# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

**If you have sold or transferred** all your shares in Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**"), you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



WIN SHARE

新華文軒出版傳媒股份有限公司

XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.*

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 811)**

# (1) PROPOSED ISSUE OF A SHARES; AND (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY, THE RULES OF PROCEDURES AND THE INTERNAL RULES AND ADOPTION OF THE NEW INTERNAL RULES OF THE COMPANY

A letter from the Board is set out on pages 4 to 15 of this circular.

The notices for convening the extraordinary general meeting (the "**EGM**"), the domestic Shares class meeting and H Shares class meeting (the "**Class Meetings**") of the Company to be held at 9:30 a.m., 10:30 a.m. and 11:00 a.m. respectively on 8 March 2013 (Friday) at Sichuan Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the People's Republic of China (the "**PRC**") are set out on pages 158 to 167, 168 to 171 and 172 to 175 of this circular respectively.

The revised proxy forms for use at the EGM and Class Meetings are enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying revised proxy forms in accordance with the instructions printed thereon. In case of H Shares, the revised proxy form shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and in case of Domestic Shares, the revised proxy form shall be lodged at the head office of the Company in the PRC, not less than 24 hours before the time scheduled for holding the EGM and the Class Meetings (or any adjournments thereof). Completion and delivery of the revised proxy form will not preclude you from attending and voting in person at the EGM and the Class Meetings or any adjournment if you so desire.

Proxy forms published by the Company on 16 January 2013 lodged by the Shareholders prior to the date of this circular shall continue to be valid but will be superseded and become invalid in the event that the same Shareholder has lodged the revised proxy form. Shareholders intending to cast their votes by way of proxy shall therefore use the revised proxy form.

* *For identification purposes only*

5 February 2013

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*Pages*

*In this circular, the following expressions shall have the meanings stated below unless the context otherwise requires:*

| | |
|---|---|
| "A Share Issue" | the proposed issue of not more than 98,710,000 A Shares to qualified participants in the price consultation process and the individuals, legal entities and other investors within the PRC which have established A share accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and regulations and other regulatory requirements to which the Company is subject); and other target persons as approved by the CSRC |
| "A Shares" | domestic ordinary share(s) of the Company of RMB1.00 each in the share capital of the Company proposed to be issued, which are proposed to be listed on the Shanghai Stock Exchange |
| "Announcement" | the announcement of the Company dated 16 January 2013 in relation to, among other things, the proposed issue of A Shares; the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules and adoption of the New Internal Rules of the Company |
| "Articles of Association" | the articles of association of the Company (as amended from time to time) |
| "associate(s)" | has the same meaning as ascribed to this term under the Listing Rules |
| "Board" | the board of Directors |
| "Class Meetings" | the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the EGM and the class meeting for holders of H Shares to be held immediately after the conclusion of the said class meeting for holders of Domestic Shares, or any adjournment thereof respectively |
| "Company" | Xinhua Winshare Publishing and Media Co., Ltd.* (新華文軒出版傳媒股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange |

| | |
|---|---|
| "controlling shareholder(s)" | has the same meaning as ascribed to this term under the Listing Rules |
| "CSRC" | China Securities Regulatory Commission (中國證券監督管理委員會) |
| "Directors" | the directors of the Company |
| "Dividends Distribution Plan" | the plan of distribution of dividends after completion of the proposed A Share Issue, details of which are set out under the section headed "The Proposed A Share Issue" in this circular |
| "EGM" | the extraordinary general meeting of the Company to be held at 9:30 a.m. on 8 March 2013 (Friday) at Sichuan Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the PRC for the Shareholders to consider and approve, among other things, the proposed issue of A Shares, the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules and adoption of the New Internal Rules of the Company |
| "Group" | the Company and its subsidiaries |
| "H Share(s)" | overseas listed foreign share(s) with a nominal value of RMB1.00 each in the ordinary share capital of the Company, all of which are listed on the Main Board of the Stock Exchange |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Internal Rules" | the internal Rules proposed to be amended by the Company, which include the connected transaction system, foreign investment management system, the information disclosure system and the investors' relation management system |
| "Latest Practicable Date" | 31 January 2013, being the latest practicable date prior to the printing of this circular for ascertaining information contained herein |

| | |
|---|---|
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "New Internal Rules" | the new internal rules proposed to be adopted by the Company, which include the working system of the independent Directors, management approach for external guarantees, application and management approach for the proceeds from A Shares, working system of the Board secretary, management system for registration of insider information and working rules for general manager |
| "PRC" | the People's Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan) |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Rules of Procedures" | the Rules of Procedure proposed to be amended by the Company, which include the general meeting rules, board meeting rules, supervisory committee meeting rules and the terms of reference of the audit committee, the terms of reference of the remuneration and review committee, the terms of reference of the nomination committee, the terms of reference of the strategy and investment planning committee and the terms of reference of the editorial and publication committee |
| "SFO" | securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) |
| "Share(s)" | Shares of the Company |
| "Shareholder(s)" | shareholder(s) of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "%" | per cent. |

*For the purpose of this circular, the exchange rate of RMB1.00 = HK$1.23 has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts have been, could have been or may be exchanged, at this or any other rates.*

* *For identification purposes only*

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)**

*Executive Directors:*
Mr. Gong Cimin *(Chairman)*
Mr. Luo Yong

*Non-executive Directors:*
Mr. Zhang Chengxing
Mr. Luo Jun
Mr. Zhao Junhuai

*Independent non-executive Directors:*
Mr. Han Xiaoming
Mr. Chan Yuk Tong
Mr. Han Liyan

*Registered office in the PRC:*
12th Floor, No.86 Section One
People's South Road
Qingyang District
Chengdu, Sichuan
PRC

*Head office in the PRC:*
No.6 Wenxuan Road
Shang Mao Dadao, Cheng Bei
Chengdu, Sichuan 610081
PRC

*Principal place of business in Hong Kong:*
8th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

5 February 2013

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED ISSUE OF A SHARES; AND
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY, THE RULES OF PROCEDURES AND THE INTERNAL RULES AND ADOPTION OF THE NEW INTERNAL RULES OF THE COMPANY**

## INTRODUCTION

Reference is made to the Announcement of the Company dated 16 January 2013.

* *For identification purposes only*

The Company is prepared to apply to the CSRC and other relevant regulatory authorities for the issue of not more than 98,710,000 A Shares with a nominal value of RMB1.00 per A Share to the target investors on the Shanghai Stock Exchange. The A Share Issue will be subject to the approval by the Shareholders at the EGM and the Class Meetings, as well as the approvals by the CSRC and other relevant regulatory authorities.

To comply with the applicable PRC laws and regulations in relation to the A Share Issue, the Company proposed to amend the Articles of Association, the Rules of Procedures and the Internal Rules and to adopt the New Internal Rules.

Amendments to the Articles of Association, the general meeting rules, board meeting rules, supervisory committee meeting rules and connected transaction system are subject to Shareholders' approval at the EGM. Special resolutions to consider and approve the amendments to the Articles of Association and the said Rules of Procedures will be proposed at the EGM whilst ordinary resolutions to consider and approve the amendments to the connected transaction system will be proposed at the EGM. The proposed amendments to the Articles of Association are subject to the obtaining of approval or endorsement from or registration with the relevant regulatory authorities, and shall come into effect upon approval by the CSRC and completion of the A Share Issue. The proposed amendments to all the Rules of Procedures and the Internal Rules shall come into effect upon completion of the A Shares.

Adoption of the working system of the independent Directors and the management approach for external guarantees are subject to Shareholders' approval at the EGM, and ordinary resolutions to consider and approve the adoption of the said New Internal Rules will be proposed at the EGM. The proposed adoption of all the New Internal Rules shall come into effect upon completion of the A Share Issue.

The purpose of this circular is to provide you with details of the proposed issue of A Shares, the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal Rules and adoption of the New Internal Rules of the Company.

## THE PROPOSED A SHARE ISSUE

### Details of the A Share Issue

| | | |
|---|---|---|
| (i) | Class of shares: | A Shares |
| (ii) | Nominal value: | RMB1.00 each |

| | | |
|---|---|---|
| (iii) | Number of A Shares proposed to be issued: | Not more than 98,710,000 A Shares.<br><br>The number of A Shares proposed to be issued shall be subject to the approval by the CSRC, and be confirmed by the Board in accordance with the authorization to be granted at the EGM after considering the market conditions and other factors and consulting the lead underwriter. |
| (iv) | Target persons for the issue: | Qualified participants in the price consultation process; the individuals, legal persons and other investors within the PRC which have established A Share accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and administrative regulations and other regulatory requirements to which the Company is subject); and other target persons as approved by the CSRC. |
| (v) | Price determination method: | The issue price will be determined based on the results of price consultations with qualified participants in the price consultation process and the market conditions; or other price determination method as approved by the CSRC. |
| (vi) | Issuing method: | By a combination of conducting offline placing inquiry to the participants in the price consultation process and share issue by way of online subscription pricing method, or other ways of issue as approved by the CSRC. |
| (vii) | Proposed stock exchange for listing: | Shanghai Stock Exchange |

| | | |
|---|---|---|
| (viii) | Arrangement for listing of A Shares: | Upon completion of the A Share Issue, all A Shares (including the existing domestic Shares and A Shares to be issued under the A Share Issue) will be applied for listing on the Shanghai Stock Exchange, and such A Shares will comply with the lock-up period requirements under the the relevant laws and regulations. |
| (ix) | Proposed date of listing of A Shares: | Subject to the approvals from the CSRC and Shanghai Stock Exchange, the date of listing shall be determined by the Board after consultation with the lead underwriter and other regulatory authorities. |
| (x) | Plan of distribution of accumulated undistributed profits before the A Share Issue: | The accumulated undistributed profits of the Company prior to the completion of the A Share Issue shall be entitled to all new and existing Shareholders in proportion to their respective shareholdings after the A Share Issue. |
| (xi) | Rights attaching to the A Shares: | The A Shares, unless otherwise provided by applicable laws, regulations, the Listing Rules and other regulatory documents, shall carry the same rights as the Company's existing domestic Shares and H Shares. |
| (xii) | Transfer of state-owned Shares: | According to the "Partial Transfer of State-owned Shares to the National Social Security Fund in the Domestic Securities Market Implementation Measures" (Cai Qi [2009] No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)), the state-owned Shareholders of the Company shall transfer part of their holding of state-owned Shares to the extent of 10% of the actual amount of shares issued under the A Share Issue of the Company to the National Council for Social Security Fund (NCSSF) (全國社會保障基金理事會) in accordance with relevant state regulations. |

**Use of proceeds**

After deducting the expenses incurred in the A Share Issue, the Company intends to apply the proceeds in the following projects with a total estimated investment amount of approximately RMB1,418,000,000:

(a) Service platform of education cloud project (教學雲服務平台項目) with an estimated total investment amount of RMB420,000,000, out of which RMB400,000,000 is intended to be funded by the proceeds from the A Share Issue;

(b) Retail shops upgrading and expansion project (零售門店升級拓展項目) with an estimated total investment amount of RMB200,000,000, out of which RMB180,000,000 is intended to be funded by the proceeds from the A Share Issue;

(c) Logistics network construction project in Western China (西部物流網絡建設項目) with an estimated total investment amount of RMB598,000,000, out of which RMB400,000,000 is intended to be funded by the proceeds from the A Share Issue;

(d) Enterprise resource planning system construction and upgrading project (ERP 建設升級項目) with an estimated total investment amount of RMB150,000,000 which is intended to be funded entirely by the proceeds from the A Share Issue; and

(e) Chinese cultural revival publication project (中華文化復興出版工程項目) with an estimated total investment amount of RMB50,000,000 which is intended to be funded entirely by the proceeds from the A Share Issue.

Prior to receiving the proceeds from the proposed A Share Issue, the Company may pay the relevant investment amount by self-financing based on the actual payment schedule of the abovestated projects. Upon receipt of the proceeds from the proposed A Share Issue, the Company shall repay the said self-financing amount previously made with part of the proceeds.

In case the proceeds from the proposed A Share Issue (after deducting the expenses incurred in the A Share Issue) are insufficient for funding the abovestated projects, the Company shall arrange the use of the proceeds in accordance with the importance and urgency of the abovestated projects, and shall pay the outstanding balance by its own funds or through debt financing. In case there is a surplus after applying the proceeds from the proposed A Share Issue to the abovestated projects and deducting the expenses incurred in the A Share Issue, such surplus shall be used for the current capital of the Company or repayment of the Company's bank loan in accordance with the relevant rules.

**Plan of distribution of dividends after completion of the proposed A Share Issue**

In accordance with the requirements of the Notice of the matters in relation to further implementation of distribution of cash dividends by listed companies (Zheng Jian Fa [2012] No.37) (《關於進一步落實上市公司現金分紅有關事項的通知》(證監發[2012]37號)), the Board proposes to formulate the plan of distribution of dividends after completion of the proposed A Share Issue (the "Dividends Distribution Plan"). Details of the Dividends Distribution Plan are set out as follows:

***The Dividends Distribution Plan***

*(i) Conditions and proportion for cash dividend distribution*

Save in exceptional circumstances, the Company should make a cash distribution proposal if the distributable profit for the year is positive. Save in exceptional circumstances, the Company should annually distribute not less than 30% of the distributable profit of the year as cash dividend.

Exceptional circumstances refer to the Company's participation in any project which involves significant investment or cash expenditures that requires approval in the general meeting according to relevant laws and the Article of Association (except for fund-raising projects).

*(ii) Conditions for stock dividend distribution*

Subject to relevant laws and regulations and the Articles of Association, the Company may make a stock dividend distribution proposal if (a) the Company is operating in good condition; (b) the Board is in the opinion that the price of the Shares does not match with the scale of Company's capital and the distribution of stock dividend is in the interest of the Shareholders as a whole and the abovesaid conditions for cash dividend distribution are fulfilled. The independent non-executive Directors shall express independent opinions on the stock dividend distribution proposal raised by the Board.

*(iii) The formulation of the profit distribution proposal*

The profit distribution proposal shall be formulated by the Board and approved in the general meeting. During the course of formulating the profit distribution policy and dividends distribution proposal, the Board should consider the opinions of the independent Directors, the supervisory committee and the Shareholders (especially minority Shareholders) by communicating with such Shareholders through various channels (including but not limited to telephone, fax, email, face-to-face communication and inviting the minority Shareholders to participate in the meetings, etc.).

If the conditions for cash dividend distribution are fulfilled and the Company has not distributed cash dividend for any exceptional circumstances, the Board shall explain the reasons of non-distribution, the actual use of the retained profit and the expected profit from any investment. After the independent non-executive Directors have expressed their opinions and being approved in the general meeting, the Board shall disclose such explanation in designated media.

*(iv) The Dividends Distribution Plan for the next 3 years*

The next 3 years are an important period for the Company to implement its objectives of striding development. Save in exceptional circumstances, the Company shall distribute cash dividends of not less than 30% of the distributable profit for the year to the Shareholders annually. Provided that there is sufficient cash for dividend distribution, the Company may otherwise propose stock dividend distribution.

***Adjustment to the Dividends Distribution Plan***

The Company shall review the Dividends Distribution Plan at least every three years, make appropriate and necessary amendments to the existing dividend distribution policy and confirm the Shareholders' return plan for the relevant period.

The Dividends Distribution Plan shall be proposed by the Board and approved in the Shareholders' meeting. The independent non-executive Directors shall review the Dividends Distribution Plan and express independent opinions. The supervisory committee of the Company shall review the Dividends Distribution Plan and express review opinions.

***Effectiveness of the Dividends Distribution Plan***

The effectiveness of the Dividends Distribution Plan is subject to the approval by the Shareholders at the EGM and the completion of the proposed A Share Issue.

**Authorization by the Shareholders**

The EGM will be held to consider and approve, among other things, the granting of the authorization to the Board to take all necessary actions and/or sign any documents in connection with the A Share Issue and all related matters in accordance with the relevant requirements of the CSRC, Stock Exchange and Shanghai Stock Exchange. The authorization proposed to be granted to the Board shall include but not limited to the followings:

(i) To adjust and determine the matters relating to the listing of the A Shares in accordance with the relevant rules and the conditions of the securities market within the ambit granted by the Shareholders at the EGM, which include but not limited to the number of A Shares to be issued, target persons for the issue, issuing method, issuing price and the timing of commencing and terminating the issue;

(ii) Subject to the actual situation of the investment projects before the listing of the A Shares and the approvals from the competent authorities, to carry out necessary and appropriate adjustments to the projects which intended to be invested by the proceeds from the A Share Issue and approved by the Shareholders at the EGM, which include but not limited to the projects proposed to be invested, the investment amount, implementation plans and implementation methods;

(iii) To implement all procedures relating to the listing of the A Shares, which include the application of the A Share Issue to CSRC and other competent authorities, the signing of the relevant documents which include but not limited to the prospectus of the A Shares and other relevant documents;

(iv) To engage the listing intermediates and other professional parties, determine their respective engagement fees and enter into the agreements relating to the A Share Issue on behalf of the Company which include the underwriting agreement and sponsor agreement;

(v) To amend the Article of Association, the Rules of Procedures, the Internal Rules and the New Internal Rules of the Company subject to the completion of the A Share Issue, the results of the A Share Issue and the requirements of the relevant competent government authorities and to deal with the relevant procedures for registration of changes and filing of the Articles of Association, the registered capital and other issues with relevant authorities;

(vi) To apply and deal with the procedures for registration of changes with the registration authority and deal with the procedures for registration, settlement and lock-up procedures with the share registration authority or clearing authority of the Company subject to the results of the A Share Issue;

(vii) Other matters relating to the A Share Issue; and

(viii) To delegate the above authorizations to authorised Director(s).

The abovesaid authorization, if approved and granted by the Shareholders at the EGM, shall be effective for a period of 12 months from the date of approval by the EGM.

**Application to the CSRC and the Shanghai Stock Exchange**

Application to the CSRC for the A Share Issue will be made as soon as practicable after the approval of the proposed A Share Issue by the Shareholders at the EGM and the Class Meetings has been obtained. Upon obtaining the approval of the CSRC, the Company will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares on the Shanghai Stock Exchange based on the actual practicable situation.

**Completion of the A Share Issue**

The Company intends to complete the A Share Issue as soon as practicable. Nonetheless, the exact timing and structure in regards the completion of the A Share Issue are conditional upon, among other things, (i) the passing of the special resolutions in regards to the A Share Issue at the EGM and the Class Meetings; (ii) the approval of the A Share Issue by the CSRC and other relevant regulatory authorities; and (iii) the then market conditions.

**Reasons for and the Benefits of the A Share Issue**

The A Share Issue, if completed, will open new financing channels for the business development of the Company, and provide financial resources for the Company to implement the projects as stated under the paragraph headed "Use of Proceeds" above, which will enhance the continuous development and the core competitive power of the Company.

The Directors consider that the A Share Issue is in the interests of the Company and the Shareholders as a whole.

**Effects of the A Share Issue on the Company's Shareholding Structure**

Set out below is a summary of the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the A Share Issue (assuming no other H Shares, domestic Shares or A Shares are to be issued by the Company from the Latest Practicable Date up to and including the date of issue of the A Shares):

| | As at the Latest Practicable Date | | | Immediately after completion of the A Share Issue | | |
|---|---|---|---|---|---|---|
| **Shareholder** | **Types of Shares** | **Number of Shares** | **Percentage of the total issued share capital of the Company** | **Types of Shares** | **Number of Shares** | **Percentage of the total issued share capital of the Company** |
| Sichuan Xinhua Publishing Group Co., Ltd.* | State-owned Shares | 592,809,525 | 52.22% | A Shares | 583,664,334 | 47.30% |
| Sichuan Publication Group Co., Ltd.* | State-owned Shares | 31,051,927 | 2.74% | A Shares | 30,572,893 | 2.48% |
| Sichuan Daily Newspaper Group* | State-owned Shares | 9,409,675 | 0.83% | A Shares | 9,264,513 | 0.75% |
| Liaoning Publication Group Co., Ltd* | State-owned Shares | 6,586,773 | 0.58% | A Shares | 6,485,160 | 0.53% |

| Shareholder | As at the Latest Practicable Date | | | Immediately after completion of the A Share Issue | | |
|---|---|---|---|---|---|---|
| | Types of Shares | Number of Shares | Percentage of the total issued share capital of the Company | Types of Shares | Number of Shares | Percentage of the total issued share capital of the Company |
| Chengdu Hua Sheng (Group) Industry Co., Ltd.* | Social Legal Person Shares | 53,336,000 | 4.70% | A Shares | 53,336,000 | 4.32% |
| National Council for the Social Security Fund | | | | A Shares | 9,871,000 | 0.8% |
| Public | H Shares | 441,937,100 | 38.93% | H Shares | 441,937,100 | 35.82% |
| | | | | A Shares | 98,710,000 | 8% |
| **Total** | | **1,135,131,000** | **100%** | | **1,233,841,000** | **100%** |

The Company has not conducted any fund raising activities in the past twelve months prior to the Latest Practicable Date.

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES AND THE INTERNAL RULES AND ADOPTION OF THE NEW INTERNAL RULES**

Pursuant to the "Guidelines on Articles of Association of Listed Companies" (《上市公司章程指引》) dated 16 March 2006 issued by the CSRC and others applicable laws and regulations and regulatory requirements in the PRC, the Company proposed to make certain amendments to the Articles of Association, the Rules of Procedures and the Internal Rules and to adopt the New Internal Rules pursuant to the requirements of the applicable PRC laws and regulations. The proposed amendments to the Articles of Association are aimed to improve and enhance the corporate governance of the Company and make the Articles of Association comply with the relevant requirements of the Listing Rules, the relevant PRC laws and the listing rules of the Shanghai Stock Exchange.

Amendments to the Articles of Association, the general meeting rules, board meeting rules, supervisory committee meeting rules and connected transaction system are subject to Shareholders' approval at the EGM. Special resolutions to consider and approve the amendments to the Articles of Association and the said Rules of Procedures will be proposed at the EGM whilst ordinary resolutions to consider and approve the amendments to the connected transaction system will be proposed at the EGM. The proposed amendments to the Articles of Association are subject to the obtaining of the approval or endorsement from or registration with the relevant regulatory authorities, and shall come into effect upon approval by the CSRC and completion of the A Share Issue. The proposed amendments to all the Rules of Procedures and the Internal Rules shall come into effect upon completion of the A Share Issue.

