As shown in Figure 6 [Figure 6: see original paper], the company's shareholding structure remained unchanged during the reporting period in terms of total common shares and capital structure. Zhongnan Media's top ten shareholders are Hunan Publishing Investment Holding Group Co., Ltd., Hong Kong Securities Clearing Company, Hunan Shengli Investment Co., Ltd., National Social Fund 104 Portfolio, China Securities Finance Co., Ltd., Tianan Property Insurance Co., Ltd., Bank of Communications-HSBC Jintrust Dual Core Strategy Mixed Securities Investment Fund, Central Huijin Asset Management, HSBC Jintrust Large Cap Stock Securities Investment Fund, and National Social Fund 104 Portfolio, in descending order of shareholding percentage. Hunan Publishing Investment Holding Group Co., Ltd. is the absolute controlling shareholder with 1,103,789,306 shares (61.46%). Hunan Shengli Investment is a concerted action party with Hunan Publishing Investment Holding Group, holding 3.23% of shares.

2. Current Status of Social Responsibility Implementation at Zhongnan Media

The year 2016 marked the beginning of China's 13th Five-Year Plan. Zhongnan Media continued to uphold the philosophy of "cultural inheritance and industrial service to the nation," maintaining strategic and developmental focus. While pursuing industrial development, the company earnestly fulfilled its cultural mission and social responsibilities, deeply implementing the "Belt and Road" strategy and actively promoting Chinese culture "going global." The company consistently prioritized social benefits, guided public opinion, complied with laws and regulations, safeguarded the legitimate rights of investors and creditors, treated suppliers, clients, and consumers with integrity, actively participated in public welfare activities, and protected the environment, achieving dual harvests in social and economic benefits. According to French publication *Livres Hebdo*, Zhongnan Media ranks sixth among global publishing enterprises and first among Asian companies. The company was also selected among the Top 30 of the 8th National Cultural Enterprises 30.

2.1 Responsibility to the Party and Government

Responsibility to the Party and government constitutes an important obligation for the media industry. As a state-owned cultural enterprise, Zhongnan Media actively fulfills its duties by consciously serving the overall work of the Party and government, primarily through guiding public opinion, correctly shaping ideology and mainstream values, performing social supervision functions, complying with national laws and regulations, and promoting Chinese culture internationally.

Zhongnan Media leverages its multi-media, multi-medium, and full-process advantages to disseminate Party ideological policies, newly enacted laws and regulations, and mainstream values, using RedNet, Party network platforms, and the Shike News client as core vehicles for correct public opinion guidance. The company conducts timely, targeted, and rhythmically coordinated positive reporting around key Party and government priorities such as the National and Provincial Two Sessions, the 95th anniversary of the Party's founding, the 80th anniversary of the Long March victory, poverty alleviation, and the 11th Hunan Provincial Party Congress. Simultaneously, it provides real-time and objective coverage of social hotspots and livelihood issues, fulfilling its social supervision responsibilities and continuously expanding media influence.

Zhongnan Media holds exclusive operating rights for Xiaoxiang Morning Post, Changsha's premier news portal. As an urban newspaper grounded in journalism, it reports hot issues truthfully and stands as Hunan's most credible media platform. Daxiang Network maintains strong influence over local life and people's livelihoods. RedNet topped the "National Local News Website Core Influence Index Top 100" and "Local News Website Reprint Index" rankings, and in 2016 organized over ten major events including the Spring Rural Tourism Festival and Golden Autumn Shopping Festival. The Shike News client ranked second in the "National News Website App Communication Power List." Additionally, Zhongnan Media strictly complies with tax laws and regulations, paying all taxes on time and in full, eliminating any tax evasion.