Adoption of the working system of the independent Directors and the management approach for external guarantees are subject to Shareholders' approval at the EGM, and ordinary resolutions to consider and approve the adoption of the said New Internal Rules will be proposed at the EGM. The proposed adoption of all the New Internal Rules shall come into effect upon completion of the A Share Issue.

Details regarding (i) the proposed amendments to the Articles of Association are set out in Appendix I to this circular; (ii) the proposed amended versions of the general meeting rules, board meeting rules and supervisory committee meeting rules are set out in Appendix II to this circular; (iii) the proposed amended version of the connected transaction system are set out in Appendix III to this circular and (iv) the working system of the independent Directors and the management approach for external guarantees proposed to be adopted are set out in Appendix IV to this circular.

**GENERAL**

The Company will convene the EGM for the purpose of, among other things, seeking Shareholders' approval on the proposed A Share Issue, the proposed amendments to the Articles of Association, the general meeting rules, board meeting rules, supervisory committee meeting rules and connected transaction system and the proposed adoption of the working system of the independent Directors and the management approach for external guarantees. Respective Class Meetings will also be convened for the purpose of seeking the approvals on the proposed A Share Issue by the Shareholders of the Domestic Shares and H Shares. If approval by the Shareholders can be obtained at the EGM and the Class Meetings, the relevant resolutions shall be effective for a period of 12 months commencing from the date on which such approval is obtained. Nonetheless, it should be noted that apart from the approval by the Shareholders, the proposed A Share Issue is still subject to the approvals by the CSRC and other relevant regulatory authorities.

**There is no assurance that the proposed A Share Issue will proceed to completion. Shareholders and potential investors are advised to exercise caution in dealings in the H Shares. Further details about the proposed A Share Issue will be disclosed by the Company in due course in accordance with the Listing Rules.**

**EGM AND THE CLASS MEETINGS**

The EGM will be held at 9:30 a.m. on 8 March 2013 (Friday) at Sichuan Xinhua International Hotel, No.8 Guzhongshi Street, Chengdu, Sichuan, the PRC, for, among other things, the Shareholders to consider and, if thought fit, approve the proposed A Share Issue, the proposed amendments to the Articles of Association, the Rules of Procedures and the Internal

Rules and the Adoption of the new Internal Rules of the Company. Immediately after the conclusion of the EGM, the Domestic Shares Class Meeting and the H Share Class Meeting will be held at the same venue at 10:30 a.m. and 11:00 a.m. respectively for the holders of the Domestic Shares and H Shares to consider and, if thought fit, approve the proposed A Share Issue. At the EGM and the Class Meetings, the votes will be taken by poll.

The notice of EGM and the notices of the Class Meetings are set out on pages 158 to 167, 168 to 171 and 172 to 175 respectively of this circular.

The revised proxy forms for use at the EGM and Class Meetings are enclosed. Whether or not you are able to attend the meetings in person, you are requested to complete and return the accompanying revised proxy forms in accordance with the instructions printed thereon. In case of H Shares, the revised proxy form shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and in case of Domestic Shares, the revised proxy form shall be lodged at the head office of the Company in the PRC, not less than 24 hours before the time scheduled for holding the EGM and the Class Meetings (or any adjournments thereof). Completion and delivery of the revised proxy form will not preclude you from attending and voting in person at the EGM and the Class Meetings or any adjournment if you so desire.

Proxy forms published by the Company on 16 January 2013 lodged by the Shareholders prior to the date of this circular shall continue to be valid but will be superseded and become invalid in the event that the same Shareholder has lodged the revised proxy form. Shareholders intending to cast their votes by way of proxy shall therefore use the revised proxy form.

No Shareholder is required to abstain from voting in connection with the matters to be resolved at the EGM and the Class Meetings.

Yours faithfully,
For and on behalf of
**Xinhua Winshare Publishing and Media Co., Ltd.***
**Gong Cimin**
*Chairman*

* *For identification purposes only*

The English version of this Appendix is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Proposed amendments to the Articles of Association are set out as follows (appropriate consequential changes to the numbering (including the numbering referred to in an article) and sequence of the relevant chapter, article, paragraph and subparagraph will be made, if required, which will not be specifically described herein).

**1. The existing foreword of the Articles of Association**

"The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the "Mandatory Provisions"), the Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1) (the "Zheng Jian Hai Han"), Further Standardizing Operations and Reform of Companies Listed Outside China Opinion (the "Opinion"), the Guidelines on Articles of Association of Listed Companies (as amended in 2006) (Zheng Jian Gong Si Zi [2006] No. 38) (the "Guidelines") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")."

*shall be amended as:*

"The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the "Mandatory Provisions"), the Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1) (the "Zheng Jian Hai Han"), Further Standardizing Operations and Reform of Companies Listed Outside China Opinion (the "Opinion"), the Guidelines on Articles of Association of Listed Companies (as amended in 2006) (Zheng Jian Gong Si Zi [2006] No. 38) (the "Guidelines"), the Regulations for Convening of General Meetings of Listed Companies (Zheng Jian Fa [2006] No. 21) (the "Regulations for Convening of General Meetings"), the Standards for the Governance of Listed Companies (Zheng Jian Fa [2002] No. 1) (the "Standards for the Governance"), the Certain Provisions on Strengthening the Protection of the Rights and Interests of General Public Shareholders (Zheng Jian Fa [2004] No. 118) (the "Provisions on Public Shareholders"), the Guiding Opinion on the Establishing Independent Director System by Listed Companies (Zheng Jian Fa [2001] No. 102) (the "Opinion on Independent Director System"), the Notice concerning the Regulation of External Guarantees to be Provided by Listed Companies (Zheng Jian Fa [2005] No. 120) (the "Notice concerning Guarantees") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")."

**2. The existing Article 1**

"The Articles of Association are formulated by the Company pursuant to the Company Law of the People's Republic of China (the "Company Law") and other relevant requirements to protect the legal interests of Xinhua Winshare Publishing and Media Co., Ltd (the "Company"), its shareholders and creditors, and to govern the Company's organizational structure and behavior."

*shall be amended as:*

"The Articles of Association are formulated by the Company pursuant to the Company Law, the Securities Law and other relevant requirements to protect the legal interests of Xinhua Winshare Publishing and Media Co., Ltd (the "Company"), its shareholders and creditors, and to govern the Company's organizational structure and behavior."

**3. The first paragraph of the existing Article 2**

"The Company is a joint-stock limited company incorporated pursuant to the Company Law, the Securities Law of the People's Republic of China (the "Securities Law"), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations") and other relevant requirements under the laws, administrative rules and regulations."

*shall be amended as:*

"The Company is a joint-stock limited company incorporated pursuant to the Company Law, the Securities Law, the Special Regulations and other relevant requirements under the laws, administrative rules and regulations."

**4. The following paragraph shall be added as the last paragraph of the existing Article 6:**

"The Company's assets shall be all divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares subscribed for. The Company shall be liable for its debts and shall cover such debts with all its assets."

**5. The 1st and 2nd paragraphs of the existing Article 7**

"The Articles of Association (the "Articles of Association") are formulated by the Company based on the amendments to the Articles of Association (the "Original Articles of Association") passed at the inauguration meeting of the Company and subsequently amended at the extraordinary general meeting held on 13 May 2005, the extraordinary general meeting held on 26 April 2006, the extraordinary general meeting held on 22 April 2007, the annual general meeting held on 16 June 2009, the annual general meeting held on 9 June 2010, the extraordinary general meeting held on 20 August 2010,the extraordinary general meeting held on 18 January 2011 and the extraordinary general meeting held on 29 September 2011 pursuant to the Company Law, the Securities Law and other laws and administrative regulations of the State.

The Articles of Association has become effective and supersede the Original Articles of Association from the date of passing the Articles of Association at the extraordinary general meeting held on 19 December 2012."

*shall be amended as:*

"The Articles of Association are formulated by the Company based on the amendments to the Articles of Association (the "Original Articles of Association") passed at the inauguration meeting of the Company and subsequently amended at the extraordinary general meeting held in 2005, the first extraordinary general meeting held in 2006, the extraordinary general meeting held on 22 April 2007, the annual general meeting held on 16 June 2009, the annual general meeting held on 9 June 2010, the extraordinary general meeting held on 20 August 2010, the extraordinary general meeting held on 18 January 2011, the extraordinary general meeting held on 29 September 2011 and the extraordinary general meeting held on 20 December 2012 pursuant to the Company Law, the Securities Law and other laws and administrative regulations of the State.

The Articles of Association (the "Articles of Association") are passed by way of special resolution at the extraordinary general meeting held on [●] 2013 with approval of the relevant authorities of the State, and come into effect from the date of listing of the Company's Renminbi ordinary shares ("A Shares") on the Shanghai Stock Exchange. The Company's Original Articles of Association shall be superseded by the Articles of Association."

**6. The 2nd paragraph of the existing Article 8**

"In accordance with the Articles of Association, shareholders may sue the Company and the Company may sue the shareholders; shareholders may sue other shareholders, the Directors, supervisors, general manager and other senior management of the Company."

*shall be amended as:*

"In accordance with the Articles of Association, shareholders may sue the Company and the Company may sue the shareholders, the Directors, supervisors, general manager and other senior management; shareholders may sue other shareholders, the Directors, supervisors, general manager and other senior management of the Company."

**7. The following paragraph shall be added as the 1st paragraph of the existing Article 13:**

"The shares of the Company adopt equity form. The issue of the Company's shares shall be in an open, fair and impartial manner. Each share of the same category shall have equal rights. For stocks of the same categories issued at the same time, the issue conditions and price for each share shall be the same; the same price shall be paid for each of the shares subscribed by any unit or individuals."

**8. Amendment to the 3rd paragraph of the existing Article 15 only concerns the stylistic change of the Chinese translation of "Hong Kong Stock Exchange" in the Chinese version of the Articles of Association and does not affect the English version.**

**9. The first sentence of the existing Article 16**

"With the approval of the reviewing and approving department authorized by the State Council, the Company could issue a total of 733,370,000 ordinary shares, and 733,370,000 shares were issued to the promoters when the Company was established, representing 100% of the total issued ordinary shares of the Company."

*shall be amended as:*

"With the approval of the reviewing and approving department authorized by the State Council, the Company could, upon its establishment, issue a total of 733,370,000 ordinary shares, and 733,370,000 shares were issued to the promoters when the Company was established, representing 100% of the total issued ordinary shares of the Company."

**10. The following 2nd and 3rd paragraphs of the existing Article 17 shall be deleted in their entireties:**

"Pursuant to the relevant PRC regulations on disposal of state-owned shares and after obtaining approvals from competent authorities, the state-owned shareholders of the Company will sell 36,940,332 state-owned shares to overseas investors when overseas listed foreign shares are issued. The state-owned shareholders of the Company will sell up to 42,481,382 state-owned shares to overseas investors if Over-allotment Option is exercised.

After the aforesaid capital raising IPO and the reduction in shareholding by state-owned shareholders, if the Over-allotment Option is not exercised, the shareholding structure of the Company will be: 1,102,770,000 ordinary shares, of which, 595,807,676 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.), representing 54.03% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.), representing 4.84% of the total ordinary shares of the Company in issue; 24,273,646 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), representing 2.2% of the total ordinary shares of the Company in issue; 9,457,265 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group), representing 0.85% of the total ordinary shares of the Company in issue; 6,935,327 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children's Publishing House Co., Ltd.), representing 0.63% of the total ordinary shares of the Company in issue; 6,620,085 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.), representing 0.6% of the total ordinary shares of the Company in issue; and 406,340,000 shares will be held by holders of the overseas listed foreign shares, representing 36.85% of the total ordinary shares of the Company in issue."

**11. The 1st and 4th paragraphs of the existing Article 17**

"Upon approval from the security supervision authorities of the State Council, the maximum number of ordinary shares issued under the Company's capital raising initial public offering ("IPO") after its establishment shall not exceed 424,813,821 shares, all being overseas listed foreign shares (including those overseas listed foreign shares issued pursuant to the exercise of Over-allotment Option), and account for 36.68% of the Company's total ordinary shares to be issued at most.

If the Over-allotment Option is exercised in full, the capital structure of the Company will comprise 1,135,131,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.), representing 52.22% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.), representing 4.7% of the total ordinary shares of the Company in issue; 24,151,499 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), representing 2.13% of the total ordinary shares of the Company in issue; 9,409,675 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group), representing 0.83% of the total ordinary shares of the Company in issue; 6,900,428 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children's Publishing House Co., Ltd.), representing 0.61% of the total ordinary shares of the Company in issue; 6,586,773 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.), representing 0.58% of the total ordinary shares of the Company in issue; 441,937,100 shares will be held by holders of the overseas listed foreign shares, representing 38.93% of the total ordinary shares of the Company in issue."

*shall be amended as:*

"Upon approval from China Securities Regulatory Commission, the Company made an initial public offering of 401,761,000 H shares listed on The Stock Exchange of Hong Kong Limited. Following completion of the initial public offering of H shares, the capital structure of the Company will comprise 1,135,131,000 ordinary shares, of which 592,809,525 shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.), representing 52.224% of the total ordinary shares of the Company in issue; 53,336,000 shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.), representing 4.699% of the total ordinary shares of the Company in issue; 24,151,499 shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), representing 2.128% of the total ordinary shares of the Company in issue; 9,409,675 shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group), representing 0.829% of the total ordinary shares of the Company in issue; 6,900,428 shares will be held by 四川少年兒童出版社有限公司 (Sichuan Youth and Children's Publishing House Co., Ltd.), representing 0.608% of the total ordinary shares of the Company in issue; 6,586,773 shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.), representing 0.580% of the total ordinary shares of the Company in issue.

Upon approval from China Securities Regulatory Commission, the Company made an initial public offering of [●] A shares listed on the Shanghai Stock Exchange. Following completion of the initial public offering of A shares, the capital structure of the Company will comprise [●] ordinary shares, of which [●] shares will be held by 四川新華發行集團有限公司 (Sichuan Xinhua Publishing Group Co., Ltd.), representing [●]% of the total ordinary shares of the Company in issue; [●] shares will be held by 成都市華盛(集團)實業有限公司 (Chengdu Hua Sheng (Group) Industry Co., Ltd.), representing [●]% of the total ordinary shares of the Company in issue; [●] shares will be held by 四川出版集團有限責任公司 (Sichuan Publication Group Co., Ltd.), representing [●]% of the total ordinary shares of the Company in issue; [●] shares will be held by 四川日報報業集團 (Sichuan Daily Newspaper Group), representing [●]% of the total ordinary shares of the Company in issue; [●] shares will be held by 遼寧出版集團有限公司 (Liaoning Publication Group Co., Ltd.), representing [●]% of the total ordinary shares of the Company in issue; [●] shares will be held by other investors domestically, representing [●]% of the total ordinary shares of the Company in issue; [●] shares will be held by shareholders of H shares, representing [●]% of the total ordinary shares of the Company in issue."

**12. The existing Article 20**

"The Company's registered capital is RMB1,135,131,000. The paid-in capital is RMB1,135,131,000."

*shall be amended as:*

"The Company's registered capital is RMB[●]. The paid-in capital is RMB[●]."

**13. The 2nd paragraphs of the existing Article 21**

"The Company may increase its capital in the following manners:

(1) by offering new shares to unspecified investors for subscription;

(2) by placing new shares to its existing shareholders;

(3) by allotting bonus shares to its existing shareholders;

(4) by offering new shares to specified investors for subscription;

(5) by any other means which are permitted under laws and administrative regulations."

*shall be amended as:*

"The Company may increase its capital in the following manners:

(1) by public offering of new shares;

(2) by non-public offering of shares;

(3) by distributing bonus shares to its existing shareholders;

(4) by enlarging the share capital with capital reserve;

(5) by any other means which are required under laws and administrative regulations and are approved by the securities regulatory authorities of the State Council."

**14. The existing Article 24**

"All issues and transfers of overseas listed foreign shares of the Company shall be registered in the register of members of overseas listed foreign shares kept in the place of shares listing in accordance with Article 41."

*shall be amended as:*

"The domestic shares of the Company shall be centralized and held in custody by the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. All issues and transfers of overseas listed foreign shares of the Company shall be registered in the register of members of overseas listed foreign shares kept in the place of shares listing in accordance with Article 40."

**15. The first sentence of the existing Article 26**

"In compliance with the following conditions, the Company shall sell the shares of a member who is untraceable in a way should the Board consider appropriate:"

*shall be amended as:*

"In compliance with the following conditions, the Company shall sell the shares of a shareholder of overseas listed foreign shares who is untraceable in a way should the Board consider appropriate:"

**16. The following paragraph shall be added as the last paragraph of the existing Article 27**

"Reduction of its registered capital by the Company shall be dealt with in accordance with the procedures required by the Company Law, other relevant regulations and the Articles of Association."

**17. The following existing Article 28 shall be deleted in its entirety:**

"The Company must prepare a balance sheet and list of assets for reduction of registered capital.

The Company shall notify its creditors within ten (10) days after the passing of the Company's resolution on reduction of registered capital and shall within thirty (30) days publish an announcement in newspaper for three (3) times. Within thirty (30) days after receipt of the notice or for those not receiving the notice within forty-five (45) days after the publication of the first announcement, the creditors are entitled to require the Company to repay its debt or provide a corresponding repayment guarantees for such debt.

The registered share capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement."

**18. The following paragraph shall be added as the last paragraph of the existing Article 29 (to be re-numbered accordingly as Article 28)**

"The Company shall not purchase or sell the Company's shares except the aforesaid conditions."

**19. The following Clause (4) shall be added below Clause (3) of the existing Article 30 (to be re-numbered accordingly as Article 29)**

"(4) Other manners approved by the securities regulatory authorities of the State Council."

**20. The following Clauses (2) and (3) shall be added below Clause (1) of the existing Article 36 (to be re-numbered accordingly as Article 35)**

"(2) advanced amounts;

(3) compensation;"

**21. The following paragraph shall be added as the last paragraph of the existing Article 39 (to be re-numbered accordingly as Article 38)**

"In the event that paperless shares of the Company are issued and traded, separate requirements of laws and regulators of the places of listing shall apply."

**22. The following paragraph shall be added as the first paragraph of the existing Article 41 (to be re-numbered accordingly as Article 40)**

"The Company shall create a register of members based on the evidence provided by a securities registry. The register of members shall be sufficient evidence substantiating that the shareholders hold the shares of the Company. Shareholders enjoy rights and have obligations according to the class of shares held by them. Shareholders holding shares of the same class enjoy equal rights and have equal obligations."

**23. The 4th paragraph of the existing Article 44 (to be re-numbered accordingly as Article 43)**

"The shares in issue of the Company prior to the public offering of the shares are not transferable within one (1) year from the listing of the shares of the Company on a stock exchange."

*shall be amended as:*

"The shares in issue of the Company prior to the public offering of the shares (other than H shares) are not transferable within one (1) year from the listing of the shares of the Company on a stock exchange."

**24. The following paragraphs shall be added as the third-last and second-last paragraphs of the existing Article 44 (to be re-numbered accordingly as Article 43)**

"Where any Director, supervisor, senior management or shareholder holding 5% or above of the Company's shares (other than H shares) sell his/her shares in the Company within a period of six (6) months after their purchase, or purchase shares in the Company again within a period of six (6) months after their disposal, the gains so earned shall belong to the Company, and the Board may forfeit such gains for the benefit of the Company. However, if a securities company holds 5% or more of the Company's shares as a result of its underwriting of the untaken shares in an offer, the sales of those shares shall not be under the said six (6)-month restriction. If the Board does not act in accordance with the provisions of the above paragraph, shareholders shall have the right to request the Board to take action within thirty (30) days from the date of request. If the Board does not take such action within the said period, then the shareholders shall be entitled to commence proceedings in the People's Court directly in their own names for the benefit of the Company.

Where the Board does not act in accordance with the provisions of the above paragraph, the responsible Directors shall assume joint and several liabilities."

**25. The following sentence shall be added as the last sentence of the existing Article 45 (to be re-numbered accordingly as Article 44)**

"Amendments to the register of members of A shares shall be made in accordance with the domestic laws and regulations of the PRC."

**26. The existing Article 46 (to be re-numbered accordingly as Article 45)**

"When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall decide on a date as the record date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of members at the end of the record date are considered shareholders of the Company."

*shall be amended as:*

"When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board or the convener of a general meeting shall decide on a date as the record date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of members at the close of the record date are considered shareholders of the Company entitled to relevant rights and interests."

**27. The 2nd paragraph of the existing Article 48 (to be re-numbered accordingly as Article 47)**

"If a holder of the domestic shares loses his/her share certificates and applies for the replacement, it shall be dealt with in accordance with the provisions of Section 144 of the Company Law."

*shall be amended as:*

"If a holder of A shares loses his/her share certificates and applies for the replacement, it shall be dealt with in accordance with the provisions of Section 144 of the Company Law."

**28. Amendment to Clause (2) of the existing Article 52 only concerns (i) the stylistic change of the Chinese translation of "shareholders' general meeting"; and (ii) the insertion of the Chinese equivalent of "corresponding" due to typographical error of the existing Chinese version of the Articles of Association and does not affect the English version.**

**29. Amendment to Clause (2) sub-Clause (5) item (v) of the existing Article 52 only concerns the stylistic change of the Chinese translation of "shareholders' general meetings" in the Chinese version of the Articles of Association and does not affect the English version.**

**30. The first paragraph of Clause (5) sub-Clause 2 of the existing Article 52 (to be re-numbered accordingly as Article 51)**

"2. to place the following documents in a certain place in Hong Kong for shareholders to inspect at no charge; and copy, subject to payment of a reasonable charge:"

*shall be amended as:*

"2. to place the following documents in the domicile of the Company and a certain place in Hong Kong for shareholders to inspect at no charge; and copy, subject to payment of a reasonable charge:"

**31. The following Clauses (3) and (4) shall be added below clause (2) of the existing Article 54 (to be re-numbered accordingly as Article 53)**

"(3) not to withdraw shares unless as required by the laws and regulations;

(4) not to abuse its rights to prejudice the interests of the Company or other shareholders and not to abuse the status of the Company as an independent legal person and the limited liability of a shareholder to prejudice the interests of the creditors of the Company;

where a shareholder of the Company abuses his/her rights and causes losses to the Company or other shareholders, he/she shall assume the liability of compensation in compliance with the law.

where a shareholder of the Company abuses the status of the Company as an independent legal person and the limited liability of a shareholder to avoid his/her liabilities and severely impairs the interests of the creditors of the Company, he/she shall assume vicarious liability for the liabilities of the Company;"

**32. The following new provision shall be added as Article 54**

"Where a shareholder holding 5% or more voting shares of the Company pledges his/her shares in his/her possession, he/she shall report the same to the Company in writing on the day on which he/she pledges his/her shares."

**33. The following sentence shall be added as the last sentence of the existing Article 55**

"The controlling shareholders and de facto controllers of the Company have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise its rights as an investor in strict compliance with the laws. The controlling shareholders shall not jeopardize the lawful interests of the Company and its public shareholders by way of profit appropriation, asset reorganization, external investments, misappropriation and provision of guarantee for loans, nor shall they jeopardize the interests of the Company and its public shareholders by utilizing its controlling position."

**34. The existing Article 58**

"The shareholders' general meeting may exercise the following functions and powers:

(1) to decide on the development plans, operating policies and investment plans of the Company;

(2) to elect and replace Directors and decide on matters relating to the remuneration of Directors;

(3) to elect and replace the supervisors who are not representatives of the staff and decide on matters relating to the remuneration of supervisors;

(4) to examine and approve reports of the Board;

(5) to examine and approve reports of the Supervisory Committee;

(6) to examine and approve the Company's proposed annual preliminary and final financial budgets;

(7) to examine and approve the Company's profit distribution plans and plans for making up losses;

(8) to decide on increases or reductions in the Company's registered capital;

(9) to decide on matters such as merger, division, change of the corporate form, dissolution and liquidation of the Company;

(10) to decide on the issue of bonds and other securities and the listing of the Company;

(11) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accounting firms;

(12) to amend the Articles of Association;

(13) to examine matters relating to the purchases and disposals of the Company's material assets or any guarantee within one (1) year, the amount of which exceeds 30% of the Company's latest audited total assets;

(14) to examine any provisional proposal put forward by shareholders individually or jointly holding not less than 3% of the Company's voting shares;

(15) to examine other matters required by laws, administrative regulations and the Articles of Association to be resolved by general meeting of shareholders."

*shall be amended as:*

"The shareholders' general meeting may exercise the following functions and powers:

(1) to decide on the development plans, operating policies and investment plans of the Company;

(2) to elect and replace Directors who are not representatives of the staff and decide on matters relating to the remuneration of Directors;

(3) to elect and replace the supervisors who are not representatives of the staff and decide on matters relating to the remuneration of supervisors;

(4) to examine and approve reports of the Board;

(5) to examine and approve reports of the Supervisory Committee;

(6) to examine and approve the Company's proposed annual preliminary and final financial budgets;

(7) to examine and approve the Company's profit distribution plans and plans for making up losses;

(8) to examine matters relating to the connected transactions and other transactions which require approval by the shareholders' general meeting;

(9) to decide on increases or reductions in the Company's registered capital;

(10) to decide on matters such as merger, division, change of the corporate form, dissolution and liquidation of the Company;

(11) to decide on the issue of bonds and other securities and the listing of the Company;

(12) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accounting firms;

(13) to amend the Articles of Association;

(14) to examine matters relating to the change of use of proceeds from the Issue of A Shares;

(15) to examine share based award schemes of the Company;

(16) to examine matters relating to the purchases and disposals of the Company's material assets within one (1) year, which exceed 30% of the Company's latest audited total assets;

(17) to resolve matters relating to external guarantees which require approval by the shareholders' general meeting as required by laws, administrative regulations and the Articles of Association;

(18) to examine the proposal raised by shareholders individually or jointly holding not less than 3% of the Company's voting shares;

(19) to examine other matters required by laws, administrative regulations and the Articles of Association to be resolved by general meeting of shareholders.

Matters which require approval by shareholders' general meeting as required by laws, administrative regulations and the Articles of Association, shall be considered at the shareholders' general meeting so as to protect the decision-making power of the shareholders of the Company on such matters. Under necessary and reasonable circumstances, the general meeting may authorize the Board of Directors to determine, within the scope of authorization granted by such general meeting, specific issues relating to matters which shall be resolved but cannot be decided upon immediately at such general meeting.

An authorization to the Board of Directors by shareholders' general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the shareholders' general meeting; an authorization to the Board of Directors in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the shareholders' general meeting. The contents of the authorization shall be clear and specific."

**35. The following new provision shall be added as Article 59:**

"The following external guarantees to be given by the Company shall be considered and approved by the general meeting:

(1) Any external guarantee to be given by the Company and its controlling subsidiaries, the total amount of which reaches or exceeds 50% of their latest audited net assets;

(2) Any external guarantee to be given by the Company and its controlling subsidiaries, the total amount of which reaches or exceeds 30% of its latest audited total assets;

(3) provision of guarantee to anyone whose liability-asset ratio exceeds 70%;

(4) provision of guarantee whose cumulative amount in twelve consecutive months exceeds 30% of the latest audited total assets of the Company;

(5) provision of guarantee whose cumulative amount in twelve consecutive months exceeds 50% of the latest audited net assets of the Company or RMB50 million;

(6) provision of a single guarantee whose amount exceeds 10% of the latest audited net assets;

(7) provision of guarantee to shareholders, effective controllers and their connected parties;

(8) other guarantees required to be submitted to the shareholders' general meetings for examination and approval as required by the Listing Rules."

**36. The existing Article 59 (to be re-numbered accordingly as Article 60)**

"Without prior approval by the shareholders' general meeting, the Company shall not conclude a contract with people other than the Directors, supervisors, general manager and other senior management officers for delegating management of all or the Company's important operation to such people."

*shall be amended as:*

"Except for special circumstances such as a crisis, without approval by the shareholders' general meeting in special resolution, the Company shall not conclude a contract with people other than the Directors, supervisors, general manager and other senior management officers for delegating management of all or the Company's important operation to such people."

**37. The existing Article 60 (to be re-numbered accordingly as Article 61)**

"General meetings of shareholders include annual general meetings of shareholders and extraordinary general meetings of shareholders. A general meeting of shareholders shall be convened by the Board. The annual general meeting of shareholders shall be held once (1) every year within six (6) months after the end of the previous accounting year.

The Board shall hold an extraordinary general meeting of shareholders within two (2) months upon the occurrence of one of the following circumstances:

(1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

(2) the uncovered losses are in excess of one third of the Company's total share capital;

(3) shareholders (individually or jointly) holding not less than 10% of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;

(4) the Board considers as is necessary or the Supervisory Committee proposes to hold such a meeting;

(5) two (2) or more independent non-executive Directors propose to hold such a meeting."

*shall be amended as:*

"General meetings of shareholders include annual general meetings of shareholders and extraordinary general meetings of shareholders. Except for otherwise provided in the Articles of Association, a general meeting of shareholders shall be convened by the Board. The annual general meeting of shareholders shall be held once (1) every year within six (6) months after the end of the previous accounting year.

The Company shall hold an extraordinary general meeting of shareholders within two (2) months upon the occurrence of one of the following circumstances:

(1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

(2) the uncovered losses are in excess of one third of the Company's total share capital;

(3) shareholders (individually or jointly) holding not less than 10% of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;

(4) the Board considers as is necessary or the Supervisory Committee proposes to hold such a meeting;

(5) other circumstances as required by the laws, administrative regulations and departmental rules or the Articles of Association."

**38. The following new provision shall be added as Article 62:**

"In the event that the Company is unable to convene a general meeting within the period mentioned above, the Company shall report to the relevant local office of CSRC at the place where the Company is located and the stock exchange(s) (if needed) on which its shares are listed for trading, explain the reasons and make public announcement."

**39. The following new provision shall be added as Article 63:**

"The independent directors have the right to request the Board to convene extraordinary general meetings. The Board shall reply in written form regarding the acceptance or refusal to convene an extraordinary general meeting within 10 days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene an extraordinary general meeting, notice convening the meeting shall be issued within 5 days after the Board reached the resolution to do so. If the Board does not agree to convene an extraordinary general meeting, reasons shall be explained and announced."

**40. The following new provision shall be added as Article 64:**

"The Supervisory Committee has the right to request the Board to convene extraordinary general meetings in writing. The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within 10 days upon receiving the request in accordance with requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene an extraordinary general meeting, notice convening the meeting shall be issued within 5 days after the Board of Directors reached the resolution to do so. Should there be amendments to the original proposals, consent has to be obtained from the Supervisory Committee.

If the Board does not agree to convene an extraordinary general meeting or does not reply within 10 days upon receiving the request, the Board will be considered as unable or refused to fulfill the obligation to convene general meetings and the Supervisory Committee can convene and preside the meeting on its own."

**41. The following new provision shall be added as Article 65:**

"Shareholders shall follow the following procedures when requesting to convene extraordinary general meetings or class meetings:

(1) Shareholders individually or jointly holding 10% or more of the voting shares of the Company at the proposed meeting are entitled to propose to convene an extraordinary general meeting or a class meeting to the Board of Directors in writing. The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within 10 days upon receiving the request in accordance with requirements of the laws, administrative regulations and the Articles of Association. If the Board agrees to convene an extraordinary general meeting or class meeting, notice convening the meeting shall be issued within 5 days after the Board of Directors reached the resolution to do so. Should there be amendments to the original proposals, consent has to be obtained from relevant shareholders. The shareholdings referred to above shall be calculated as at the date of deposit of the requisition in writing.

(2) If the Board does not agree to convene an extraordinary general meeting or does not reply within 10 days upon receiving the request, shareholders individually or jointly holding 10% or more of the shares of the Company are entitled to propose to convene a general meeting to the Supervisory Committee in writing. If the Supervisory Committee agrees to convene an extraordinary general meeting or class meeting, notice convening the meeting shall be issued within 5 days upon receiving the request. Should there be amendments to the original proposals, consent has to be obtained from the relevant shareholders.. If the Supervisory Committee fails to issue a notice of meeting within the prescribed period, the Supervisory Committee shall be deemed not to convene and chair the meeting. Shareholders individually or jointly holding 10% or more of the shares of the Company for 90 consecutive days may convene and chair the meeting on their own, in the same manner with that in which shareholders' general meetings are to be convened by the board of directors (the shareholding in the Company of the shareholder who convenes the general meeting shall not be less than 10% prior to the announcement of resolutions of the general meeting)."

**42. The following new provision shall be added as Article 66:**

"The Supervisory Committee and shareholders convening such meeting shall submit relevant supporting documents to the relevant regulatory authority according to applicable provisions when issuing the notice of shareholders' general meeting and the resolution announcement.

If the Supervisory Committee or convening shareholders propose to convene a shareholders' general meeting on their own, the Board of Directors shall be informed in writing and the relevant documents shall be filed with the relevant regulatory authority according to applicable provisions."

**43. The following new provision shall be added as Article 67:**

"The Board of Directors and the secretary to the Board of Directors shall provide assistance as necessary for shareholders' general meeting convened by the Supervisory Committee or convening shareholders. The Board of Directors shall provide the register of shareholders as at the record date. Costs of shareholders' general meetings convened by the Supervisory Committee or convening shareholders shall be borne by the Company."

**44. The following new provision shall be added as Article 68:**

"The venue of a shareholders' general meeting of the Company shall be either the domicile of the Company or such other venue as specified in the notice of such general meeting. If the Company intends to convene the general meeting via internet or by other means for shareholders' convenience, the time of and procedures for voting via internet or by other means and the procedure for identification of shareholders shall be set forth in the notice of general meeting. Any shareholder who participates in the meeting in the aforesaid manner shall be deemed as present. Online internet voting is not applicable to the holders of H Shares."

**45. The existing Article 62 (to be re-numbered accordingly as Article 70)**

"When the Company convenes a general meeting, the Board, the Supervisory Committee, and shareholders individually or jointly holding not less than 3% of the Company's total voting shares shall have the right to submit written proposals to the Company in relation to the general meeting of shareholders to be convened by the Company. The Company shall include the proposed matters which are within the terms of reference of the shareholders' general meeting as matters to be considered at the shareholders' meeting.

When the Company convenes a general meeting, shareholders individually or jointly holding not less than 3% of the Company's total voting shares have a right to submit an ex tempore proposal to the convener in writing ten (10) days prior to date of the meeting. The convener shall dispatch a supplementary notice of the general meeting within two (2) days upon receipt of the proposal, and inform other shareholders, and shall include the proposed matters which are within the terms of reference of the shareholders' general meeting as matters to be considered at the shareholders' meeting."

*shall be amended as:*

"When the Company convenes a general meeting, the Board, the Supervisory Committee, and shareholders individually or jointly holding not less than 3% of the Company's shares shall have the right to submit proposals to the Company in relation to the general meeting of shareholders to be convened by the Company. The Company shall include the proposed matters which are within the terms of reference of the shareholders' general meeting as matters to be considered at the shareholders' meeting.

When the Company convenes a general meeting, shareholders individually or jointly holding not less than 3% of the Company's shares have a right to submit an ex tempore proposal to the convener in writing ten (10) days prior to date of the meeting. The convener shall dispatch a supplementary notice of the general meeting and announce the contents of such ex tempore proposal within two (2) days upon receipt of the proposal. If there are other requirements in the listing rules of the listing places, these requirements should also be satisfied.

Save as provided in the preceding Article, the convener shall not amend proposals set out in the notice of general meeting or add new proposals after the notice of general meeting has been issued.

No voting or resolution shall be effected or adopted at the general meeting for proposals that have not been stated in the notice of general meeting or that do not comply with the requirements set out in Article 71 of the Articles of Association."

**46. The existing Article 63 (to be re-numbered accordingly as Article 71)**

"The motion of shareholders shall satisfy the following conditions:

(1) The content shall comply with provisions of the laws, regulations and shall fall within the scope of business of the Company and terms of reference of a general meeting;

(2) The proposal shall have a clear subject for discussion and specific issues for resolution;

(3) The proposal shall be submitted or delivered to the Board of Directors in written form."

*shall be amended as:*

"The motion of shareholders shall satisfy the following conditions:

(1) The content shall comply with provisions of the laws, administrative regulations and the Articles of Association and shall fall within the scope of business of the Company and terms of reference of a general meeting;

(2) The proposal shall have a clear subject for discussion and specific issues for resolution;

(3) The proposal shall be submitted or delivered to the convener in written form."

**47. Clause (3) of the existing Article 65 (to be re-numbered accordingly as Article 73)**

"(3) Shareholder(s) severally or jointly holding more than 3% of the Company's shares may put forward a provisional proposal to the general meeting for review in respect of the candidates for Directors and supervisors and submitted the same together with the biography and general information of the nominated candidates to the Board ten (10) days before the meeting, and shall be examined and approved by the Board of Directors and the Supervisory Committee pursuant to item (4) of this Article."

*shall be amended as:*

"(3) Shareholder(s) severally or jointly holding more than 3% of the Company's shares may nominate candidates for Directors and supervisors (shareholders individually or jointly holding more than 1% of issued shares of a listed Company are entitled to nominate candidates for independent non-executive Directors). Nomination made by the above persons together with the biography and general information of the nominated candidates to be provided to the Board ten (10) days before the meeting, if submitted as an ex tempore proposal, shall be examined by the Board of Directors and the Supervisory Committee pursuant to item (4) of this Article."

**48. Clause (6) of the existing Article 65 (to be re-numbered accordingly as Article 73)**

"(6) With respect to the election of Directors and supervisors at the general meeting, resolutions shall be made separately."

*shall be amended as:*

"(6) With respect to the election of Directors and supervisors at the general meeting, resolutions shall be made separately, except for cases where the cumulative voting system applies."

**49. The following Clause (7) shall be added subsequent to the existing Article 65 (to be re-numbered accordingly as Article 73)**

"(7) Where the motion of reelecting the directors and supervisors has been approved, the newly appointed directors and supervisors shall hold the post immediately after the shareholders' general meeting."

**50. The last paragraph of the existing Article 66 (to be re-numbered accordingly as Article 74)**

"A general meeting shall not decide on any matter not stated in the notice of the meeting and supplementary notice."

*shall be amended as:*

"A general meeting shall not decide on any matter not stated in the notice of the meeting and supplementary notice, or any proposal that is not in compliance with Article 71 of the Articles of Association."

**51. Clause (8) of the existing Article 67 (to be re-numbered accordingly as Article 75)**

"(8) shall contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his/her behalf and that the proxy need not be a shareholder;"

*shall be amended as:*

"(8) shall contain conspicuously a statement that all shareholders are entitled to attend the general meeting, and any shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his/her behalf in writing and that the proxy need not be a shareholder;"

**52. The following 3 paragraphs shall be added as the last 3 paragraphs of the existing Article 67 (to be re-numbered accordingly as Article 75):**

"Where the opinions of independent Directors are required on matters to be discussed, the opinions of independent Directors and reasons are to be disclosed when the notice of the general meeting or supplementary notice is published.

The period between the record date and the date for the meeting may not be more than 7 working days. No changes may be made once the record date is confirmed.

If the general meeting is to be held through internet or other means, the notice of the general meeting is to clearly include time and procedure for online voting or voting in other means."

**53. The following new provision shall be added as Article 76:**

"Where election of any Director or supervisor is to be discussed at the general meeting, the notice of the general meeting is to fully disclose detailed information of each candidate for Directors or supervisors and at least include the followings:

(1) personal particulars including education background, working experience and part-time jobs;

(2) whether the person is related with the Company, its controlling shareholders or de facto controller;

(3) shareholding in the Company;

(4) whether the person was subject to any punishment by the CSRC and other competent authorities or censorship by any stock exchanges.

Apart from election of Directors and supervisors through cumulative voting, a single proposal is to be made for each candidate for Directors and Supervisors."

**54. The existing Article 68 (to be re-numbered accordingly as Article 77)**

"Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the shareholder at his/her address, as shown in the register of members.

The Company may send or supply corporate communications, including notices of shareholders' general meetings, of the Company by making such corporate communications available on the Company's own website, subject to the following conditions:

(1) the shareholder has been asked individually by the Company to agree that the Company may send or supply corporate communications, to him/her by means of the Company's own website twenty-eight (28) days earlier; such request of the Company has stated clearly what the effect of a failure to respond would be; such request of the Company was not sent less than twelve (12) months after a previous request made to the shareholder for the purposes of asking him/her to agree that the Company may send or supply the same class of corporate communications to him/her by means of the Company's own website; and

(2) the Company has not received a response indicating the shareholder's objection within the period of twenty-eight (28) days beginning with the date on which the Company's request was sent.

The Company must notify the shareholders of the presence of the corporate communication(s) on the website, the address of the website, the place on the website where it may be accessed, and how to access the corporate communication(s).

The corporate communication(s) is/are taken to be sent:

(1) on the date on which the notification required above is sent; or

(2) if later, the date on which the corporate communication first appears on the website after that notification is sent.

For holders of domestic shares, notices of the shareholders' general meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more state newspapers designated by the securities regulatory authority of the State Council within the interval between forty-five (45) days and fifty (50) days before the date of the meeting; after the publication of the public announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting. The Chinese and English versions of these announcements shall be released on the same date in one of the major Chinese newspapers and English newspapers in Hong Kong respectively."

*shall be amended as:*

"Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the shareholder at his/her address, as shown in the register of members.

The Company may send or supply corporate communications, including notices of shareholders' general meetings, of the Company to shareholders of overseas listed foreign shares by making such corporate communications available on the Company's own website, subject to the following conditions:

(1) the shareholder of overseas listed foreign shares has been asked individually by the Company to agree that the Company may send or supply corporate communications generally, or the corporate communication in question, to him/her by means of the Company's own website twenty-eight (28) days earlier; such request of the Company has stated clearly what the effect of a failure to respond would be; such request of the Company was not sent less than twelve (12) months after a previous request made to the shareholder for the purposes of asking him/her to agree that the Company may send or supply the same class of corporate communications to him/her by means of the Company's own website; and

(2) the Company has not received a response indicating objection of the shareholder of overseas listed foreign shares within the period of twenty-eight (28) days beginning with the date on which the Company's request was sent.

The Company must notify the shareholders of overseas listed foreign shares of the presence of the corporate communication(s) on the website, the address of the website, the place on the website where it may be accessed, and how to access the corporate communication(s).

The corporate communication(s) is/are taken to be sent:

(1) on the date on which the notification required above is sent; or

(2) if later, the date on which the corporate communication first appears on the website after that notification is sent.

For holders of A shares, notices of the shareholders' general meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more newspapers designated by the securities regulatory authority of the State Council within the interval between forty-five (45) days and fifty (50) days before the date of the meeting; after the publication of the public announcement, the holders of A shares shall be deemed to have received the notice of the relevant shareholders' general meeting."

**55. The following new provision shall be added as Article 78:**

"After a notice of general meeting is sent out, the general meeting may not be postponed or cancelled and the proposals included in the notice may not be cancelled without justifiable causes. In case of any postponement or cancellation, the convener(s) shall make an announcement and explain the reasons at least two (2) working days prior to the original date for holding the meeting."

**56. The following sentence shall be added to as the 1st sentence of the existing Article 70 (to be re-numbered accordingly as Article 80)**

"All the shareholders whose names appear in the register on the record date or their proxies are entitled to attend a general meeting. They are entitled to vote in accordance with relevant laws, regulations and the Articles of Association."

**57. The existing Article 73 (to be re-numbered accordingly as Article 83)**

"Any form issued to a shareholder by the Board for use by him/her for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favour of or against each resolution dealing with the businesses to be transacted at the meeting. Such letter of authorization shall contain a statement that in the absence of instructions by the shareholder, his/her proxy may vote as he/she thinks fit."

*shall be amended as:*

"Any form issued to a shareholder by the Board for use by him/her for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favour of or against or abstain from voting on each resolution dealing with the businesses to be transacted at the meeting. Such letter of authorization shall contain a statement that in the absence of instructions by the shareholder, his/her proxy may vote as he/she thinks fit."

**58. The existing Article 74 (to be re-numbered accordingly as Article 84)**

"The Company has the right to request proxies (representing individual shareholder) attending the meeting to present their personal identity cards and the authorization letters from the shareholder.

If corporate shareholders (other than Recognize Clearing House or their proxies) appoint its legal representative attending the meeting, the Company has the right to request such legal representative to present their personal identity cards or valid documents that can prove its identity as the legal representative."