The company deeply implements the "Belt and Road" strategy, vigorously promoting Chinese and Hunan culture internationally to expand overseas influence. Its book publishing trade, digital education products, and printing-distribution business have deeply engaged with markets along the "Belt and Road" and in Europe and America. History and Art textbooks have been exported to South Korea and the United States, with large quantities of cultural products and copyrights exported to international markets. The company was recognized by four ministries including the Ministry of Commerce as a national key enterprise for cultural exports. Zhongnan Exhibition successfully organized the "Hunan Culture in France" event in France, completing the design and exhibition layout for the Montargis Memorial Hall of Work-Study Programs in France, showcasing the image of Hunan's exhibition industry overseas. The South Sudan Basic Education Project became China's first comprehensive cultural support project for basic education in impoverished countries, covering textbook compilation to teacher training. In 2016, the company achieved varying degrees of business progress in South Sudan, Macedonia, and Bangladesh. Meanwhile, through deepened cooperation with internationally renowned education publishing groups such as Pearson and Cengage, the company realized 224 copyright exports and cooperative publications in 2016, further enhancing the scale and level of its international expansion. On March 3, 2017, the company signed an agreement with Frankfurt IRP Online Copyright Trading Co., Ltd. to introduce the IRP platform to China through equity participation, filling the gap in China's online copyright trading field. This strategic move will expand the company's influence domestically and internationally, advancing the process of Chinese-language copyright online trading.

2.2 Responsibility to Investors

The company continuously improves its governance structure, advances institutional innovation, and establishes a modern enterprise system that conforms to cultural characteristics and features, safeguarding the legitimate rights of shareholders and creditors. Zhongnan Media's blue-chip image has been consistently strengthened, ranking among the top ten in the "China Main Board Listed Company Value Top 100" and receiving the 18th Golden Bull Listed Company Top 100 honor.

First, the company continuously improves corporate governance. In strict accordance with the *Company Law*, *Securities Law*, and other laws and regulations, it has perfected the governance structure and systems of shareholders' meetings, boards of directors, and supervisory boards. Zhongnan Media strictly follows relevant laws and regulations, the Articles of Association, and the Rules of Procedure for Shareholders' Meetings to fulfill statutory procedures for convening, holding, and voting at shareholders' meetings, maintaining effective communication with shareholders and ensuring all shareholders exercise their rights equally and fully. The company held 25 meetings of the "three committees" and special committees throughout the year, reviewing and approving 43 proposals. The internal control system has been further improved with optimized content and processes, ensuring standardized operations.

Second, the company ensures transparency and information disclosure. Based on regulatory requirements and actual conditions, it has formulated information disclosure systems including the *Information Disclosure Management Measures*, *External Information Reporting and Management Measures*, *Insider Informa-*

tion Registration Management Measures, *Annual Report Information Disclosure Error Accountability Measures*, and *Major Information Internal Reporting Management Measures*, establishing a comprehensive internal and external information disclosure management system. The company completed the compilation and disclosure of the 2015 annual report, 2016 quarterly reports, interim report, third-quarter report, and 28 temporary announcements with high quality, promptly communicating major events to the market and receiving positive feedback from capital markets and the Shanghai Stock Exchange. Zhongnan Media strictly adheres to the principles of "fairness, impartiality, and openness" in information disclosure, fulfilling disclosure obligations in accordance with regulations to ensure all shareholders have equal access to company information.

Third, the company strengthens investor relations management. It has formulated the *Investor Relations Management Measures* and *Specific Object Reception Work Management Measures*, promptly answering investor hotlines, conducting reverse roadshows, patiently responding to investor inquiries on interactive platforms, regularly releasing investor research updates, and enhancing communication with investors to protect the rights of small and medium investors. The company has won a good reputation in capital markets with "value, integrity, and standardization," receiving the 7th China Listed Company Investor Relations Best Board Award.

Finally, the company respects the legitimate rights of stakeholders. It has formulated the *Social Responsibility System*, treating all stakeholders with openness, fairness, and trustworthiness. The company not only safeguards shareholder interests but also fully respects and protects the legitimate rights of customers and other stakeholders to promote sustainable and healthy growth. Additionally, it implements stable profit distribution policies and methods to ensure returns to shareholders from an institutional perspective. In 2016, the company fulfilled the 2015 profit distribution, distributing cash dividends of 2.9 yuan (tax-inclusive) per ten shares to all shareholders based on a total share capital of 1.796 billion shares, totaling 520.84 million yuan.