*shall be amended as:*

"Individual shareholders who attend the meeting in person shall present their personal identity cards or other valid document or proof of their identity and the proof of shareholding. The Company has the right to request proxies (representing individual shareholder) attending the meeting to present their personal identity cards, the authorization letters from the shareholder and the proof of shareholding.

If corporate shareholders (other than Recognize Clearing House or their proxies) appoint its legal representative attending the meeting, the Company has the right to request such legal representative to present their personal identity cards, valid documents that can prove its identity as the legal representative and proof of shareholding. Proxies who attend the meeting shall present their personal identity cards, the authorization letters from the legal representative of the corporate shareholder and the proof of shareholding."

**59. The following new provision shall be added as Article 86:**

"Register of attendees is to be prepared by the Company. The register contains matters such as names of attendees (or names of units), identity card number, residential address, number of shares carrying the voting right held or represented, and names of persons represented (or names of units represented)."

**60. The following new provision shall be added as Article 87:**

"The convener and lawyer appointed by the Company shall together verify the validity of qualification of shareholders in accordance with the register of shareholders provided by the securities registration and clearing institution, and register the name of shareholders and the number of shares with voting rights held by them. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights held by them, registration for the meeting is to be ended."

**61. The following new provision shall be added as Article 88:**

"When the Company convenes the shareholders' general meeting, all Directors, Supervisors, the secretary to the Board and general legal consultant shall attend the meeting, and the general manager and other senior management shall observe the meeting."

**62. The following new provision shall be added as Article 89:**

"The Company is to formulate the rules of procedures for the general meeting which set out in details the procedures of convention and voting in respect of the general meeting (including notice, registration, consideration and approval for proposals, voting, vote counting, announcement of voting results, the resolution making process, minutes of the meeting and signing, announcements and other matters) and the principles of granting authorization to the Board at the shareholders' general meeting. The scope of authorization is to be specified in details. The rules of procedures for the general meeting is to be prepared by the Board to be approved at the general meeting and attached to the Articles of Association as an appendix."

**63. The following new provision shall be added as Article 90:**

"At an annual general meeting, the Boards, Supervisory Committee and each independent non-executive Director shall report their work in the past year, respectively."

**64. The following new provision shall be added as Article 91:**

"The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold, which are to be those as indicated in the meeting's register."

**65. The following paragraph shall be added as the last paragraph of the existing Article 77 (to be re-numbered accordingly as Article 93):**

"The Board, the independent non-executive Directors and eligible shareholders may solicit votes of the shareholders of the Company to be cast at the general meeting. The person soliciting votes from the shareholders of listed company publicly shall carry out such activities in accordance with provisions of relevant regulatory institutions and the stock exchange of the place where the company's shares are listed."

**66. Amendment to the 1st paragraph of the existing Article 78 (to be re-numbered accordingly as Article 94) only concerns change of the Chinese translation of "taken by poll" in the Chinese version of the Articles of Association and does not affect the English version.**

**67. The following new provision shall be added as Article 96:**

"Shareholders who attend the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.

Any votes which are uncompleted, erroneously completed or illegible or uncasted votes are to be counted as an abstention of voting rights and the outcome of votes is to be counted as "abstain".

**68. The existing Article 81 (to be re-numbered accordingly as Article 98):**

"When the numbers of votes for and against a resolution are equal, whether the vote is taken by show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote."

*shall be amended as:*

"Where any shareholder is, under the Company Law, other laws, administrative regulations, or the listing rules of the place where the Company's shares are listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction are not counted."

**69. The following new provision shall be added as Article 99:**

"When the general meeting votes for election of Directors or Supervisors, the cumulative voting system may be adopted according to relevant laws, regulations, the Articles of Association or the resolution of the general meeting.

The cumulative voting system as referred to in the preceding paragraph means that when a general meeting elects Directors or Supervisors, each share carries the same number of voting right as the number of Directors or supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used. The Board shall announce biography and basic information of candidates for Directors and Supervisors.

The method of cumulative voting will be adopted for the election of directors at the general meetings. Under this method, when two or more Directors are being nominated for election, for any share held by the shareholders, they will have the same number of votes which equals to the total number of Directors to be elected. Shareholders may cast all their votes on a particular candidate or on multiple candidates."

**70. The following new provision shall be added as Article 100:**

"When considering a proposal at the general meeting, such proposal may not be amended; otherwise, the relevant amendment is to be treated as a new proposal and may not be voted at that general meeting."

**71. The following new provision shall be added as Article 101:**

"Except for the cumulative voting system, the general meeting is to vote on all proposals item by item, and to vote on the basis of time sequence in case that more than one proposal which is for one matter are received. The general meeting may not shelve or take no votes on any proposal, unless the meeting is adjourned or unable to make any resolution due to any special reasons, e.g., force majeure."

**72. The following new provision shall be added as Article 102:**

"Any voting right may be exercised through only one means: on site, online or any other means. The first voting result is to prevail where one voting right is repeatedly exercised."

**73. The following new provision shall be added as Article 103:**

"The on-site general meeting may not end earlier than the end of the meeting held online or by any other means, and the chairman of the meeting is to announce the voting result on each proposal at the on-site meeting and whether the proposal is adopted based on the voting result.

All parties involved in the voting on-site, online or by any other means at the general meeting, including the listed company, vote counters, scrutineers, major shareholders and network service providers, are obliged to keep the voting confidential before the voting results are formally announced."

**74. Clause (4) of the existing Article 82 (to be re-numbered accordingly as Article 104):**

"(4) annual financial budgets, final accounts, balance sheets and profit and loss accounts and other financial statements of the Company;"

*shall be amended as:*

"(4) annual financial budgets and final accounts of the Company;"

**75. The following Clause (5) shall be added below Clause (4) of the existing Article 82 (to be re-numbered accordingly as Article 104):**

"(5) annual report of the Company;"

**76. Amendment to Clause 3 of the existing Article 83 (to be re-numbered accordingly as Article 105) only concerns the insertion of the Chinese equivalent of "liquidation" due to typographical error of the existing Chinese version of the Articles of Association and does not affect the English version.**

**77. The following Clause (6) shall be added below Clause (5) of the existing Article 83 (to be re-numbered accordingly as Article 105):**

"(6) equity incentive scheme;"

**78. Clause (6) of the existing Article 83 (to be re-numbered accordingly as Clause (7) of Article 105):**

"(6) considered by the shareholders' general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and to require approval by a special resolution."

*shall be amended as:*

"(7) other matters, as provided by laws, administrative regulations or these Articles of Association or as considered and approved by the shareholders' general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and to require approval by a special resolution."

**79. The following existing Article 84 shall be deleted in its entirety:**

"Shareholders who request for the convening of an extraordinary general meeting or a class meeting shall comply with the following procedures:

(1) Two (2) or more shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting sought to be held shall sign one (1) or more counterpart requisitions stating the object of the meeting and requiring the Board to convene a shareholders' extraordinary general meeting or a class meeting thereof. The Board shall as soon as possible proceed to convene an extraordinary general meeting or a class meeting thereof after receipt of such requisition(s). The amount of shareholdings referred to above shall be calculated as at the date of deposit of the requisition(s).

(2) If the Board fails to issue a notice of such a meeting within thirty (30) days from the date of receipt of the requisition(s), the shareholders may, with reference to the provision of the above paragraph (1), submit in writing to the Supervisory Committee and convene an extraordinary general meeting or class meeting; if the Supervisory Committee fails to comply with the law and convene and chair extraordinary general meeting or class meeting within five (5) days upon receipt of such written request, shareholders (individually or jointly) holding not less than 10% may themselves convene such a meeting after ninety (90) days of such request, (in a manner as similar as possible to the manner in which shareholders' general meetings are convened by the Board) within four (4) months from the date of receipt of the requisition(s) by the Board.

Any reasonable expenses incurred by the shareholders by reason of failure by the Board to duly convene a meeting shall be repaid to the shareholders by the Company and any sum so repaid shall be set-off against sums owed by the Company to the defaulting Directors."

**80. The following new provision shall be added as Article 107:**

"The Board and other conveners of the Company will take action necessary to ensure the regular order of the general meeting and to prevent the act of disturbing the general meeting, picking a quarrel and infringing the shareholders' lawful interest and report to the competent authority for investigating on time.

The convener shall ensure the continuance of the general meeting until the final resolution is formed. Necessary measure are to be taken to renew or terminate the general meeting and make an announcement on time in the event that the general meeting could not continue or resolution could not be formed due to some special reasons such as force majeure. At the same time, the convener shall report to relevant department in accordance with applicable provisions."

**81. The 2nd paragraph of the existing Article 86 (to be re-numbered accordingly as Article 108)**

"If the Board cannot or fails to fulfill the obligation to convene general meetings, the Supervisory Committee may in time convene and preside over the meeting on its own; if Supervisory Committee cannot or fails to convene or preside over the meeting, shareholders (individually or jointly) holding not less than 10% for consecutive ninety (90) days or more, may themselves convene such a meeting."

*shall be amended as:*

"A general meeting convened by the Supervisory Committee is to be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to perform the duty, the meeting is to be presided over by the vice chairman of the Supervisory Committee; where the vice chairman of the Supervisory Committee is unable or fails to perform the duty, the meeting is to be presided over by a supervisor jointly elected by a simple majority of the supervisors.

A general meeting convened by shareholders is to be presided over by one representative appointed by conveners.

In the event that the general meeting cannot proceed due to violation of the rules of procedure by the chairman of the meeting, the general meeting may appoint one person as the chairman of the meeting upon consent of a simple majority of the voting shareholders present at the meeting."

**82. The following 3 paragraphs shall be added as the first 3 paragraphs of the existing Article 88 (to be re-numbered accordingly as Article 110)**

"The general meeting is to, prior to the voting on any proposal, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder is involved in any matter to be reviewed, the shareholder and his/her proxy may not take part in vote counting and polling scrutiny.

When the general meeting votes on any proposals, lawyers, and representatives of shareholders and supervisors are to be jointly responsible for vote counting and polling scrutiny, and the voting result is to be announced on-site. The voting result is to be recorded in the meeting minute.

The listed company's shareholders or their proxies who vote online or by any other means are entitled to check their voting results via the relevant voting system."

**83. The following sentence shall be added as the last sentence of the first paragraph of the existing Article 90 (to be re-numbered accordingly as Article 112):**

"Announcement on resolution of the general meeting is to fully disclose the voting of unconnected shareholders."

**84. The existing Article 91 (to be re-numbered accordingly as Article 113):**

"All resolutions passed at shareholders' meetings shall be kept in minutes of the meeting. The minutes shall be signed by the chairman of the meeting and Directors present at the meeting.

The minutes of the meeting, together with the attendance book for shareholders and power of attorney for proxies, shall be submitted to the secretary to the Board and kept at the domicile of the Company."

*shall be amended as:*

"All resolutions passed at shareholders' meetings are to be kept in minutes of the meeting, which the secretary to the Board shall be responsible for. The minutes is to be signed by the chairman of the meeting and Directors, supervisors, secretary to the Board, convener or their proxies present at the meeting. The meeting minutes is to include the following contents:

(1) time, place and agenda of the meeting and name of the convener;

(2) name of the chairman of the meeting and names of Directors, supervisors, general manager and other senior management attend or present at the meeting;

(3) number of the shareholders and proxies present at the general meeting, total number of shares with voting rights held by the shareholders and its proportion to total number of shares of the Company (with number of shareholders of A shares and H shares, total number of shares and their respective ratio);

(4) discussing process, key points of speech and voting results of each resolution;

(5) inquiries and suggestions of the shareholders, and corresponding replies or explanations;

(6) names of the lawyers, vote counters and scrutineers; and

(7) other contents to be included in the meeting minutes as required by these Articles of Association.

The minutes of the meetings, together with the attendance book for shareholders, power of attorney for proxies and valid material for online voting or voting by other means, are to be submitted to the secretary to the Board and kept at the domicile of the Company for a period of at least ten (10) years."

**85. The following existing Article 93 shall be deleted in its entirety:**

"Where any shareholder who is required to abstain from voting on or may only vote for or against any particular resolution in accordance with the Company Law and other laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed and the shareholder or his/her/its proxy violates the rules or restrictions when voting, any vote by such shareholder or his/her/its proxy in violation of the relevant rules or restrictions referred to above shall not be counted."

**86. The following new provision shall be added as Article 115:**

"The Company is to, in compliance with the applicable laws, regulations and relevant provisions of the place of the stock exchange where the Company's shares are listed, to publish announcements on resolutions passed at general meeting. Such announcement is to indicate the number of shareholders and proxies present at the meeting, the total number of shares with voting rights they hold and its proportion to the total number of shares with voting rights of the Company, the means of voting, the voting results of each proposals as well as the details of each resolution adopted."

**87. The following new provision shall be added as Article 116:**

"In the event a proposal is not adopted, or the general meeting makes any modification to any resolution adopted at the previous meeting, a specific indication is to be made in the announcement on resolutions of the general meeting."

**88. The following new provision shall be added as Article 117:**

"Where any proposal on cash dividends, bonus shares or capital surplus into share capital is adopted at the general meeting, the Company shall implement the specific scheme within two months upon the conclusion of the general meeting."

**89. The following new provision shall be added as Article 118:**

"When holding a general meeting, the Company shall engage lawyers to advice on the following matters and make an announcement:

(1) whether the procedures for convening and holding the meeting are compliant with the laws, administrative regulations and these Articles of Association;

(2) whether the qualifications of the attendees and the conveners are lawful and valid;

(3) whether the voting procedures and results of the meeting are lawful and valid; and

(4) legal opinion on other relevant matters at the request of the Company."

**90. The existing Article 101 (to be re-numbered accordingly as Article 126):**

"Save for holders of shares of other classes, the holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

(1) any proposed issuance of domestic shares and foreign shares listed overseas by the Company in every twelve (12) months, whether separately or together, if such proposed issuance of domestic shares and foreign shares listed overseas are approved by the shareholders in a general meeting by way of special resolution, and the domestic shares and foreign shares listed overseas proposed to be issued by the Company not exceeding 20% of the shares of such class in issue;

(2) where the Company's plan to issue domestic shares and foreign shares listed overseas at the time of its establishment is carried out within fifteen (15) months from the date of approvals of the securities regulatory authorities of the State Council.

(3) With the approvals of the securities regulatory authorities authorized by the State Council, the shares held by domestic shareholders of the Company are all transferred to foreign shareholders and listed and traded in the foreign stock exchange."

*shall be amended as:*

"Save for holders of shares of other classes, the holders of A shares and holders of H shares are deemed to be different classes of shareholders.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

(1) any proposed issuance of A shares and H shares by the Company in every twelve (12) months, whether separately or together, if such proposed issuance of A shares and H shares are approved by the shareholders in a general meeting by way of special resolution, and the A shares and H shares proposed to be issued by the Company not exceeding 20% of the shares of such class in issue;

(2) where the Company's plan to issue A shares and H shares at the time of its establishment is carried out within fifteen (15) months from the date of approvals of the securities regulatory authorities of the State Council."

**91. The following sentence should be added as the last sentence of the first paragraph of the existing Article 102 (to be re-numbered accordingly as Article 127):**

"Members of the Board could be employee representatives."

**92. The 1st and 2nd paragraphs of the existing Article 103 (to be re-numbered accordingly as Article 128):**

"Directors shall be elected by a shareholders' general meeting with a term of office of three (3) years. A Director may be re-elected upon expiration of the term.

The term of office of a Director commences from the date of the resolution passed at shareholders' meeting, up to the maturity of the current term of office of the Board."

*shall be amended as:*

"The Directors not being employee representatives shall be elected by a shareholders' general meeting, and the employee representatives to serve as Directors shall be elected by employees of the Company through the employees' representatives meeting, employees' meeting or other forms. Directors are appointed with a term of office of three (3) years. A Director may be re-elected upon expiration of the term.

The term of office of a Director commences from the date of the resolution passed at shareholders' meeting, up to the maturity of the current term of office of the Board. Prior to the expiration of their term of office, Directors may not be removed from office without cause by a shareholders' general meeting."

**93. Amendment to the 5th paragraph of the existing Article 103 (to be re-numbered accordingly as Article 128) only concerns the insertion of the Chinese equivalent of "minimum" due to typographical error of the existing Chinese version of the Articles of Association and does not affect the English version.**

**94. The following sentence shall be added as the last sentence of the second-last paragraph of the existing Article 103 (to be re-numbered accordingly as Article 128):**

"Managers or other senior management may concurrently serve as Directors, provided that the number of Directors concurrently served by managers or other senior management and those served by employee representatives shall aggregately not exceed one-half (1/2) of the total number of Directors of the Company."

**95. The following paragraph shall be added as the last paragraph of the existing Article 103 (to be re-numbered accordingly as Article 128):**

"The qualification, nomination and resignation of independent non-executive Directors shall comply with relevant provisions of laws, regulations and departmental rules."

**96. The following new provision shall be added as Article 129:**

"Where a Director has failed to, personally or entrust another Director to, attend the Board meeting twice consecutively, he/she shall be deemed to be unable to perform his/her duties, in which circumstance the Board is to recommend the replace of such Director by the shareholders' general meeting."

**97. The following new provision shall be added as Article 130:**

"Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The Board shall disclose such resignation within two (2) days.

Unless otherwise specified in the 5th paragraph of Article 128 of the Articles of Association, the resignation of such Director shall take effect on the receipt of the resignation report by the Board."

**98. The following new provision shall be added as Article 131:**

"Upon approval of his/her resignation or expiry of his/her term of office, a Director shall complete his/her hand-over procedures with the Board. The fiduciary obligations of a Director to the Company and the shareholders are not necessarily released upon the expiry of his/her term of office, and shall remain valid within a reasonable period as provided in the Articles of Association."

**99. The following new provision shall be added as Article 132:**

"The Board shall formulate the rules of procedures for Board meetings to ensure the Board to implement the resolutions approved at the shareholders' general meeting, work efficiently and be scientific in decision making."

**100. The following new provision shall be added as Article 133:**

"No Directors shall act, in their personal capacity, on behalf of the Company or the Board in contravention of provisions of this Articles of Association or without appropriate authorization by the Board. The Director shall, when acting in his/her personal capacity, state his/her standings and identities in advance if a third party has reasons to believe that the said Director is acting on behalf of the Company or the Board."

**101. The following new provision shall be added as Article 134:**

"Any Director who violates provisions of any laws, administrative regulations, departmental rules or this Articles of Association during the course of performing his/her duties and causes losses to the Company, shall be liable for compensation for any loss."

**102. Clauses (7) to (17) and the last paragraph of the existing Article 104 (to be re-numbered accordingly as Article 135):**

"(7) to formulate plans for merger, division, alteration of corporate form of the Company and dissolution;

(8) to resolve on the following matters of the Company:

1. a single asset acquired or disposed of asset acquisition or disposal with a value exceeding 5% and below 10% of the latest audited net assets of the Company;

2. a single amount of borrowing with a value exceeding 5% and below 10% of the latest audited net assets of the Company;

3. a single operating capital of external investment projects with a value exceeding 5% and below 25% of the latest audited net assets of the Company;

4. a single amount of external guarantees with a value exceeding 2% and below 5% of the latest audited net assets of the Company;

Item 3 above is applicable to purchase of equity interest, stocks, shares and bonds;

(9) to determine the establishment of the Company's internal management structure;

(10) to appoint or remove the general manager, secretary to the Board of the Company, and to appoint or remove the deputy general manager, chief financial officer and other senior management of the Company upon nomination by the general manager and to decide on their remunerations;

(11) to formulate the basic management system of the Company;

(12) to formulate proposals for amendment to the Articles of Association;

(13) to manage information disclosure of the Company;

(14) to propose the appointment or removal of the Company's auditors to the general meetings of the shareholders;

(15) to hear the work report and inspect the work of the general manager of the Company;

(16) to appoint or remove other key management personnel other than the senior management of the Company upon nomination by the general manager and to decide on their remunerations;

(17) the provisions of the Articles of Association or other duties delegated by general meeting.

Except for the Board resolutions in respect of the matters specified in items (6), (7) and (12) of this Article of Association which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the Directors."

*shall be amended as:*

"(7) to formulate plans for major acquisitions of the Company and redeem the Company's own shares or plans for merger, division, alteration of corporate form of the Company and dissolution;

(8) to resolve on external guarantees other than those requiring approval of the general meeting in accordance with provisions of relevant laws, administrative regulations and this Articles of Association;

(9) to resolve on connected transactions and other transactions requiring deliberation and approval of the Board of the Company;

(10) to resolve on (among others) external investment, purchase and sale of assets, assets mortgage, external guarantees, entrustment of financial services and connected transactions of the Company within the authorization of the general meeting;

(11) to determine the establishment of the Company's internal management structure;

(12) to appoint or remove the general manager, secretary to the Board of the Company, and to appoint or remove the deputy general manager, chief financial officer and other senior management of the Company upon nomination by the general manager and to decide on their remuneration, rewards and punishments;

(13) to formulate the basic management system of the Company;

(14) to formulate proposals for amendment to the Articles of Association;

(15) to manage information disclosure of the Company;

(16) to propose the appointment or removal of the Company's auditors to the general meetings of the shareholders;

(17) to hear the work report and inspect the work of the general manager of the Company;

(18) to appoint or remove other key management personnel other than the senior management of the Company upon nomination by the general manager and to decide on their remunerations;

(19) the provisions of the Articles of Association or other duties delegated by general meeting.

Except for the Board resolutions in respect of the matters specified in items (6), (7) and (14) of this Article of Association which shall be passed by not less than two-thirds of all the Directors, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of all the Directors, of which, Board resolutions in respect of the matters specified in items (8) require the affirmative vote of not less than two-thirds of all the Directors attending, in addition to the affirmative vote of a simple majority of all the Directors."

**103. The following new provision shall be added as Article 136:**

"The Board of Directors shall determine the approval authority for (among others) external investments, purchases and sales of assets, assets mortgage, external guarantees, entrustment of financial services and connected transaction, and establish strict examination and decision-making procedures; for material investment projects, it shall arrange for them to be evaluated by experts and professionals and submit the same to the general meeting for approval."