The subsidiary Tianwen Digital Media released the *Tianwen Digital Media Technology (Beijing) Co., Ltd. Management and Key Employee Stock Ownership Plan Implementation Scheme* in 2016, implementing a mixed-ownership enterprise management and key employee stock ownership plan. Based on a valuation of 640 million yuan, the 10% stake originally held by Huawei was transferred to Tianwen Digital Media's management and key employees. In April 2017, the company announced the acquisition of Huawei's remaining 9% stake for 61.236 million yuan. As of the reporting period, Zhongnan Media holds 60%, Xinhua Bookstore 25%, Longgang Investment 5%, and Tianwen Digital Media employees 10%. This equity incentive aligns management and key employees with company interests, significantly enhancing their enthusiasm and initiative, and laying a solid foundation for sustainable high-speed growth.

2.3 Responsibility to Suppliers, Authors, and Readers

The company has established good partnerships with suppliers by formulating procurement and supplier management regulations, adhering to the principles of equality and standardization, and clarifying rights and obligations through legally compliant contracts or agreements.

Zhongnan Media strictly complies with intellectual property laws including the *Copyright Law*, respecting every right of copyright holders and refusing to publish, print, or distribute illegal publications. The company has been designated as a copyright advantage cultivation enterprise in Changsha. It strictly adheres to quality standards for book and periodical editing, printing, and binding to ensure the quality of books, newspapers, and electronic publications. Upholding integrity concepts, the company maintains good commercial credit and ethical standards, enjoying excellent credit records with all banks. With its strong reputation, Zhongnan Media has signed contracts with numerous renowned writers, including youth literature writer Guo Jingming and his Top Culture team, bestselling authors Zhang Jiajia, Da Bing, and Tong Hua, well-known writers Zhang Defen, Zhang Xiaoxian, Bi Shumin, and Gao Xiaosong, children's literature writers Tang Sulan and Qin Wenjun, and renowned scientist Stephen Hawking, making their works reading highlights that receive widespread market acclaim.

Zhongnan Media provides readers and customers with rich, high-quality works. Guided by socialist core values and with publishers' responsibility and commitment, the company launched prestigious cultural projects such as the *Yan'an Literature and Art Grand Series*, *Continuation of Books Going to the World*, *Atlas of Ancient Chinese History*, *Books on China's Border Governance*, and *General History of Chinese Currency*. Nine books and two electronic audio-visual publications won the 6th China Excellent Publications Award, ranking among the top in number of awards. Three topics including *Great Country Craftsman* were selected as key topics for thematic publishing in 2016 by the Publicity Department and the State Administration of Press, Publication, Radio, Film and Television. Eight projects including the *Illustrated Dictionary of World Buddhist Art* were selected for the 2016 National Publishing Fund. Eighty-six topics were selected for the "13th Five-Year Plan" national key publishing topics, ranking first in average number per publisher. Five projects including the *Red Pepper Book Series* were selected among the 100 excellent publications recommended by the State Administration for young people.

Under market-oriented operations, the company's books and periodicals have gained widespread popularity among readers. General books rank among the top three in national physical store market share, with composition, popular science, original literature, classical masterpieces, and psychological self-help book brands ranking first, and 25 book titles appearing on the monthly bestseller list. *Fireworks* won the 6th Excellent Children's Press Award, while magazines including *Book House*, *Middle School Students Encyclopedia*, and *Hibiscus* have received positive market responses. The newly launched *New Curriculum Review* has achieved record numbers in article reprints and subscriptions, gaining widespread attention and praise in educational circles. To ensure quality, the company adopts a distribution with return policy for general books, maintaining a return rate below 10%. Additionally, the company has organized over 80 "Famous Authors into Campuses" lectures in primary and secondary schools across the province, and launched distinctive brand activities such as "Lezhi Time", "Xinhua Garden Chinese Studies Lecture Hall", and "Picture Book Story Sessions" in various cities, providing rich and colorful cultural education activities for primary and secondary students.

Regarding responsibility to internal employees, Zhongnan Media adheres to people-oriented principles, protects employees' legitimate rights, and integrates company development with employee advancement to create a platform for career development. The company guarantees employee compensation and benefits in strict compliance with the *Labor Law* and *Labor Contract Law*, signing labor contracts with every employee, providing social insurance and housing funds, managing annuity operations, establishing employee poverty alleviation funds, and striving to solve employees' practical difficulties. The company conducts various professional skills training programs including new media entrepreneurship talent camps, publishing and distribution management training, and new employee orientation programs. It actively implements a mentorship system, leveraging experienced employees to help newcomers adapt to the work environment, improve skills, and plan career development. The company maintains a talent reserve pool, focusing on youth talent cultivation and utilization to provide career development opportunities. Finally, it fosters an entrepreneurial culture and humanistic care, advocating corporate values of "happiness through work, wealth through creation, glory through teamwork, and nobility through kindness," promoting the core concept of "inspiring creation and facilitating sharing," creating a cultural atmosphere that encourages exploration, innovation, and entrepreneurship, and enriching employees' leisure life through various cultural and sports clubs for basketball, badminton, calligraphy, and painting.

Regarding social welfare and environmental responsibility, Zhongnan Media integrates social responsibility with corporate development, actively participates in public welfare causes, and advocates green development, establishing a good public image of "taking responsibility and daring to undertake duties."

First, the company actively carries out targeted poverty alleviation. To thoroughly implement national poverty alleviation strategies, the company responded enthusiastically to assist Wucun Village in Xintian County, Hunan Province, aiming to transform its impoverished and backward conditions. In 2016, the company donated 1 million yuan for infrastructure construction, 81,000 yuan in assistance funds, 115,000 yuan in materials, 70,000 yuan in sports equipment, and 300,000 yuan in book donations, completely renewing the village's infrastructure, invigorating its collective economy, improving its appearance, and enriching cultural life. The company implemented a "one delivery, two introductions" approach to promote knowledge-based poverty alleviation: "delivering" relevant industrial entrepreneurs for field study and management/technical training, and "introducing" professional breeding techniques by purchasing professional books and establishing a village library reading room and remote education activity center to provide learning venues and technical means. Additionally, the company adopted multiple measures: creating entrepreneurship and employment conditions for impoverished households to increase income; cooperating with large households through investment-based profit distribution; promoting financial poverty alleviation; implementing rural assistance policies; directly supporting golden locust tree planting; responding to central government requirements by participating in photovoltaic poverty alleviation projects; strengthening one-on-one "one visit, two interviews" assistance activities for 80 households; and comprehensively building irrigation channels to fundamentally solve water supply issues, ensuring crop yield increases. In 2016, 11 households with 34 people were lifted out of poverty, and the village collective achieved 45,000 yuan in income.

Second, the company vigorously supports education through donations. It donated over 40 million yuan in funds and books to rural schools, rural libraries, and poverty-stricken area libraries to support rural education development and cultural facility construction. In 2016, the company directly supported seven new students and coordinated with the Hunan Normal University High School teaching practice group to provide learning assistance for left-behind children. It provided 50,000 tape recorders free of charge to impoverished high school students in urban and rural areas of Hunan Province, invested 3 million yuan to equip schools in Paiwei, Shuanglong Town, Huayuan County and Huangsha Street Town Central School in Yueyang County with learning facilities, and built standardized libraries.

Third, the company promotes culture-benefiting reading activities. Using Hunan Xinhua's mobile bookstores as vehicles, it consistently carries out book delivery to rural areas and mobile book sales, providing spiritual nourishment for remote rural readers. The company conscientiously implements requirements from eleven ministries including the Publicity Department to strengthen physical bookstore construction, providing comfortable and pleasant book purchasing environments and cozy reading experiences. Changsha Lezhi Bookstore was named one of the "2016 Top Ten Most Beautiful Grassroots Bookstores." As the sole co-organizer of Hunan's "Three Xiang Reading Month," Zhongnan Media fully supports nationwide reading initiatives, creating a book-loving society through various public welfare reading activities, including over 80 "Famous Authors into Campuses" lectures, the Xiaoxiang Youth Literature Creation Competition with over 300,000 participants, and the first Hunan Province "Xinhua Cup" Youth Chinese Classics Knowledge Competition attracting 150,000 middle school students, promoting excellent traditional Chinese culture and generating positive social impact.