**104. Clauses (4) to (5) of the existing Article 106 (to be re-numbered accordingly as Article 138):**

"(4) to determine the asset acquisition and disposal as well as borrowings issues of the Company within the following scope:

1. a single asset acquired or disposed of asset acquisition or disposal with a value exceeding 1% and below 5% of the latest audited total assets of the Company;

2. a single amount of borrowing with a value exceeding 1% and below 5% of the latest audited total assets of the Company;

(5) to represent the Company to deal with single business transaction in an amount exceeding RMB10 million and enter into contract in relation thereof;"

*shall be amended as:*

"(4) without violating any applicable laws, regulations, the Listing Rules and this Articles of Association, to resolve on external investments and borrowings issues of the Company within the following scope:

1. a single operating capital of external investment projects with a value exceeding 2.5% and below 5% of the latest audited net assets of the Company;

2. a single amount of borrowing with a value exceeding 1% and below 5% of the latest audited net assets of the Company;

(5) without violating any applicable laws, regulations, the Listing Rules and this Articles of Association, to represent the Company to deal with single business transaction in an amount exceeding RMB10,000,000 and enter into contract in relation thereof;"

**105. The following sentence be added as the first sentence of the last paragraph of the existing Article 106 (to be re-numbered accordingly as Article 138):**

"The vice Chairman of the Board shall assist the Chairman of the Board in his/her work."

**106. The first paragraph the existing Article 107 (to be re-numbered accordingly as Article 139):**

"Regular meetings of the Board shall be held at least two (2) times every year and shall be convened by the Chairman of the Board. All of the Directors and supervisors shall be notified about the meeting ten (10) days in advance."

*shall be amended as:*

"Regular meetings of the Board shall be held at least four (4) times every year and shall be convened by the Chairman of the Board. All of the Directors and supervisors shall be notified about the meeting fourteen (14) days in advance."

**107. Clause (5) of the existing Article 107 (to be re-numbered accordingly as Article 139):**

"(5) when more than two (2) independent non-executive Directors jointly propose;"

*shall be amended as:*

"(5) when more than one-half (1/2) of the independent non-executive Directors jointly propose;"

**108. The Clause (7) be added below Clause (6) of the existing Article 107 (to be re-numbered accordingly as Article 139):**

"(7) when it is required by securities regulatory authorities."

**109. The last paragraph of the existing Article 107 (to be re-numbered accordingly as Article 139):**

"The way of notifying for the Board meeting shall be by the way of by hand, facsimile, courier or registered mail."

*shall be amended as:*

"Notices of the Board meetings shall be delivered to all the Directors, supervisors, general managers and the secretary to the Board by hand, facsimile, electronic mail, courier, registered mail or other methods. If service is made indirectly, confirmation shall additionally be made by telephone and the appropriate record thereof shall be made. In case of urgent situation that the interim meeting of the Board of Directors shall be convened as soon as possible, the meeting notice may be sent via telephone or in other oral forms, but the convener shall explain at the meeting."

**110. The 3rd to 5th paragraphs of the existing Article 111 (to be re-numbered accordingly as Article 143):**

"In case of an equality of votes, the Chairman of the Board shall entitle one more vote.

According to the Articles of Association, all Directors must receive prior notice of any major items that requires decision by the Company's Board of Directors, and be given adequate information. The Directors may request additional information and proceed in accordance with the requirements as stipulated. When more than a quarter of the Directors or more than two (2) of the external Directors consider the information as inadequate or the proof inaccurate, they may jointly propose to postpone the Board meeting, or to postpone discussion on some of the items listed in the agenda, and the Board of Directors shall accept.

Any Director connected (connected relationship refers to the relationship between the controlling shareholder, person who exercises effective control over the Company, Directors, supervisors, the senior management officers and companies directly or indirectly controlled by them, and other relationships which may cause the interest of the Company to be transferred) to the enterprises being discussed at the Board meeting shall abstain from voting on the resolution, and is forbidden to vote on the related items, and is forbidden to vote on the item on behalf of other Directors. The meeting can effectively convene when more than half of the unconnected Directors attend, and the resolution shall be approved by votes from more than half of the unconnected Directors. Should there be fewer than three (3) unconnected Directors at the Board meeting, the item shall be submitted for consideration at the general meeting."

*shall be amended as:*

"According to the Articles of Association, all Directors must receive prior notice of any major items that requires decision by the Company's Board of Directors, and be given adequate information. The Directors may request additional information and proceed in accordance with the requirements as stipulated. When more than a quarter of the Directors or more than two (2) of the external Directors or more than two (2) of the independent non-executive Directors consider the information as inadequate or the proof inaccurate, they may jointly propose to postpone the Board meeting, or to postpone discussion on some of the items listed in the agenda, and the Board of Directors shall accept.

Any Director connected (as defined under the listing rules, as amended from time to time, of the stock exchanges where the Company's shares are listed) to the enterprises being discussed at the Board meeting shall abstain from voting on the resolution, and is forbidden to vote on the related items, and is forbidden to vote on the item on behalf of other Directors. The meeting can effectively convene when more than half of the unconnected Directors attend, and the resolution shall be approved by votes from more than half of the unconnected Directors. Should there be fewer than three (3) unconnected Directors at the Board meeting, the item shall be submitted for consideration at the general meeting."

**111. The 1st paragraph of the existing Article 112 (to be re-numbered accordingly as Article 144):**

"Directors shall attend Board meetings in person. If they for some reason cannot attend, they may authorise other Directors in writing to attend on their behalf. The letter of authorisation must clearly bear the scope of authority. The Director attending the meeting on other's behalf shall exercise their authorities within the scope they are authorised to."

*shall be amended as:*

"Directors shall attend Board meetings in person. If they for some reason cannot attend, they may authorise other Directors in writing to attend on their behalf. The letter of authorisation shall indicate the name of the proxy, the matters entrusted to the proxy, the scope of authorities, and the effective period, and shall be signed or sealed by the principal. The Director attending the meeting on other's behalf shall exercise their authorities within the scope they are authorised to."

**112. The last paragraph of the existing Article 113 (to be re-numbered accordingly as Article 145):**

"Minutes of Board meetings shall be recorded as company file to be kept by the secretary to the Board."

*shall be amended as:*

"Minutes of Board meetings shall be recorded as company file to be kept by the secretary to the Board for a period of not less than ten (10) years."

**113. The following new provision shall be added as Article 146:**

"Minutes of the Board meetings shall include the following information:

(1) the date and venue of the meeting, and the name of the convener;

(2) the names of Directors that attend the meeting personally, and the names of Directors (proxies) that attend the meeting on behalf of other Directors;

(3) the agenda of the meeting;

(4) the key points of the speeches of Directors;

(5) the voting method for and result of each resolution on the agenda (with the voting result to include the number of ballots that vote "FOR", "AGAINST" or "ABSTAINED")."

**114. The first 2 paragraphs of the existing Article 114 (to be re-numbered accordingly as Article 147):**

"The Audit Committee and the Remuneration and Review Committee shall be established by the Board of Directors of the Company. The Audit Committee shall comprise at least three (3) Directors who shall be non-executive Directors only. The majority of the Audit Committee shall be independent non-executive Directors and one (1) of them shall act as the convener with at least one (1) independent non-executive Director having professional qualifications in accounting. The Remuneration and Review Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one (1) of them acting as the convener.

The Strategy and Investment Planning Committee, the Nomination Committee and the Editorial and Publication Committee may also be established by the Board of Directors as required. The majority of the members of the Nomination Committee shall be independent non-executive Directors and one (1) of them shall act as the convener."

*shall be amended as:*

"The Audit Committee, the Remuneration and Review Committee and the Nomination Committee shall be established by the Board of Directors of the Company pursuant to the Listing Rules. The Audit Committee shall comprise at least three (3) Directors who shall be non-executive Directors only. The majority of the Audit Committee shall be independent non-executive Directors and one (1) of them shall act as the convener with at least one (1) independent non-executive Director having professional qualifications in accounting. The Remuneration and Review Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one (1) of them acting as the convener. The Nomination Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one (1) of them acting as the convener.

The Strategy and Investment Planning Committee and the Editorial and Publication Committee may also be established by the Board of Directors as required."

**115. The following phrase be added to the end of the 3rd paragraph of the existing Article 114 (to be re-numbered accordingly as Article 147):**

"and (6) to control and daily manage connected transactions."

**116. The following phrase be added to the end of the 7th paragraph of the existing Article 114 (to be re-numbered accordingly as Article 147):**

"and (4) to assess the independence of independent non-executive Directors."

**117. The first sentence of the first paragraph of the existing Article 116 (to be re-numbered accordingly as Article 149):**

"The secretary to the Board shall be a natural person who has acquired requisite professional knowledge and experience. He/she shall be appointed by the Board of Directors and the major duties of whom include:"

*shall be amended as:*

"The secretary to the Board shall be a natural person who has acquired requisite professional knowledge and experience. He/she shall be appointed by the Board of Directors and meets all the qualifications stipulated under the Listing Rules."

**118. The title of the existing chapter 12**

"GENERAL MANAGER"

*shall be amended as*

"GENERAL MANAGER AND OTHER SENIOR MANAGEMENT"

**119. The 2nd paragraph of the existing Article 118 (to be re-numbered accordingly as Article 151):**

"Management officers of the holding company cannot hold a concurrent position of the Company's general manager, deputy general manager, financial controller, sales officer and secretary to the Board."

*shall be amended as:*

"Senior management of the Company comprises of general manager, deputy general managers, chief financial officer and the secretary to the Board and other senior management officers confirmed by the Board of Directors.

Persons of the controlling shareholders and effective controllers of the Company who serve positions other than directors shall not serve as general manager, deputy general manager, chief financial officer, sales officer and secretary to the Board of the Company.

The manager and other senior management members shall serve for a term of 3 years and may serve consecutive terms if re-appointed."

**120. The following new provision shall be added as Article 152:**

"The circumstance as set out in Article 176 of the Articles of Association regarding not serving as directors shall equally apply to senior management.

The provisions regarding the loyalty obligation of directors as set out in Article 178 and the diligence obligation as set out in Article 179 of the Articles of Association shall equally apply to senior management."

**121. Clauses (6) and (7) of the existing Article 119 (to be re-numbered accordingly as Article 153)**

"(6) to decide the Company's purchase and sale of the Company's assets and borrowing issues within the power scope as specified below:

1. a single asset acquired or disposed of asset acquisition or disposal with a total value accounting for less than 1% of the latest audited net asset value of the Company;

2. a single amount of borrowing accounting for less than 1% of the latest audited net asset value of the Company;

(7) to represent the Company to deal with the business and sign the relevant contracts with the amount less than RMB10,000,000;"

*shall be amended as:*

"(6) to decide the Company's external investment projects and borrowing issues, in accordance with any applicable law, regulation, the Listing Rules and the Articles of Association, within the power scope as specified below:

1. an external investment project with an amount accounting for less than 2.5% of the latest audited net asset value of the Company;

2. a single amount of borrowing accounting for less than 1% of the latest audited net asset value of the Company;

(7) to represent the Company to deal with the business and sign the relevant contracts with the amount less than RMB10,000,000, in accordance with any applicable law, regulation, the Listing Rules and the Articles of Association;"

**122. The following new provision shall be added as Article 156:**

"The general manager shall formulate detailed work rules of the general manager and submit the same to the Board of Directors for approval and, upon such approval, implement such rules. The detailed work rules of the manager shall contain the following contents:

(1) conditions, procedures and participants of the manager's office meeting;

(2) specific duties of the manager and other senior management;

(3) funds of the Company, use of funds, authority to enter into material contracts and systems for reporting to the Board of Directors and Supervisory Committee;

(4) such other matters as are deemed necessary by the Board of Directors."

**123. The following new provision shall be added as Article 157:**

"The general manager may resign prior to the expiration of his term of office. The detailed procedures for the general manager's resignation shall be set out in the labor contract between the manager and the Company."

**124. The existing Article 122 (to be re-numbered accordingly as Article 158):**

"The general manager shall perform their obligations honestly, diligently and loyally in accordance with laws, administrative regulations and the provisions in the Articles of Associations."

*shall be amended as:*

"The general manager and other senior management shall perform their obligations honestly, diligently and loyally in accordance with laws, administrative regulations and the provisions in the Articles of Associations.

The general manager and senior management shall be liable for any losses caused to the Company by their breach of any law, administrative regulation, departmental rule or the Articles of Association in performing their duties for the Company."

**125. The following paragraph shall be added as the last paragraph of the existing Article 124 (to be re-numbered accordingly as Article 160):**

"If the term of office of a supervisor expires but reelection is not made responsively or if any supervisor resigns during his term of office so that the membership of the supervisory committee falls short of the quorum, the said supervisor shall continue fulfilling the duties as supervisor pursuant to relevant laws, administrative regulations and the Articles of Association until a new supervisor is elected."

**126. Clauses (1) and (2) of the existing Article 128 (to be re-numbered accordingly as Article 164)**

"(1) to inspect the financials of the Company;

(2) to supervise conducts of the Company's Directors, general manager and other senior management during the performance of their duties, and shall make recommendations for removal for any violation of the law, administrative regulations or Articles of Association of the Company;"

*shall be amended as:*

"(1) to inspect the financials of the Company and to examine the regular reports of the Company prepared by the Board of Directors and produce written opinions thereon;

(2) to supervise conducts of the Company's Directors, general manager and other senior management during the performance of their duties, and shall make recommendations for removal for any violation of the law, administrative regulations, Articles of Association or resolutions of shareholders' general meetings of the Company;"

**127. The following Clause (8) shall be added below Clause (7) of the existing Article 128 (to be re-numbered accordingly as Article 164):**

"(8) If there are any unusual circumstances in the Company's operations, to conduct investigation, and, if necessary, to engage an accounting firm, law firm or other professionals to assist in their work;"

**128. The last paragraph of the existing Article 128 (to be re-numbered accordingly as Article 164)**

"Supervisors shall attend the meeting of the Board of Directors and raise questions or suggestions on Board resolutions."

*shall be amended as:*

"Supervisors may attend the meeting of the Board of Directors and raise questions or suggestions on Board resolutions."

**129. The following sentence shall be added as the last sentence of the existing Article 137 (to be re-numbered accordingly as Article 173):**

"The minutes of meetings shall be kept for a period of at least 10 years."

**130. The following new provision shall be added as Article 174:**

"The Supervisory Committee shall formulate its rules of procedure and define its mode of discussion and voting procedures to ensure the work efficiency and scientific decision-making of Supervisory Committee."

**131. The following shall be added as the last 2 sentences of the existing Article 138 (to be re-numbered accordingly as Article 175):**

"must not abuse their authorities to obtain bribes or other illegal incomes, must not illegally occupy the Company's assets. Supervisors shall ensure that any information disclosed by the Company be true, accurate and complete. The supervisors shall not abuse their association relationship to damage the interests of the Company, and shall compensate for any losses caused to the Company."

**132. The following Clauses (10) and (11) and the following paragraph shall be added below Clause (9) of the existing Article 139 (to be re-numbered accordingly as Article 176):**

"(10) persons who have been prohibited from participating in the securities market by the CSRC, where such prohibition has not expired;

(11) other situations as provided by the laws, administrative regulations or departmental rules.

For any election and appointment of a Director in contravention of the provisions herein, such election, appointment or employment shall be void and null. Where a Director falls into the circumstances set out herein during his/her term of office, the Company shall remove him/her from office."

**133. The following Clause (13) shall be added below Clause (12) of the existing Article 143 (to be re-numbered accordingly as Article 180):**

"(13) shall not use their connected relationship to act in detriment to the interests of the Company;"

**134. The existing Article 163 (to be re-numbered accordingly as Article 200):**

"The Company shall announce at least two (2) financial reports in each financial year. It means that an interim financial report shall be issued within sixty (60) days upon the end of the first six (6) months of a financial year, and an annual financial report shall be issued within one hundred and twenty (120) days upon the end of the financial year."

*shall be amended as:*

"The Company shall submit an annual financial accounting report to relevant regulatory authorities within four (4) months after the end of each financial year (and make public disclosure within three (3) months after the end of relevant financial year); a semi-annual financial accounting report to relevant regulatory authorities within two (2) months after the end of the first six (6) months of the financial year (and make public disclosure within sixty (60) days after the end of relevant financial year); and a quarterly financial accounting report to relevant regulatory authorities within one (1) month after the end of the first three (3) and nine (9) months of the financial year.

The aforementioned financial accounting reports are to be prepared in accordance with provisions of relevant laws, administrative regulations and department rules."

**135. The existing Article 169 (to be re-numbered accordingly as Article 206):**

"The Company may distribute dividend in the following manners:

(1) cash;

(2) shares."

*shall be amended as:*

"The Company's profit distribution policies are set out below:

(I) Principle of profit distribution

The Company implements consistent and stable methods of profit distribution. In making a profit distribution by the Company, account is to be taken to the reasonable yet stable investment return of investors and the long-term yet sustainable development of the Company.

(II) Decision-making mechanism and procedures

The profit distribution policies and specific dividend distribution scheme are to be formulated and considered by the Board and then approved at the Shareholders' meeting.

During the course of formulating the profit distribution policies and dividends distribution proposal, the Board should consider the opinions of the independent Directors, the Supervisory Committee and the shareholders (especially minority shareholders) by communicating with such shareholders through various channels (including but not limited to telephone, fax, email, face-to-face communication and inviting the minority shareholders to participate in the meetings, etc.).

(III) Specific policies on profit distribution

1. Manners of profit distribution

The Company distributes its dividend in cash, shares or combination of both methods.

2. Intervals between profit distributions

The Company shall distribute distributable profits annually in principle. It may also distribute interim dividend in cash.

3. Specific conditions and proportion of cash dividend

Except for specific circumstances, the Company may, when its profit for the year and its total undistributed profit are positive, distribute dividend prior in cash and, in compliance with laws, regulations and regulatory provisions, the profit to be distributed in cash per annum will not be less than 30% of the distributable profit realized for that year.

Such special circumstances refer to the situation where the Company has major investment plan or significant cash expenditure, excluding projects of raising proceeds, while major investment plan or significant cash expenditure refer to matters to be reviewed and approved by the general meeting in accordance with relevant regulations and the Articles of Association.

4. Specific conditions for distributing dividends in shares by the Company

Where the Company's business is in a sound condition, and the Board considers that the stock price of the Company does not reflect its share capital size and distributing dividend in shares will be favorable to all Shareholders of the Company as a whole, if the above conditions of cash dividend are fully met, the Company may propose dividend distribution in shares. The independent Directors shall express independent opinions on the stock dividend distribution proposal raised by the Board.

5. If the Board of the Company does not propose a cash profit distribution, it shall disclose the reasons thereof in its periodical reports which are to contain the independent opinions of the independent Directors.

6. Changes in profit distribution policies

If the Company really needs to adjust its profit distribution policies in response to the external operating environment or its operations, investment planning and long-term development requirement, the adjusted profit distribution policies may not contravene relevant provisions of the CSRC and stock exchange. The Board shall conduct specific discussion over adjustment to the Company's profit distribution policies, provide detailed reasoning for such adjustment, and form a written report to be considered by the Board and advised by the independent Directors and then submit to the shareholders' general meeting for approval by way of a special resolution."

**136. The first paragraph of the existing Article 174 (to be re-numbered accordingly as Article 211):**

"The Company shall appoint receiving agents for shareholders of overseas listed foreign shares to collect the declared dividend and other payables of its shares listed on The Stock Exchange of Hong Kong Limited. The receiving agent shall receive on behalf of the related shareholders the dividend distributed according to the Company's overseas listed foreign shares and other sums for the payment to the respective shareholders."

*shall be amended as:*

"The Company shall appoint receiving agents for shareholders of H shares to collect the declared dividend and other payables of its shares listed on The Stock Exchange of Hong Kong Limited. The receiving agent shall receive on behalf of the related shareholders the dividend distributed according to the Company's overseas listed foreign shares and other sums for the payment to the respective shareholders."

**137. The following new provision shall be added as Article 212:**

"The Company conducts internal audit and assign full-time auditors to conduct internal audit and supervision on the revenues/expenditures and economic activities of the Company."

**138. The following new provision shall be added as Article 213:**

"The Company's internal audit system and the duties of auditors are to be implemented upon approval by the Board. The head of audit is accountable and reports to the Board."

**139. The following sentence shall be added as the last sentence of the existing Article 176 (to be re-numbered accordingly as Article 215):**

"Its appointment may be renewed upon expiration."

**140. The title of the existing chapter 17**

"MERGER AND DIVISIONS OF THE COMPANY"

*shall be amended as*

"MERGER AND DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION OF THE COMPANY"

**141. The second paragraph of the existing Article 184 (to be re-numbered accordingly as Article 223):**

"In a merger, parties to the merger shall sign a merger agreement and produce balance sheets and inventory. The Company shall, within ten (10) days from the day when the resolution approving the merger is passed, inform creditors of the merger, and, within thirty (30) days, make at least three (3) announcements of the merger on newspapers. Within thirty (30) days after receipt of the notice or for those not receiving the notice, within forty-five (45) days after publication of the announcement, the creditors are entitled to require the Company to repay the loans or to provide corresponding guarantees."

*shall be amended as:*

"In a merger, parties to the merger shall sign a merger agreement and produce balance sheets and inventory. The Company shall, within ten (10) days from the day when the resolution approving the merger is passed, inform creditors of the merger, and, within thirty (30) days, make an announcement of the merger on newspapers. Within thirty (30) days after receipt of the notices or for those not receiving the notices, within forty-five (45) days after publication of the announcement, the creditors are entitled to require the Company to repay the loans or to provide corresponding guarantees."

**142. The second paragraph of the existing Article 185 (to be re-numbered accordingly as Article 224):**

"In a division, the various parties of the division shall sign a division agreement and produce balance sheets and inventory. The Company should, within ten (10) days from the day when the resolution approving the division is passed, inform creditors of the division, and, within thirty (30) days, make at least three (3) announcements of the division on newspapers."

*shall be amended as:*

"In a division, the various parties of the division shall sign a division agreement and produce balance sheets and inventory. The Company should, within ten (10) days from the day when the resolution approving the division is passed, inform creditors of the division, and, within thirty (30) days, make an announcement of the division on newspapers."

**143. The following new provision shall be added as Article 225:**

"The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital. The Company shall, within ten (10) days from the date when the resolution approving the reduction of registered capital is passed, inform its creditors of the reduction and within thirty (30) days, make an announcement of the reduction on newspapers, and within thirty (30) days after the receipt of the notice or for those not receiving the notice, within forty-five (45) days after publication of the announcement, to require the Company to repay its debt or provide corresponding guarantees.

The Company's registered capital after the capital reduction may not be less than the minimum statutory amount."