Finally, the company adheres to green development. It consistently emphasizes environmental protection and sustainable development. Its subsidiary Hunan Tianwen Printing Co., Ltd. has invested 25 million yuan in technological upgrades guided by digitalization and greening, completing 12 key technical renovation projects. All primary and secondary school textbooks and supplementary materials printed by the company have achieved 100% green printing. The installation of negative pressure systems in binding workshops has reduced heat and noise sources, while centralized waste gas collection and treatment in film-coating workshops has effectively improved air quality.

3. Problems in Zhongnan Media's Social Responsibility Implementation

Zhongnan Media conscientiously fulfills its social responsibilities, consciously serving the Party and government's overall work, complying with laws and regulations, safeguarding the legitimate rights of investors and creditors, treating suppliers, clients, and consumers with integrity, actively participating in public welfare activities, comprehensively implementing targeted poverty alleviation, protecting the environment, and consistently prioritizing social benefits. It is a company with relatively good social responsibility performance. However, research reveals some problems and deficiencies, mainly manifested in the following aspects:

3.1 Need to Strengthen Information Production Originality and Content Innovation

As a company primarily engaged in publishing and distribution, with main businesses in textbooks, supplementary materials, and general books, Zhongnan Media performs well in promoting national mainstream core values and providing correct public opinion guidance. However, in news reporting, particularly on current affairs and conference coverage, it tends to reduce public opinion guidance to government or media monologues, neglecting the general public. Furthermore, under the impact of online media, mobile media, and social platforms in recent years, newspapers face severe survival challenges with declining circulation. If traditional print media enterprises cannot rapidly absorb and apply advanced digital technologies to develop new media characterized by digital content, digital production, and network-based dissemination, they will face increasing competition from new media and technologies. Content homogenization and insufficient user appeal are contributing factors, particularly weak originality in news information that fails to fully command discourse power over relevant issues, relying instead on traditional or even foreign media sources.

3.2 Insufficient Information Disclosure

As an A-share listed publishing company, Zhongnan Media began disclosing relevant reports such as the *Internal Control Self-Evaluation Report* in 2010, establishing annual report information disclosure accountability provisions such as the *Company Information Disclosure Management Measures*, and started publishing the *Zhongnan Media Social Responsibility Report* in 2012. It is one of only seven listed publishing companies to release responsibility reports. The reports are relatively comprehensive, demonstrating considerable efforts in social responsibility practices with many commendable approaches, such as aligning with Party and government core value requirements, serving the public, and achieving good market operational results. However, information about parent-subsidiary relationships is not adequately reflected in social responsibility reports. For instance, some public welfare activities and shareholder concern initiatives by important subsidiaries like Tianwen Media and Hunan People's Publishing House are not included in the company's social responsibility reports, and the company website only displays annual reports while other relevant reports must be searched on the Shanghai Stock Exchange website.

Additionally, the reporting format remains relatively monolithic, rarely utilizing intuitive forms such as images and charts. The reports predominantly feature positive information while lacking disclosure and analysis of existing shortcomings and objective problems. Deeper exploration and public disclosure of existing problems would better facilitate social responsibility fulfillment and establish a positive corporate image and reputation among the public.

3.3 Weak International Communication Capacity Requires Further Implementation of "Culture Going Global" Strategy

Media industry international communication capacity represents an important manifestation of national cultural soft power, relating to national image, security, and international status. While China's media international communication capacity building has made significant progress with a preliminary international communication system formation and enhanced international public opinion influence, world-class media can place global news within Western thinking and value judgment frameworks, forming a discourse monopoly. Chinese media remain in a weak position in the international communication landscape—a common problem among Chinese media enterprises.

The original rate in international hotspot issues and emergencies is relatively weak. While cultural exchange projects are good, the company has not mastered the dominant power over China's image and needs to better export Chinese culture abroad to expand overseas influence.