**144. The following paragraph shall be added as the last paragraph of the existing Article 186 (to be re-numbered accordingly as Article 226):**

"In respect of the increase or reduction of the registered capital, the Company shall register the change in its registered capital with company registration authority."

**145. The second paragraph of the existing Article 188 (to be re-numbered accordingly as Article 228):**

"Should the Company be dissolved due to the condition mentioned in item (3) of Article 187, according to relevant laws and regulations, the People's Court will organize shareholders, related organizations and professionals in establishing a liquidation committee and conduct the liquidation."

*shall be amended as:*

"Should the Company be dissolved due to the condition mentioned in item (3) of Article 227, the liquidation shall be conducted according to the laws in relation to corporate insolvency."

**146. The existing Article 190 (to be re-numbered accordingly as Article 230):**

"The liquidation committee shall notify creditors within ten (10) days of its establishment, and, within sixty (60) days of its establishment, make at least three (3) announcements on newspapers.

Creditors shall, within thirty (30) days of receipt of the notice, or for creditors who have not personally received such notice, within forty-five (45) days of the date of the first announcement, contact the liquidation committee to claim their rights. Failure of declaration within the required period shall be deemed as a waiver. In claiming their rights, the creditors shall provide a statement and evidence with respect thereof. The liquidation committee shall register creditor's rights."

*shall be amended as:*

"The liquidation committee shall notify creditors within ten (10) days of its establishment, and, within sixty (60) days of its establishment, make announcements on newspapers.

Creditors shall, within thirty (30) days of receipt of the notice, or for creditors who have not personally received such notice, within forty-five (45) days of the date of the announcement, contact the liquidation committee to claim their rights. Failure of declaration within the required period shall be deemed as a waiver. In claiming their rights, the creditors shall provide a statement and evidence with respect thereof. The liquidation committee shall register creditor's rights. The liquidation committee may not reimburse any such creditors during the period of such creditor's claim."

**147. The existing Article 192 (to be re-numbered accordingly as Article 232):**

"After disposing of the Company's assets, preparing the balance sheet and asset inventory, the liquidation committee shall draft proposal on the liquidation and submit to the general meeting or the People's Court for confirmation.

The Company's assets shall be liquidated in accordance with laws and administrative regulations, or in the absence of which, in a just and fair manner as determined by the liquidation committee.

Assets that remain after completion of the above procedures shall be distributed to shareholders according to the share class and shareholding.

During the period of liquidation, the Company is forbidden to launch operational activities not related to liquidation."

*shall be amended as:*

"After disposing of the Company's assets, preparing the balance sheet and asset inventory, the liquidation committee shall draft proposal on the liquidation and submit to the general meeting or related regulatory organizations for confirmation.

The assets of the Company shall be repaid in accordance with following order: the liquidation charges, staff salaries, social insurance cost, legally prescribed compensation, outstanding tax and corporate debts.

Assets that remain after completion of the above procedures shall be distributed to shareholders according to the share class and shareholding.

During the period of liquidation, the Company is forbidden to launch operational activities not related to liquidation. The Company's assets shall not be distributed to the shareholders before repayment is made in accordance to the foregoing provisions."

**148. The following new provision shall be added as Article 234:**

"The members of the liquidation committee shall devote themselves to their duties and perform their obligations of liquidation according to the law. No member of the liquidation committee may take advantage of his position to accept bribes or other illegal proceeds, nor may he misappropriate properties of the Company.

Where members of the liquidation committee cause any loss to the Company or any creditor due to the deliberate acts or gross negligence of such members, they shall be liable to pay compensations."

**149. The existing Article 194 (to be re-numbered accordingly as Article 235):**

"Upon the completion of the liquidation, the liquidation committee shall produce a liquidation report and statement of income and expenditure and financial accounts. The documents, upon verification by a registered accountant of the PRC, shall be submitted to the general meeting or the People's Court for confirmation.

Within thirty (30) days of the confirmation by general meeting or the People's Court, the liquidation committee shall submit the abovementioned documents to company registration organizations for cancellation of the Company's registration, and announce that the Company ceases to exist."

*shall be amended as:*

"Upon the completion of the liquidation, the liquidation committee shall produce a liquidation report and statement of income and expenditure and financial accounts. The documents, upon verification by a registered accountant of the PRC, shall be submitted to the general meeting or related regulatory organizations for confirmation.

Within thirty (30) days of the confirmation by general meeting or related regulatory organizations, the liquidation committee shall submit the abovementioned documents to company registration organizations for cancellation of the Company's registration, and announce that the Company ceases to exist."

**150. The following paragraph shall be added as the last paragraph of the existing Article 195 (to be re-numbered accordingly as Article 236):**

"The Company shall amend the Articles of Association in case of one of the following conditions:

(1) The provisions of the Articles of Association conflict with the revised laws and administrative regulations if the Company Law or relevant laws and administrative regulations are amended;

(2) Any changes of the Company do not accord with the provisions of the Articles of Association;

(3) General meeting makes a resolution to amend the Articles of Association."

**151. The first sentence of the second paragraph of the existing Article 196 (to be re-numbered accordingly as Article 237):**

"The general meeting may pass an ordinary resolution to authorise the Board of Directors:"

*shall be amended as:*

"The general meeting may pass a special resolution to authorise the Board of Directors:"

**152. The following sentence shall be added as the last sentence of the existing Article 197 (to be re-numbered accordingly as Article 238):**

"Where amendments of the Articles of Association are the information required to be disclosed under the laws and regulations, they shall be announced."

**153. The second paragraph of the existing Article 199 (to be re-numbered accordingly as Article 240):**

"As to the notices to be issued by the Company to the holder of domestic shares, the Company may publish an announcement on one or more newspapers designated by the securities authority of the State Council; once the announcement is published, all holders of domestic shares shall be deemed to have received the relevant notice."

*shall be amended as:*

"As to the notices to be issued by the Company to the holder of A shares, the Company may publish an announcement on one or more newspapers designated by the securities authority of the State Council; once the announcement is published, all holders of A shares shall be deemed to have received the relevant notice."

**154. The existing Article 200 (to be re-numbered accordingly as Article 241):**

"Notices served by post shall be served by putting the notice into a properly addressed, prepaid postage envelope and depositing the same in a mail box. Shareholders shall be deemed to have received the notice five (5) days after the despatch of the same."

*shall be amended as:*

"Where a notice is sent by personal delivery, receiver shall sign (or seal) on reply slip with the receiving date as the delivery date; where a notice is sent by post, the notice shall be served by putting the notice into a properly addressed, prepaid postage envelope and depositing the same in a mail box. The recipient shall be deemed to have received the notice five (5) days after delivery of the same to the post office. If the notice is given by way of announcement, it shall be deemed as having been delivered on the date of first issue of the announcement."

**155. The following new provision shall be added as Article 242:**

"Meetings or resolutions made on meetings shall not be voided on the grounds that meeting notices have not been dispatched, by accident or by mistake, to anyone entitled to receive such notices or that such persons have not received the meeting notices."

**156. The following new provision shall be added as Article 247:**

"The Articles of Association are written in Chinese. Whenever discrepancy arises between the Articles of Association and the Articles of Association in other languages or inconsistencies arise among different versions of the Articles of Association, the Chinese version shall prevail."

**157. The following new provision shall be added as Article 248:**

"The Appendix to the Articles of Association comprise the rules of procedures for general meeting, rules of procedures for the Board of Directors and rules of procedures for the Supervisory Committee."

**158. The following sentence shall be added as the last sentence of the existing Article 205 (to be re-numbered accordingly as Article 249):**

"Should there be any inconsistence between the Articles of Association and relevant laws, regulations, regulatory documents and the rules of listing of the places where the Company's shares are listed, the latter shall prevail."

*Note: [●] above will be filled in when the information is available upon the completion of the A Share Issue*

The English version of this Appendix is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Proposed amended versions of the general meeting rules, board meeting rules and supervisory committee meeting rules are set out as follows.

**Proposed amended version of the general meeting rules**

***Chapter I General Provisions***

**Article 1** These general meeting rules (the "Rules") are formulated by Xinhua Winshare Publishing and Media Co., Ltd. (the "Company") in accordance with relevant laws, regulations and regulatory documents, including the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), the Rules for the General Meeting of Shareholders of Listed Companies and Articles of Association of Xinhua Winshare Publishing and Media Co., Ltd. (the "Articles of Association") and provisions of other relevant laws, regulations and regulatory documents, to regulate the acts of the Company and to ensure the legal performance of its functions and duties by shareholders' general meeting of the Company.

**Article 2** These Rules are applicable to shareholders' general meetings of the Company (the "Shareholders' General Meeting(s)" or "General Meeting(s)"), and binding upon the Company, all shareholders (the "Shareholders"), proxies of the Shareholders, the Company's directors (the "Directors"), supervisors (the "Supervisors") and senior management (the "Senior Management") and other relevant personnel who attend or are present at the Shareholders' General Meetings.

**Article 3** All the Shareholders legally and validly holding shares of the Company are entitled to attend the Shareholders' General Meetings in person or by proxy and to legally enjoy various rights as a shareholder, such as the right to know, the right to speak, the right to inquire and the right to vote.

**Article 4** Shareholders, proxies of Shareholders and other personnel attending the Shareholders' General Meetings shall strictly observe relevant laws, regulations, rules governing the listing of securities of the stock exchange where the Company's shares are listed (the "Listing Rules"), the Articles of Association and these Rules, and keep order consciously of the meeting, and shall not infringe upon the legitimate rights and interests of other shareholders.

**Article 5** The Shareholders' General Meetings are supposed to exercise the authorities stipulated by the Company Law, the Listing Rules and the Articles of Association, and shall not interfere with the Shareholders' disposal of their own rights.

**Article 6** The Company's board of Directors (the "Board") shall strictly observe the provisions of the Company Law and other relevant laws, regulations, the Listing Rules and the Articles of Association on convening a general meeting, and earnestly organize the meetings as scheduled. All the Shareholders of the Company carry fiduciary duties for the successful convening of the Shareholders' General Meetings, and shall not prevent the Shareholders' General Meetings from legally exercising their authorities.

**Article 7** The Company shall, on the premise of ensuring that the Shareholders' General Meetings are valid and comply with relevant laws, regulations, the Listing Rules and the Articles of Association, through various means and channels including taking full advantage of up-to-date information technology, improve the participation ratio of Shareholders at the Shareholders' General Meetings.

**Article 8** When the Company calls a Shareholders' General Meeting, it shall retain an attorney on the PRC laws to issue a legal opinion on the following matters and announce the same:

I. whether the procedures for convening and holding the meeting are consistent with relevant laws, administrative regulations, these Rules and the Articles of Association;

II. whether the qualifications of the persons attending meeting and of the convener are lawful and valid;

III. whether the voting procedure at and the voting results of the meeting are lawful and valid; and

IV. other relevant issues as requested by the listed company.

***Chapter II Functions and Powers of the Shareholders' General Meetings***

**Article 9** The Shareholders' General Meeting is the organ of authority of the Company and shall legally exercise the following functions and powers:

I. to decide on the development planning, operating policies and investment plans of the Company;

II. to elect and replace Directors who are not employee representatives and to fix the remuneration of the relevant Directors;

III. to elect and replace Supervisors who are not employee representatives and to fix the remuneration of the relevant Supervisors;

IV. to consider and approve the reports of the Board;

V. to consider and approve the reports of the supervisory committee of the Company (the "Supervisory Committee");

VI. to consider and approve the proposed annual financial budgets and final accounts of the Company;

VII. to consider and approve the profit distribution plans and loss recovery plans of the Company;

VIII. to consider connected transactions and other transactions that require the deliberation of the Shareholders' General Meeting pursuant to relevant laws, regulations, the Listing Rules, the Articles of Association and/or these Rules;

IX. to adopt resolutions on any increase or reduction of registered capital of the Company;

X. to adopt resolutions on matters such as merger, division, dissolution, liquidation or conversion of corporate form of the Company;

XI. to adopt resolutions on the issue of bonds or other securities and the listing of the Company;

XII. to adopt resolutions on the appointments, dismissals or non-re-appointments of accounting firms of the Company;

XIII. to amend the Articles of Association;

XIV. to consider and approve the alteration to the intended use of the funds raised in the issuing of A shares;

XV. to consider the equity incentive scheme of the Company;

XVI. to consider matters relating to the purchases and disposals of the Company's material assets which account for 30% or more of the Company's latest audited total assets within one (1) year;

XVII. to adopt resolutions on external guarantees requiring the approval of the Shareholders' General Meeting pursuant to relevant laws, regulations, the Listing Rules and the Articles of Association;

XVIII. to consider ad hoc proposals submitted by Shareholders individually or jointly holding 3% or more of the shares carrying voting rights of the Company; and

XIX. other matters required by relevant laws, administrative regulations and the Articles of Association to be resolved at the Shareholders' General Meeting.

Matters that shall be determined at the Shareholders' General Meeting in accordance with relevant laws, regulations, the Listing Rules and the Articles of Association must be reviewed at relevant Shareholders' General Meeting(s) for the purpose of safeguarding the right of Shareholders to decide on such matters. Where necessary, reasonable and conforming to all laws, regulations, the Listing Rules and the Articles of Association, the Shareholders' General Meeting may authorize the Board to determine, within the scope of authorization as to be granted by such Shareholders' General Meeting, specific issues relating to matters that shall be resolved but can not be decided upon immediately at such meeting. If any Shareholder(s) has, in accordance with relevant laws, regulations, the Listing Rules and the Articles of Association, a connected relationship with the matters to be voted upon, such Shareholder(s) shall abstain from voting on these matters and not appoint any proxies to vote on these matters on his/her behalf.

Where the authorization granted by the Shareholders' General Meeting to the Board is related to a matter subject to an ordinary resolution, it shall be passed by votes representing more than half of the voting rights of the Shareholders (including proxies) present at the Shareholders' General Meeting; where it is related to a matter subject to a special resolution, it shall be passed by votes representing more than two-thirds of the voting rights of the Shareholders (including proxies) present at the Shareholders' General Meeting. The substance of the authorization shall be clear and specific.

**Article 10** Under relevant laws, regulations, the Listing Rules and the Articles of Association, the following external guarantees of the Company are subject to deliberation and approval of the Shareholders' General Meeting:

(1) any guarantees provided after the total amount of external guarantees of the Company and the subsidiaries controlled by it has reached or exceeded 50% of the latest audited net assets of the Company;

(2) any guarantees provided after the total amount of external guarantees of the Company and the subsidiaries controlled by it has reached or exceeded 30% of the latest audited total assets of the Company;

(3) a guarantee provided for other parties with an asset to liability ratio in excess of 70%;

(4) any guarantee, the amount of which when aggregated on a cumulative basis for twelve (12) consecutive months, is in excess of 30% of the latest audited total assets of the Company;

(5) any guarantee, the amount of which when aggregated on a cumulative basis for twelve (12) consecutive months, is in excess of 50% of the latest audited net assets of the Company, and the absolute amount of which is over RMB50 million;

(6) a single guarantee with amount in excess of 10% of the latest audited net assets of the Company;

(7) a guarantee to be provided in favor of the Shareholders, de facto controllers and their related parties; and

(8) any external guarantees requiring the approval of the Shareholders' General Meeting pursuant to relevant laws, regulations, the Listing Rules and the Articles of Association.

**Article 11** The following transactions of the Company (the Connected Transaction System of Xinhua Winshare Publishing and Media Co., Ltd. applies to any connected transactions) are to be considered at the Shareholders' General Meetings:

(1) external investment projects with the gross amount of a single capital employment in excess of 25% of the latest audited net asset value of the Company;

(2) a single borrowing, with the amount in excess of 10% of the latest audited net asset value of the Company; and

(3) other transactions to be determined by the Shareholders' General Meetings in accordance with relevant laws, rules, regulations, regulatory documents and the Listing Rules of the stock exchanges on which the Company's shares are listed.

***Chapter III System of Shareholders' General Meeting***

**Article 12** The Shareholders' General Meetings are divided into annual General Meetings and extraordinary General Meetings. Subject to relevant laws, regulations, the Listing Rules and the Articles of Association, annual General Meetings shall meet once a year, within six (6) months following the end of the previous fiscal year. There is no stipulation on the number of extraordinary General Meetings to be convened each year.

**Article 13** An extraordinary General Meeting is to be called, within two (2) months following the below:

I. the number of Directors is less than the minimum number specified in the Company Law, or less than two-thirds of the number specified in the Articles of Association;

II. the uncovered losses reach one-third of the Company's total paid-up share capital;

III. Shareholders that hold, individually or collectively, more than 10% of the shares in the Company request to hold such a meeting in writing;

IV. the Board considers it necessary;

V. the Supervisory Committee proposes to hold such a meeting; or

VI. other circumstances under relevant laws, regulations, the Listing Rules and/or the Articles of Association.

The number of shares in clause III hereinabove shall be calculated as at the date of the written request of the relevant Shareholder.

**Article 14** Where the Shareholders' General Meeting cannot be convened within the period specified hereinabove, the Company shall report to China Securities Regulatory Commission's local agency at the domicile of the Company and the stock exchange where the Company's shares are listed, and announce the explanations on the reasons (if necessary).

**Article 15** The Shareholders' General Meetings are to be held at the domicile of the Company or other places specified in the notices of relevant meetings.

The Company shall arrange for the venue for an on-site meeting to be held. In compliance with relevant laws, regulations, the Listing Rules and the Articles of Association, the Company could also provide Internet or other means for the convenient attendance of the Shareholders, and clearly state the voting time, procedures and the means to identify the Shareholders in the notice of the Shareholders' General Meeting if the Internet or other means is adopted as voting method. Such Shareholders as attend the meeting by the aforesaid means shall be deemed presence. Online voting is not applicable to the holders of H shares. Where a Shareholders' General Meeting is convened to consider the following matters, the Company shall make online voting available to the Shareholders:

I. issuing by the Company of shares, convertible bonds and other securities as recognized by China Securities Regulatory Commission;

II. a major asset restructuring of the Company;

III. the Company temporarily using idle proceeds equivalent to more than 10% of the proceeds raised that time to supplement working capital;

IV. the Company employing surplus proceeds equivalent to RMB100 million or 10% or more of the net proceeds actually raised this time at once or in aggregate within twelve (12) months;

V. a major connected transaction of the Company, in which the price of the assets intended to purchase from the related party is in excess of 100% of the carrying amount of that assets;

VI. the equity incentive scheme of the Company;

VII. a Shareholder repaying his/her debt to the Company by means of shares of the Company held by him/her; or

VIII. other matters for which online voting should be made available in accordance with relevant laws, regulations, regulatory documents, the Listing Rules, the Articles of Association and these Rules.

***Chapter IV Convening of the Shareholders' General Meeting***

**Article 16** The Shareholders' General Meeting shall be legally convened by the Board, unless otherwise provided in these Rules.

**Article 17** Independent non-executive Directors have the right to propose the Board to convene extraordinary General Meetings. The Board shall, upon receiving such proposal from the independent non-executive Directors, reply in writing regarding the acceptance or refusal to convene an extraordinary General Meeting within ten (10) days in accordance with the requirements of relevant laws, regulations, the Listing Rules and the Articles of Association.

If the Board agrees to convene an extraordinary General Meeting, the notice convening the meeting shall be issued within five (5) days after the Board resolved to do so. If the Board does not agree to convene such an extraordinary General Meeting, reasons shall be explained and announced (if necessary).

**Article 18** The Supervisory Committee has the right to propose the Board to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The Board shall, upon receiving the proposal, reply in writing regarding the acceptance or refusal to convene an extraordinary General Meeting within ten (10) days in accordance with the requirements of relevant laws, regulations, the Listing Rules and the Articles of Association.

If the Board agrees to convene an extraordinary General Meeting, the notice convening the meeting shall be issued within five (5) days after the Board resolved to do so. Should there be any alterations to the original proposal in the notice, consent has to be obtained from the Supervisory Committee.

If the Board does not agree to convene such an extraordinary General Meeting or does not reply within ten (10) days upon receiving the proposal, the Board will be considered as unable or refused to fulfill the obligation to convene General Meetings and the Supervisory Committee may convene and preside over the meeting on its own.

**Article 19** Shareholders individually or jointly holding more than 10% of the voting shares in the Company (the "Proposing Shareholders") shall have the right to request the Board to convene an extraordinary General Meeting. Such request shall be made in writing to the Board. The Board shall make a written response as to whether or not it agrees to convene such a meeting within ten (10) days upon receipt of the request in accordance with the requirements of relevant laws, regulations, the Listing Rules and the Articles of Association. The aforesaid number of shares shall be calculated as at the date of the written request of the relevant Shareholders.

If the Board agrees, a notice shall be issued within five (5) days after the resolution of the Board is passed. Changes made to the original request shall be approved by the Proposing Shareholders.

If the Board refuses or does not give any response within ten (10) days upon receipt of the request, the Proposing Shareholders shall have the right to propose to the Supervisory Committee to convene such an extraordinary General Meeting. Such proposal shall be made in writing.

If the Supervisory Committee agrees, a notice shall be issued within five (5) days upon receipt of the proposal. Changes made to the original proposal shall be approved by the Proposing Shareholders.

If the Supervisory Committee fails to give the notice within the specified time limit, it shall be deemed to have failed to convene and preside over the meeting, in which case, Shareholders who either individually or jointly hold more than 10% shares of the Company for more than ninety (90) consecutive days (the "Convening Shareholders") shall have the right to convene and preside over the meeting by themselves. The procedures for such a convening shall be the same as those for the Board.

**Article 20** Where the Supervisory Committee or the Proposing Shareholders decide to convene Shareholders' General Meetings by itself/themselves, it/they shall notify the Board in writing and file with the relevant regulatory authority in accordance with the applicable guidelines.

The shareholding in the Company of the Convening Shareholders shall not be less than 10% prior to the announcement of resolutions of the relevant General Meetings.

The Supervisory Committee or the Convening Shareholders shall submit relevant supporting documents to the relevant regulatory authority in accordance with the applicable guidelines upon the issuance of notice for the General Meeting and the announcement of resolutions of such meeting.

**Article 21** The Board and the Secretary to the Board shall cooperate when the Supervisory Committee or the Shareholders convene a General Meeting on its or their own. The Board shall provide the register of Shareholders as at the record date. If the Board fails to provide the register of Shareholders, the convener of the General Meeting (the "Convener") may apply to the securities registration authority with the notice of the General Meeting for the same. The register of Shareholders obtained by the Convener may not be used for purposes other than convening the General Meeting.

**Article 22** Where the Supervisory Committee or the Shareholders convene a General Meeting on its or their own, all the necessary costs incurred shall be borne by the Company.

**Article 23** If members of the Board are less than the quorum required by the Company Law or less than two-thirds of the number required by the Articles of Association, or the uncovered losses of the Company reach one-third of its total paid-up share capital, and the Board fails to convene an extraordinary General Meeting within the given period, the Supervisory Committee or the Shareholders may convene an extraordinary General Meeting on its or their own in accordance with the procedures specified under this Chapter.

***Chapter V Notice and Registration of Shareholders' General Meeting***

**Article 24** Subject to any applicable laws, regulations, the Listing Rules and the Articles of Association, When the Company convenes a Shareholders' General Meeting, it shall issue a written notice and make announcement forty-five (45) days prior to the meeting informing all the registered Shareholders of the matters to be examined at the meeting as well as the date and place of the meeting. Shareholders that intend to attend the Shareholders' General Meeting shall, within twenty (20) days prior to the meeting, deliver a written reply to the Company on meeting attendance.

The Company shall, based on the written replies received twenty (20) days before the date of the Shareholders' General Meeting from the Shareholders, calculate the number of voting shares represented by Shareholders who intend to attend the meeting. If the number of shares carrying the right to vote on the matters put to vote represented by the Shareholders who intend to attend the meeting reaches not less than one half of the Company's total voting shares, the Company may hold the meeting. If not, the Company shall within five (5) days notify the Shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company may then hold the meeting after such publication of such notice.

**Article 25** Subject to any applicable laws, regulations, the Listing Rules and the Articles of Association, a notice of a Shareholders' General Meeting shall include the following:

I. shall be in writing or in other forms as permitted by the Listing Rules of the stock exchange on which the shares of the Company are listed;

II. shall specify the venue, date and time of the meeting;

III. shall contain the share registration date of Shareholders who are entitled to attend the meeting;

IV. shall state the matters to be discussed at the meeting;

V. shall provide such information and explanations as are necessary for the Shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital structure or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

VI. shall contain a disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, general manager or other member of the Senior Management in the transaction proposed and the effect of the proposed transaction on them in their capacity as Shareholders in so far as it is different from the effect on the interests of the Shareholders of the same class;

VII. shall contain the full text of any special resolution proposed to be passed at the meeting;

VIII. shall contain conspicuously a statement that all the Shareholders are entitled to attend the meeting, a Shareholder entitled to attend and vote is entitled to appoint in writing one or more proxies to attend and vote for and on his/her behalf and that a proxy need not be a Shareholder;

IX. shall specify the time and address for lodging the proxy forms for the relevant meeting;

X. shall state the name and telephone number of the regular contact person of the meeting; and

XI. matters which shall be disclosed in the notice of the Shareholders' General Meeting pursuant to any applicable laws, regulations, the Listing Rules and the Articles of Association.

Subject to any applicable laws, regulations, the Listing Rules and the Articles of Association, the interval between the share registration date and the date of the meeting shall not exceed seven (7) working days. Once the share registration date is confirmed, it shall not be altered, unless otherwise in compliance with relevant laws and regulations, the Listing Rules and the Articles of Association.

Where a Shareholders' General Meeting is held over network or other means, the notice of the meeting shall specify the voting time and voting procedure over network or other means.

**Article 26** Subject to any applicable laws, regulations, the Listing Rules and the Articles of Association, notice of a Shareholders' General Meeting shall be served on each Shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the Shareholder at his/her address, as shown in the register of members.

The Company may send or supply corporate communications to Shareholders of overseas listed foreign shares, including notices of Shareholders' General Meetings, of the Company by making such corporate communications available on the Company's own website, subject to the following conditions:

I. the Shareholder of overseas listed foreign shares has been asked individually by the Company to agree that the Company may send or supply corporate communications generally, or the corporate communication in question, to him/her by means of the Company's own website twenty-eight (28) days earlier; such request of the Company has stated clearly what the effect of a failure to respond would be; such request of the Company was not sent less than twelve (12) months after a previous request made to the Shareholder for the purposes of asking him/her to agree that the Company may send or supply the same class of corporate communications to him/her by means of the Company's own website; and

II. the Company has not received a response indicating the objection from Shareholders of overseas listed foreign shares within the period of twenty-eight (28) days beginning with the date on which the Company's request was sent.

The Company must notify the Shareholders of overseas listed foreign shares of the presence of the corporate communication(s) on the website, the address of the website, the place on the website where it may be accessed, and how to access the corporate communication(s).

The corporate communication(s) is/are taken to be sent:

I. on the date on which the notification required above is sent; or

II. if later, the date on which the corporate communication first appears on the website after that notification is sent.

For holders of A shares, notices of the Shareholders' General Meetings may be given by public announcement.

The public announcement mentioned above shall be published in one or more newspapers designated by the securities regulatory authority of the State Council within the interval between forty-five (45) days and fifty (50) days before the date of the meeting; after the publication of the public announcement, the holders of A shares shall be deemed to have received the notice of the relevant Shareholders' General Meeting.

**Article 27** The accidental omission to give notice of a Shareholders' General Meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

**Article 28** When matters concerning the election of Directors or Supervisors will be discussed at the meeting, the notice of the Shareholders' General Meeting shall disclose detailed information about the Director candidates or Supervisor candidates and shall at least include the followings:

I. personal information including educational background, working experience, and any part-time professions, etc;

II. any connected relationship between them and the Company, its controlling Shareholder(s) or de facto controller;

III. disclosure of their shareholdings in the Company;

IV. whether or not they have been subject to any punishment by CSRC or other related authorities or stock exchanges; and

V. other matters which shall be disclosed pursuant to any applicable laws, regulations, the Listing Rules and the Articles of Association.

**Article 29** After giving the notice of the Shareholders' General Meeting, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the event that the Shareholders' General Meeting is to be postponed or cancelled, the Convener shall make announcement at least two (2) working days prior to the original date of the Shareholders' General Meeting and explain the reasons, or where there are more strict provisions in any applicable laws, regulations, the Listing Rules and the Articles of Association, the provisions of such laws, regulations, the Listing Rules and the Articles of Association shall prevail.

**Article 30** All Shareholders in the Shareholders' register on the share registration date or proxies thereof shall be entitled to attend the Shareholders' General Meetings, and exercise voting rights pursuant to relevant laws, regulations, the Listing Rules and the Articles of Association. Any Shareholder entitled to attend and vote at the Shareholders' General Meeting shall have the right to appoint one (1) or several persons (who may not be Shareholders) to act as his/her proxy to attend, speak and vote at the meeting on his/her behalf. The proxy so appointed by the Shareholder may, pursuant to the instructions of the Shareholder, exercise the following rights:

I. the right of the Shareholder to speak at the meeting;

II. the right of the Shareholder to demand or join in demanding a poll;

III. unless otherwise required by the Listing Rules, the Articles of Association and other relevant legal regulations, the right to vote by hand or on a poll, but a proxy of a Shareholder who has appointed more than one proxy may only vote on a poll; and

IV. other rights conferred by any applicable laws, regulations, the Listing Rules and the Articles of Association.

If the said Shareholder is a recognized clearing house as defined under the laws of Hong Kong (hereinafter referred to as the "Recognized Clearing House", or its nominees), the Shareholder may authorize one (1) or more suitable person to act as his/her representative at any Shareholders' General Meeting or at any class meeting; however, if more than one (1) person are authorized, the power of attorney shall clearly indicate the number and types of the stocks involved by way of the said authorization. The persons after such authorization may represent the Recognized Clearing House (or its nominees) to exercise the rights, as if they were the individual Shareholders of the Company.

**Article 31** The Board of the Company, independent non-executive Directors and qualified Shareholders who have met certain requirements are entitled to request and collect from Shareholders of the Company their voting rights at the Shareholders' General Meeting. The request and collection of the voting rights shall be conducted on a nil consideration basis with full disclosure of information to the person being summoned.

**Article 32** Individual Shareholder attending the meeting in person shall present his/her identity card or valid document that can prove his/her identity and share certificate. The Company has the right to request proxies (representing individual Shareholders) who attend the meeting to present their identity cards, written proxy or authorization letter signed by the appointer or the legal representative of the appointer and their share certificates.

If corporate Shareholders (other than Recognize Clearing House or their proxies) appoint its legal representative attending the meeting, the Company has the right to request such legal representative to present their personal identity cards or valid documents that can prove its identity as the legal representative. A proxy attending the meeting shall present his/her identity card and written proxy or authorization letter issued by the legal representative of the corporate Shareholder and share certificate.

**Article 33** The instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorized in writing; for a corporate Shareholder, the proxy must be affixed with the common seal or signed by its Director or attorney or officer duly authorized in writing. Such letter of attorney shall state the number of shares represented by the proxy. If several proxies are appointed, such letter of attorney shall clearly indicate the number of shares represented by each proxy.

The proxy form to appoint a proxy to attend any Shareholders' General Meeting by a Shareholder shall contain the following:

I. the name of the proxy;

II. whether or not the proxy has any voting right;

III. directive to vote for or against or abstain from voting on each and every issue included in the agenda of the Shareholders' General Meeting;

IV. the date of issue and validity period of the proxy form; and

V. signature (or seal) of the appointer. If the appointer is a corporate Shareholder, the corporate seal shall be affixed.

The proxy form shall contain a statement that in the absence of instructions by the Shareholder, his/her proxy may vote as he/she thinks fit.

**Article 34** Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting twenty-four (24) hours before the relevant meeting for voting according to the proxy form, or twenty-four (24) hours before the designated time of voting. Where the proxy form is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organ to act as its representatives may attend the Shareholders' General Meeting of the Company as a representative of the appointer.

**Article 35** Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of authorization shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

**Article 36** The attendance book for attendees' signing shall be prepared by the Company. The book shall state, among others, particulars such as the names (or names of the entities), identification number, residential address of attendees, the number of voting shares held or represented and the name of the appointer (or names of the entities) etc.

**Article 37** The Convener and the lawyer engaged by the Company shall jointly examine the legality of the Shareholder's qualification according to the Shareholder register provided by the securities registration and clearing authority, and register the names of the Shareholders as well as the amount of their voting shares. The registration of Shareholders' General Meeting shall be terminated before the presider of the meeting announces the number of Shareholders and proxies that attend the meeting and the total amount of their voting shares.

***Chapter VI Proposals of Shareholders' General Meeting***

**Article 38** Proposals put forward in the Shareholders' General Meeting are the specific resolutions concerning the businesses to be discussed in the Shareholders' General Meeting. The Shareholders' General Meeting shall resolve on such specific resolutions.

**Article 39** Proposals for Shareholders' General Meeting shall satisfy the following conditions:

I. The content shall not be in conflict with laws, regulations, the Listing Rules and the Articles of Association, and shall fall within the terms of reference of a Shareholders' General Meeting;

II. The proposal shall have a clear subject for discussion and specific issues for resolution; and

III. The proposal shall be submitted or delivered to the Convener in written form.

**Article 40** When the Company convenes a Shareholders' General Meeting, the Board, the Supervisory Committee, and Shareholders individually or jointly holding not less than 3% of the Company's shares shall have the right to submit proposals to the Company.

Shareholders individually or jointly holding not less than 3% of the Company's shares may submit an ex tempore proposal in writing to the Convener ten (10) days prior to date of the meeting. The Convener shall dispatch a supplementary notice of the Shareholders' General Meeting and announce the contents of such ex tempore proposal within two (2) days upon receipt of the proposal.

Unless otherwise stated above, the Convener shall not change the proposals listed in the notice of Shareholders' General Meeting or add any new proposals after the notice of Shareholders' General Meeting is circulated.

A Shareholders' General Meeting shall not vote and resolve any proposals which are not listed in the Shareholders' General Meeting notice or in compliance with Article 38 of these Rules.

**Article 41** The nomination list of Directors and Supervisors candidates shall be submitted by a written proposal to the Shareholders' meeting for approval.

**Article 42** Means and procedures of nomination of Director and Supervisor areas follows:

I. During the election of the Board and the Supervisory Committee, Supervisors who are Directors and employee representatives may be put forward on the proposed list of candidates by the previous Board and Supervisory Committee, provided that the number of nominees must comply with the provisions of the Articles of Association and shall not be more than the number of proposed candidates.

II. The existing Board and Supervisory Committee shall propose the recommended candidate list according to the numbers of Directors and Supervisors subject to provisional addition and re-election.

III. Shareholder(s) severally or jointly holding more than 3% of the Company's shares may also propose a nomination list of the candidates for Directors and Supervisors, while Shareholder(s) severally or jointly holding more than 1% of the Company's shares may propose a nomination list of the candidates for non-executive Directors. Where the aforementioned nominator(s) put forward the nomination list as a provisional proposal to the Shareholders' General Meeting for review, the same shall be submitted together with the biography and general information of the nominated candidates to the Board ten (10) days before the meeting, and shall be examined and approved by the Board and the Supervisory Committee pursuant to item (4) of this Article.

IV. The qualifications and conditions of Directors are reviewed by the Board. The qualifications and conditions of Supervisors are reviewed by the Supervisory Committee. After the list of candidates for Directors and Supervisors is determined according to the examination by the Board and the Supervisory Committee and the adoption of a resolution, it shall be proposed at a Shareholders' General Meeting by way of a written proposal. The Board and the Supervisory Committee shall provide the Shareholders with the biography and general information of such Director and Supervisor candidates.

V. Director and Supervisor candidates shall give written undertaking before the convening of Shareholders' General Meeting to give consent to their nomination, under taking that the information of Director and Supervisor candidates disclosed is true and complete, and ensuring that the obligations of Director and Supervisor are duly performed after being elected.

VI. With respect to the election of Directors and Supervisors at the Shareholders' General Meeting, resolutions shall be made separately.

VII. Where the proposal of re-electing the Directors and Supervisors has been approved, the newly appointed Directors and Supervisors shall hold the post immediately after the Shareholders' General Meeting.

**Article 43** The proposal of the appointment of an accountants' firm shall be raised by the Board and approved by the Shareholders' General Meeting. When the Board proposes to dismiss or not renew the appointment of an accountants' firm, it shall give a 30 days advance notice to the accountants' firm, and clarify the reason to the Shareholders' General Meeting. The accountants' firm shall have the right to present its views to the Shareholders' General Meetings.

***Chapter VII Convening of Shareholders' General Meetings***

**Article 44** The Company shall adopt the principle of simplicity to convene a Shareholders' General Meeting and shall not pay additional economic benefits to the attending Shareholders (or their proxies).

**Article 45** When the Company convenes the Shareholders' General Meeting, all Directors, Supervisors and the secretary to the Board are to attend the meeting, and the general manager and other Senior Management are to observe the meeting.

**Article 46** A Shareholders' General Meeting shall be presided over by the chairman of the Board who shall act as the chairman of the meeting. If the chairman of the Board cannot or fails to fulfill the duty thereof, the vice chairman of the Board shall preside (where the Company has two (2) or more vice chairmen of the Board, one (1) vice chairman shall be elected to preside over the meeting with the approval of not less than half of the Directors); if the vice chairman cannot or fails to fulfill the duty thereof, one (1) Director shall be jointly elected to preside over the meeting with the approval of not less than half of the Directors; if it fails to elect a Director from not less than half of the Directors to preside over the meeting, one (1) shareholder shall be jointly elected to preside over the meeting from Shareholders attending the meeting. If, for any reason, the attending Shareholders fail to elect one to be the chairman, the attending Shareholder (or his/her proxy) who holds the most voting shares shall be the chairman of the meeting.

A Shareholders' General Meeting convened by the Supervisory Committee is to be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to perform the duty, the meeting is to be presided over by the vice chairman of the Supervisory Committee; where the vice chairman of the Supervisory Committee is unable or fails to perform the duty, the meeting is to be presided over by a Supervisor jointly elected by a simple majority of the Supervisors.

A Shareholders' General Meeting convened by Shareholders is to be presided over by one representative appointed by Conveners.

In the event that the Shareholders' General Meeting cannot proceed due to violation of these Rules of procedures by the chairman of the meeting, the meeting may appoint one person as the chairman of the meeting upon consent of a simple majority of the voting Shareholders present at the meeting.

**Article 47** The Board and the secretary to the Board shall provide assistance as necessary for the extraordinary general meeting convened by the Supervisory Committee or Proposing Shareholders on their own in accordance with these Rules. Costs of the meeting shall be borne by the Company.

**Article 48** The Board and the Supervisory Committee of the Company will take action necessary to ensure the solemnity and regular order of Shareholders' General Meetings. Except for the attending Shareholders (or their proxies), Directors, Supervisors, secretary to the Board, Senior Management, the lawyers retained and the persons invited by the Board, the Company reserves the right to refuse entry of other people into the venue of the meeting(s) in accordance with the laws. Any act of disturbing the order of Shareholders' General Meetings, picking a quarrel and infringing other Shareholders' interest shall be prevented by the Company by taking necessary measures and reporting to the competent authority for investigating on time.

**Article 49** At an annual general meeting, the Board, Supervisory Committee and each independent non-executive Director shall report their work in the past year, respectively.

**Article 50** An Certified public accountant issued an audited report with explanatory statement, qualified opinion or cannot give opinion or negative opinion to the Company's financial report, the Board of the Company has to explain the matters for causing the accountant issuing such report and the influence to the operation to the Shareholders. If such matter directly influences the profit of that term, the Board of the Company shall based on the de minimis principle determine the profit appropriation proposal or the budget for conversion of capital common reserve to capital.

**Article 51** A Shareholders' General Meeting shall begin at the scheduled time. After announcing that the meeting is began, the chairman of the meeting shall first report the number of shareholders and proxies attending the meeting in person and the total number of their voting shares. The registration of the number of shareholders and proxies attending the meeting in person and the total number of their voting shares in the meeting shall prevail.

**Article 52** The chairman of the meeting starts to read out the proposals or designate others to read them out after making report, and shall make explanations on the proposals according to the following requirements as necessary:

I. where the Board raises the proposals, the chairman of the Board or anyone else designated by him/her shall specify on the proposals; and

II. where others raise the proposals, the person raising the proposals or his/her legal representative or proxies of the Shareholders shall specify on the proposals.

**Article 53** Shareholders attending Shareholders' General Meetings have the right to request for expressing their opinions, either in writing or in oral.

**Article 54** Shareholders or proxies requesting for expressing their opinions shall register with the secretary to the Board or the chairman of the meeting before voting. The sequence for the expression of opinions shall be in the order of aforesaid registration. With respect to each proposal, the number of persons registering for expressing their opinions is generally not more than 10 and each Shareholder shall not express his/her opinion more than twice.

**Article 55** The Board shall consider with due care and make arrangement for the matters to be considered at Shareholders' General Meetings, and sufficient time for discussion will be given to each matter proposed.

**Article 56** Pursuant to laws, regulations, the Listing Rules and the Articles of Association, in respect of the matters independent non-executive Directors shall express opinions on, independent non-executive Directors shall express their opinions on such matters.

**Article 57** The Directors, Supervisors and Senior Management shall provide an explanation and description in response to inquiries raised by Shareholders, unless such queries are connected with the Company's trade secrets that shall not be released on the Shareholders' General Meeting.

### *Chapter VIII Voting and Resolutions of Shareholders' General Meetings*

**Article 58** A Shareholder (including his/her proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one (1) vote.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of shares with voting rights held by Shareholders attending the meeting.

**Article 59** There shall be two types of resolutions of Shareholders' General Meetings, namely ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than one-half of the voting rights represented by the Shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the Shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

**Article 60** Subject to any applicable laws, regulations, the Listing Rules and the Articles of Association, the following resolutions shall be adopted as ordinary resolutions at a general meeting:

I. working reports of the Board and the Supervisory Committee;

II. profit distribution proposals and plans for making up losses formulated by the Board;

III. the appointment and removal of members of the Board and the Supervisory Committee and their remuneration and payment methods;

IV. annual financial budgets and final accounts;

V. annual reports of the Company; and

VI. other matters unless otherwise required to be adopted as special resolutions in accordance with the laws, regulations, the Listing Rules or the Articles of Association.

**Article 61** Subject to any applicable laws, regulations, the Listing Rules and the Articles of Association, the following resolutions shall be adopted as special resolutions at a general meeting:

I. increase in or reduction of registered capital and issuance of shares of any class, warrants and other similar securities of the Company;

II. issuance of debentures of the Company;

III. division, merger, dissolution and liquidation or change in corporate form of the Company;

IV. amendments to the Articles of Association;

V. purchase or disposal of material assets or any guarantee made within a year, and the amount of which exceeds 30% of the latest audited total assets of the Company;

VI. equity incentive scheme; and

VII. other matters, provided by laws, regulations, the Listing Rules or the Articles of Association or considered by the Shareholders' General Meeting, by way of an ordinary resolution, to have a substantial impact on the Company and to require approval by a special resolution.

**Article 62** Unless in accordance with relevant laws, regulations, the Listing Rules and the Articles of Association, a Shareholders' General Meeting cannot resolve on matters that are not included in the notice of the meeting. On considering of the motions specified in the notice of the meeting at the Shareholders' General Meeting, no alteration to the motions will be allowed; otherwise, any changes should be deemed to be a new motion which cannot be resolved at this Shareholders' General Meeting.

**Article 63** Except for special circumstances such as a crisis, the Company is forbidden from entering into any contract with any person other than Directors, general manager and other Senior Management to hand over all the management responsibilities or that of important businesses, unless it is approved through special resolution by the Shareholders' General Meeting.

**Article 64** When connected transactions are voted at the general meeting, the connected Shareholders shall not participate in voting. The voting shares represented by them shall not be counted in the total number of shares validly voted.

A connected Shareholder shall voluntarily abstain from voting in the Shareholders' General Meeting, and the chairman of the meeting shall request the connected Shareholder to abstain from voting. Any Shareholder who does not need to abstain from voting is entitled to request connected Shareholders to abstain from voting.

Before voting on the proposal of connected transactions in the Shareholders' General Meeting, the Board shall give a full explanation to Shareholder representatives attending the meeting on independent non-executive directors' opinions on issues listed in the proposal.

**Article 65** The Shareholders' General Meeting takes the votes by poll.

When voting on the election of Directors or Supervisors at the Shareholders' General Meeting, the cumulative voting system may be adopted according to the relevant laws, regulations, the Listing Rules and the Articles of Association.