4. Recommendations

4.1 Enhance Content Originality and Innovation Capacity to Promote Traditional Publishing Transformation and Upgrading

Through "three grasping points"—original publishing, copyright import, and major publishing projects—the company should cultivate new-generation writers, attract renowned authors, enhance original capacity, and build influential

IPs. It should focus on topics listed in the national "13th Five-Year Plan" key selection and redesign major publishing project implementation and responsibility mechanisms at the group level to creatively produce projects aligning with national public opinion guidance and propaganda requirements. The company should accelerate the establishment of a unified copyright import fund and explore direct publishing and cooperative publishing under book copyright import. Revitalizing traditional publishing should be a priority, innovating institutional mechanisms according to deepening supply-side structural reform requirements.

In 2016, domestic newspaper advertising declined by 38.7%, and Zhongnan Media's newspaper media segment also faced operational pressures. To address risks from traditional media business decline, the company should actively expand online media such as RedNet, Daxiang Network, and Feng Network, develop subway, maglev, and urban rail advertising businesses, and utilize media influence to develop offline operations. Following the development approach of combining online and offline with culture and finance, the company should promote traditional newspaper media transformation and upgrading. In establishing the RedNet New Media Group, it should further improve reporting quality, innovate reporting methods, accelerate construction of new indoor/outdoor large-screen and public opinion monitoring platforms, and enhance RedNet's influence and guidance capacity. Xiaoxiang Morning Post operation company should continue strengthening "all-media integration, all-channel operation, and full-case agency," promoting business model transformation and performance improvement while upgrading its distribution team. The company should accelerate the transformation from print to new media and outdoor media, vigorously support elderly media and subway media development, and expand scale and influence. For exhibition projects, while organizing policy-oriented exhibitions, it can increase cultural creative experience exhibitions and international regular professional exhibitions to diversify exhibition business.

4.2 Comprehensively Fulfill Social Responsibility Disclosure According to Media Enterprise Characteristics and Listed Company Requirements

Media enterprises have their own particularities. When implementing and disclosing social responsibility reports, they should not completely follow Shenzhen Stock Exchange guidelines but can formulate social responsibility strategies and information disclosure mechanisms more aligned with their own characteristics, industrial cultural attributes, and ideological attributes. For example, they can promote compliance with ideological and guidance discipline as professional norms throughout the group, summarize areas needing improvement in social responsibility fulfillment in reports, and disclose prepared reports through extensive channels including announcements, official websites, internal media, and other means to widely publicize responsibility fulfillment. Additionally, formulating social responsibility reports for each subsidiary can not only enable the public and researchers to understand Zhongnan Media's social responsibility status at multiple levels but also promote inter-enterprise coordination and further individualize social responsibility at the subsidiary level. Finally, when drafting social responsibility reports, the company can incorporate charts and images to present data more concisely and intuitively.

4.3 Enhance Overseas Communication Capacity to Boost Chinese Culture Going Global

As a leading enterprise in the publishing industry, Zhongnan Media needs to lead Chinese culture in going global, enhancing international communication and impression power to present a positive and responsible Chinese image to the world. In news media, it needs to strengthen localized operations throughout the entire process of information collection, editing, transmission, content output, and project promotion to improve news reporting originality and first-release rates. The company should accelerate the development of international first-class media with multiple languages, broad audiences, and large information volumes to form international communication capacity commensurate with China's economic and social development level and international influence.

In cultural education and values, subsidiaries like Tianwen Digital Media can design targeted group education and cultural products for South Sudan and Macedonia, expanding more projects in cultural foreign aid. Under the South Sudan education project model, Tianwen Digital Media can strive to add new overseas demonstration points to promote new progress in product capacity output. In book publishing and distribution, the company needs to further improve participation and marketing levels at international book fairs, increase development of export-oriented book products, and deepen exchanges and cooperation with international publishing enterprises and copyright agencies. Tianwen Printing should further enhance capacity output scale while reducing costs and transforming business models, focusing on developing South Asian, Middle Eastern, and African markets. Additionally, the company should further implement strategic cooperation with internationally renowned education publishing groups such as Pearson, Cengage, and the Frankfurt Book Fair to expand international markets, increase international influence, and achieve new growth in book trade and cultural output.

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Note: Figure translations are in progress. See original paper for figures.