The cumulative voting system referred to in the above paragraph means, at the Shareholders' General Meeting where Directors or Supervisors are elected, each share shall have the same number of voting rights as the number of Directors or Supervisors to be elected. The Board shall make an announcement to the Shareholders concerning the biographies and general information of the candidates for Directors and Supervisors.

Resolutions in respect of the election of Directors at a Shareholders' General Meeting shall be voted and passed under the cumulative voting system, under which if two (2) or more Directors are to be elected at the Shareholders' General Meeting, the number of voting rights carried by each of the shares held by a voting Shareholder is the same as the number of Directors to be elected, and such Shareholder may exercise his/her voting rights in a way to concentrate all his/her votes on a particular candidate or to spread his/her votes on several candidates.

**Article 66** Other than the cumulative voting system, all proposals listed in the agenda shall be voted one by one at the Shareholders' General Meeting. Unless the Shareholders' General Meeting is suspended or that a resolution cannot be made due to special reasons including force majeure, the Shareholders' General Meeting shall not put off the proposals or refuse to vote on the proposals. If there are different proposals in relation to the same matter, the proposals shall be voted in sequence of the time of submission of the proposals.

**Article 67** The time of voting via internet or otherwise for the Shareholders' General Meeting shall be no earlier than 3:00 p.m. on the day before the on-site meeting and no later than 9:30 a.m. on the day of the on-site meeting. The close of voting shall not be earlier than 3:00 p.m. on the day the on-site meeting ends.

**Article 68** Shareholders attending the Shareholders' General Meeting shall give one of the following comments to the proposals put forward for voting: for, against or abstain.

If the voting slip has not been completed or has been completed incorrectly or that the writing is illegible or that the voting slip has not been cast, it shall be treated that the voter has renounced his/her voting rights and the poll results of the relevant number of shares held by him/her shall be counted as "abstain".

**Article 69** The same voting right shall only be exercised by attending meeting in person, via internet or any one of the other voting methods. The vote cast first shall prevail if repeated voting occurs in relation to the same voting right.

**Article 70** Before a resolution is put to vote at a Shareholders' General Meeting, two (2) representatives of the Shareholders shall be appointed to count the votes as well as to act as scrutineer. If any Shareholder has interest in the matter to be considered, such Shareholder and its proxy shall not participate in counting the votes nor act as scrutineer.

At the time of voting on a resolution at a Shareholders' General Meeting, legal advisers, representatives of Shareholders and Supervisors' representatives shall be jointly in charge of counting the votes as well as scrutinizing the voting process. The voting results on the resolutions decided at a Shareholders' General Meeting shall be declared at the meeting and recorded in the minutes of the meeting.

Shareholders or proxies thereof voting via internet or otherwise shall have the right to check their voting results via the corresponding voting system.

**Article 71** A Shareholders' General Meeting shall not conclude earlier at the venue than via internet or otherwise, and the chairman of the meeting shall determine, according to the results of the poll, whether or not a resolution of the Shareholders' General Meeting shall be adopted and announce the results of the poll in the meeting. The results of the poll shall be recorded in the minutes. When the numbers of votes for and against a resolution are equal, whether the vote is taken by show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote.

Before the formal announcement of the results of the poll, all relevant parties including the listed company, vote counter, scrutineer, major Shareholders, and internet service provider involved in the process, whether on the spot, via internet or otherwise, shall have the confidentiality obligation.

**Article 72** In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he/she may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any Shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

**Article 73** The Board shall ensure that the Shareholders' General Meeting may be continuously hold within a reasonable period of time, until the final resolution shall be determined. In the event that the Shareholders' General Meeting fails to convene as usual or determine any resolution as a result of force majeure events or other extraordinary reasons, The Board shall adopt necessary measures to resume the Shareholders' General Meeting as soon as practicable.

**Article 74** The contents of each of resolutions adopted at the Shareholders' General Meeting shall comply with laws, regulations, the Listing Rules and the Articles of Association. Directors attending the meeting shall undertake their responsibilities in good faith and ensure that the substance of the resolutions shall be true, accurate and complete. No representation which may easily result in misinterpretation thereof shall be used.

**Article 75** Where the resolutions of a Shareholders' General Meeting are in violation of laws, regulations, the Listing Rules and/or the Articles of Association, or infringing upon the lawful interests of a Shareholder, the Shareholder is entitled to commence civil proceedings in the People's Court according to law.

**Article 76** Resolutions of a Shareholders' General Meeting shall be announced in due time in accordance with the applicable laws, regulations, the Listing Rules and the Articles of Association. The announcement shall specify the number of Shareholders and proxies present, the total number of voting shares held by them and the percentage of such shares to the total number of the voting shares of the Company, means of voting, the voting result for each proposal and the details of each of the resolutions passed. The attendance and the results of the poll of the Shareholders of domestic shares and overseas listed foreign shares shall be respectively counted and announced.

Where a proposal has not been passed or the resolutions of the preceding Shareholders' General Meeting have been changed at the current Shareholders' General Meeting, special mention shall be made in the announcement of the resolutions of the Shareholders' General Meeting.

**Article 77** Where a proposal on election of Directors or Supervisors is passed at the Shareholders' General Meeting, the term of office for the newly elected Directors or Supervisors shall come into effect from the date when such proposal is passed at the meeting.

**Article 78** Where a proposal on cash dividends, bonus shares or increase of share capital by way of transfer from capital reserves, the Company shall implement the specific scheme within two (2) months after conclusion of the Shareholders' General Meeting.

***Chapter IX Minutes of Shareholders' General Meeting***

**Article 79** The minutes of a Shareholders' General Meeting shall be recorded by the secretary to the Board and include the followings:

I. the time, venue, agenda of meeting and the name of the Convener;

II. the names of the chairman of the meeting, Directors, Supervisors, general manager and other Senior Management attending or presenting the meeting;

III. the number of Shareholders and proxies present at the meeting, the total number of voting shares held by them and the percentage of such shares to the total number of shares of the Company;

IV. the course of consideration, key points of speech and the results of the poll for each proposal;

V. enquiries or suggestions of Shareholders and the responses or explanations thereto;

VI. the names of the lawyer, vote counter and scrutineer;

VII. other information as deemed by the Shareholders' General Meeting or required by applicable laws, regulations, the Listing Rules and the Articles of Association to be recorded in the minutes of the meeting.

In the event that the votes are counted at the Shareholder's general meeting, the continuing results shall be recorded in the minutes of the meeting.

**Article 80** The Convener shall ensure the meeting minutes are true, accurate and complete. The chairman of the meeting, Directors, Supervisors, the secretary to the Board, the Convener or his/her representative, and the chairman of the meeting who attend the meeting shall sign the minutes of the meeting. The minutes of the meeting and the signed attendance book of the Shareholders who attend in person, the proxy forms and the valid information relating to voting online or otherwise shall be kept together for a term of at least ten (10) years.

***Chapter X Supplementary Provisions***

**Article 81** Unless otherwise stated, terms used in these Rules shall have the same meanings as those defined in the Listing Rules and the Articles of Association.

**Article 82** Where matters are not covered by these Rules or where these Rules are in conflict with the provisions of laws, regulations, rules, the Listing Rules and the Articles of Association, the laws, regulations, rules and the Articles of Association shall prevail.

**Article 83** These Rules shall come into effect upon the approval of the Shareholders' General Meeting, commencing from the public offering and listing on the Shanghai Stock Exchange of the Company's A shares.

**Article 84** These Rules shall be interpreted by the Board. Any amendment thereto shall be considered and approved by way of special resolutions in the Shareholders' General Meeting of the Company.

**Proposed amended version of the board meeting rules**

***Chapter I General Provisions***

**Article 1** These rules of procedures are formulated by Xinhua Winshare Publishing and Media Co., Ltd. (the "Company") in accordance with *the Company Law of the People's Republic of China* (《中華人民共和國公司法》) (the "Company Law"), *the Code of Corporate Governance for Listed Companies in China* (《上市公司治理準則》), *the Articles of Association of Xinhua Winshare Publishing and Media Co., Ltd.* (《新華文軒出版傳媒股份有限公司章程》) (the "Articles of Association") and provisions of other relevant laws, regulations and regulatory documents, by reference to *the Model Rules of Proceeding for the Board of Listed Companies issued by Shanghai Stock Exchange* (《上海證券交易所上市公司董事會議事示範規則》), to further improve the corporate governance structure, safeguard the independent, standardized and effective execution of duties of the board of directors (the "Directors") (the "Board") of the Company under the law so as to ensure the working efficiency and scientific decision-making of the Board.

**Article 2** The Board shall report to the shareholders' general meetings (the "General Meetings").

***Chapter II Composition and Power of the Board***

**Article 3** The Board comprises of nine (9) Directors, at least on third of which are independent non-executive Directors and more than one twice are external Directors (refer to Directors who do not hold an office in the Company). Among them, at least one of the independent non-executive Directors must have appropriate professional qualifications or, accounting or related financial management expertise. The members of its Board may include staff representatives.

**Article 4** The Board shall have one chairman, and may have one or more vice chairman. The chairman and vice chairman shall be appointed and dismissed by more than 50% of all the Directors by election.

**Article 5** The Board carries out the following duties and powers:

I. To convene General Meetings and report its work to the General Meetings;

II. To implement the resolutions of General Meetings;

III. To decide on the Company's business plans and investment plans;

IV. To formulate the Company's plans on annual financial budgets and final accounts;

V. To formulate the Company's profit distribution plans and plans on making up losses;

VI. To formulate the proposals for increase or decrease of the registered capital of the Company and issue of bonds of the Company or other bonds and listing plan;

VII. To formulate plans for material acquisition by the Company, acquisition of the Company's stock, merger, division, dissolution and alteration of corporate form of the Company;

VIII. To determine the matters about external guarantees which require approval by the General Meeting, in accordance with the any applicable law and regulation, securities listing rules of the stock exchange on which the company's shares are listed (the "Listing Rules"), the Articles of Association and/or these Rules;

IX. To determine the matters about transactions of the Company which meet one of the following criteria (except connected transactions, to which the Rules for Connected Transactions of Xinhua Winshare Publishing and Media Co., Ltd. (《新華文軒出版傳媒股份有限公司關聯交易制度》) is applicable), in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these Rules:

(I) a single operating capital of external investment projects with a value exceeding 5% and below 25% of the latest audited net assets of the Company;

(II) a single amount of borrowing with a value exceeding 5% and below 10% of the latest audited net assets of the Company;

(III) other transaction matters required to be determined by the Board of the Company or to be disclosed and announced in accordance with any applicable law, regulation, regulatory documents, the listing rules of the stock exchange on which shares of the Company are listed.

Item (I) above is applicable to purchase of equity interest, stocks, shares and bonds.

X. To determine matters including external investment, acquisition and disposal of assets, pledge of assets, external guarantees, designated financial management and connected transactions of the Company, etc, in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these Rules and within the authorization of the General Meeting;

XI. To determine the establishment of the Company's internal management structure;

XII. To appoint or remove the general manager, secretary to the Board of the Company, and to appoint or remove the deputy general manager, chief financial officer and other senior management of the Company upon nomination by the general manager and to decide on their remunerations, rewards and punishments;

XIII. To formulate the basic management system of the Company;

XIV. To formulate proposals for amendment to the Articles of Association;

XV. To manage information disclosure of the Company;

XVI. To propose the appointment or removal of the Company's auditors to the General Meetings;

XVII. To hear the work report and inspect the work of the general manager of the Company;

XVIII. To appoint or remove other key management personnel other than the senior management of the Company upon nomination by the general manager and to decide on their remunerations;

XIX. To exercise other powers conferred by any applicable law, regulation, the Listing Rules, the Articles of Association, these Rules and/or the Board and the General Meetings.

Except for the Board resolutions in respect of the matters specified in items VI, VII and XIV of this Article which shall be passed by not less than two-thirds of the Directors who are not connected with the matter, the Board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the Directors who are not connected with the matter (Item VIII shall be passed by over two-thirds of the Directors of the Company who are present at the meeting).

**Article 6** In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the General Meeting, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the General Meeting.

The term "fixed assets disposal" referred to in this Article represents (among other things) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

**Article 7** The Chairman of the Board is entitled to the following powers:

I. To preside over General Meetings and to convene and preside over Board meetings;

II. To supervise and check on the implementation of resolutions of the Board;

III. To sign the securities certificates issued by the Company;

IV. To determine the external investment as well as borrowings issues of the Company in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these Rules and within the following scope:

(I) a single operating capital of external investment projects with a value exceeding 2.5% and below 5% of the latest audited net assets of the Company;

(II) a single amount of borrowing with a value exceeding 1% and below 5% of the latest audited net assets of the Company;

Item (I) above is applicable to purchase of equity interest, stocks, shares and bonds.

V. To represent the Company to deal with single business transaction in an amount exceeding RMB10 million and enter into contract in relation thereof, in accordance with any applicable law, regulation, the Listing Rules, the Articles of Association and these Rules;

VI. To exercise the powers of the legal representative;

VII. In case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with any applicable law, regulation, the Listing Rules and the Articles of Association and are in the interests of the Company on matters of the Company and provide post-event reports to the Board and the General Meeting;

VIII. To exercise other powers conferred by any applicable law, regulation, the Listing Rules, the Articles of Association, these Rules, the Board and/or the General Meetings.

**Article 8** The Vice Chairman(s) shall assist the Chairman. If the Chairman of the Board is unable to or does not perform his/her duties, the vice Chairman designated by the Chairman shall perform his/her duties (should the Company has two or more vice chairmen, the vice Chairman jointly elected by not less than half of the members of the Board shall perform the duties of the Chairman); where the vice Chairman is unable to or does not perform his/her duties, a Director jointly elected by not less than half of the members of the Board shall perform the duties of the vice Chairman.

**Article 9** The Audit Committee and the Remuneration and Review Committee and Nomination Committee shall be established by the Board of the Company. The Audit Committee shall comprise at least three (3) Directors, who shall be non-executive Directors only. The majority of the Audit Committee shall be independent non-executive Directors and one of them shall act as the convenor with at least one independent non-executive Director having appropriate professional qualifications required by the Hong Kong Listing Rules or, accounting or related financial management expertise. The Remuneration and Review Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one of them acting as the convenor. The Nomination Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one of them acting as the convenor.

The Strategy and Investment Planning Committee and the Editorial and Publication Committee may also be established by the Board as required.

The main responsibilities of the Audit Committee are: (1) to recommend the engagement or removal of external audit institutions; (2) to supervise the internal audit system and its enforcement; (3) to be responsible for the communications between internal audit and external audit; (4) to audit the Company's financial information and its disclosure; (5) to review the Company's internal control system; (6) to implement controlling and daily management of the connected transactions; and (7) to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Remuneration and Review Committee are: (1) to examine the assessment criteria of Directors and managers, conduct assessment and provide recommendations; and (2) to examine the remuneration policies and packages applicable to the Directors and senior management officers; and (3) to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Strategy and Investment Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions, and to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Nomination Committee are: (1) to formulate the standards and procedure for selecting Directors, managers, and making proposals in connection therewith; (2) to identity for competent candidates of Directors and managers; (3) to evaluate candidates of Directors and managers, and to make proposals in connection therewith; (4) to assess the independence of independent non-executive Directors; and (5) to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The main responsibilities of the Editorial and Publication Committee are to examine and advise on material matters about the Company's editorial and publication businesses, and to perform other duties designated by any applicable law, regulation, the Listing Rules and/or the Board and the General Meetings.

The special committees may engage intermediaries for professional advice. The expenses incurred there from shall be borne by the Company.

Each of the special committees shall report to the Board and submit its proposals to the Board for consideration and approval.

**Article 10** The Company shall have a secretary to the Board, which shall report to the Board.

***Chapter III Convening Board Meetings***

**Article 11** Regular meetings of the Board shall be held at least four times a year, with about once a quarter, including a semi-annual meeting and an annual meeting:

I. The semi-annual meeting shall be convened within sixty (60) days after the end of the first six months of the Company's accounting year or at such other time as deemed appropriate by the Board, primarily to consider the Company's semi-annual result, semi-annual work report and other related matters;

II. The annual meeting shall be held within three (3) months after the end of the accounting year of the Company, primarily to consider the Company's annual result and the matters to be submitted to the Annual General Meeting. The time of the annual meeting of the Board shall ensure that the Annual General meeting be held successfully within six (6) months after the end the Company's fiscal year.

**Article 12** Meetings of the Board shall be convened by the chairman. All Directors, supervisors and general manager are to be notified in writing fourteen (14) days before the meeting.

**Article 13** Under one of the following circumstances, the Chairman of the Board shall convene and chair a special Board meeting within ten (10) days after the proposal is received.

I. when it is jointly proposed by not less than 10% of the Directors;

II. when not less than one-third of the Directors jointly propose;

III. when the Supervisory Committee requests;

IV. when the Company's general manager requests;

V. when not less than one-twice independent non-executive Directors jointly propose;

VI. when the Chairman considers necessary;

VII. when securities regulatory authorities request;

VIII. when any law, regulation, the Listing Rules and/or the Articles of Association considers appropriate.

**Article 14** Where an extraordinary meeting is proposed in accordance with provisions as set out in the preceding Article, a written proposal signed (stamped) by such proposer is to be submitted, either through the Board office or directly to the chairman of the Board. The written proposal is to include:

I. names of the proposers;

II. reasons or objective grounds for the proposal;

III. time or duration, venue and method of meeting proposed;

IV. definite and specific motions; and

V. contact methods of the proposing Supervisors and date of proposal.

The contents of the proposal shall be within the terms of reference of the Board specified in the Articles of Association, and the relevant materials relating to the proposal shall be submitted together with the proposal.

The Board office shall forward the above-mentioned written proposal and relevant materials to the Chairman on the same day upon receipt. The Chairman may require the proposer to make amendments or provide supplements if he/she is of the opinion that the content of the proposal is not clear or specific or the relevant materials are not adequate.

Subject to any applicable law, regulation, the Listing Rules and the Articles of Association, The Chairman shall notify all of the Directors about the extraordinary Board meeting three (3) days beforehand. In case of emergency, the manner of notification for the meeting as specified under the preceding paragraph shall not apply; however, a reasonable notice shall be issued.

**Article 15** The notice of Board meetings shall include the following:

I. the venue, date and time of the meeting;

II. the form of the meeting;

III. the duration of the meeting;

IV. the meeting procedure, subject and agenda;

V. convener and chairman (the "Chairman") of the meeting and the proposer of an extraordinary meeting and his/her written proposal;

VI. the documents necessary for Directors' consideration for voting;

VII. the requirement of Directors to attend in person or by proxy of other Directors;

VIII. the contact person and contact method;

IX. the date of the notice was issued.

Verbal meeting notice shall at least include items (I) and (II) above and the explanation of the emergency of holding extraordinary board meeting.

**Article 16** Notice of a meeting of the Board may be delivered in person, by facsimile, email, express delivery service, registered mail or other means, to all Directors and supervisors, general manager and secretary to the Board of the Company. If the notice is not sent by direct delivery, Directors may be contacted through telephone to confirm receipt of such notices, and the confirmation of which is to be recorded. When it is necessary to convene an extraordinary meeting of the Board due to emergency, notice may be given by telephone or otherwise verbally at any time, provided that the convener should make necessary explanations at the meeting.

**Article 17** A notice shall be delivered by the Board to all Directors within the time limit stipulated herein, together with sufficient information, including the relevant background information concerning the agenda and other information and data which may help the Directors understand the business progress of the Company. If 1/4 or more of the Directors or two (2) or more independent Directors or two (2) or more independent non-executive Directors think that the information is insufficient or the elaboration is unclear, they may jointly propose to the Board to postpone the Board meeting or review relevant matters at a later time, and the Board shall adopt such proposal.

**Article 18** If, after the written notice of a regular Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or withdraw any proposal to or from the meeting, subject to any applicable law, regulation, the Listing Rules and the Articles of Association, a written notice for such changes shall be sent three (3) days before the date originally scheduled for the meeting providing explanations and details of the new proposals and the relevant documents. If the notice of change is sent less than three (3) days, the date of meeting shall be postponed accordingly unless unanimously approved by all the participating Directors.

**Article 19** If, after the notice of an extraordinary Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or withdraw any proposal to or from the meeting, prior consent of all participating Directors must be sought and proper records shall be maintained.

**Article 20** The meetings of the Board may be held by way of on-site meetings or telecommunication meetings such as telephone conferences, video conferences, written resolution meetings or by any other means of telecommunications, in accordance with all applicable laws, regulations, the Listing Rules, the Articles of Association and these Rules.

If the meetings of the Board are telephone conferences or video conferences, it shall be ensured that the participating Directors are able to hear clearly other Directors' speeches and are able to communicate with each other. Sound records and video records shall be made for such meetings and kept permanently. Where the Directors are not able to sign the meeting minutes immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Oral voting by the Director shall have the same effect as signature in writing, but the signature in writing shall comply with the earlier oral voting at the meetings. If there is any discrepancy between such signature and oral voting, the oral voting shall prevail.

Subject to any applicable law, regulation, the Listing Rules, the Articles of Association and these Rules, under emergency, the meetings of the Board may be held by way of written resolution meetings, which means the proposals are served, separately or in sequence, to the Director for their review and resolution, and the Director shall state clearly their affirmative or negative opinions on the resolutions. Where a written resolution meeting is to be held, the notices of voting shall state the time limit for the voting, which shall be no shorter than five (5) days following the day of service of such notices, unless all the Director agree to waive in writing the time limit requirement of such notices. If the Directors vote in advance, they are considered to waive the time limit requirement of such notices.

**Article 21** The meeting of the Board shall be held only when over half of the Directors attend the meeting. If the quorum of the meeting cannot be met as a result of Directors' refusal to attend or absence without reasons, the Chairman of the Board and the Secretary of the Board shall timely report such circumstances to the regulatory authority.

Supervisors may attend Board meetings as non-voting attendees. The general manager and the secretary of the Board who do not serve concurrently as Director shall attend Board meetings as a non-voting attendee. If considered necessary, the chairman of the meeting may notify other relevant persons to attend the meeting as non-voting attendees.

**Article 22** Directors shall attend Board meetings in person. If they for some reason cannot attend, they may review the materials to be tabled at the meeting in advance and formulate their views for submission at the meeting by other Directors appointed by them as proxy in writing.

The power of attorney shall specify:

I. the names of the principal and proxy;

II. brief opinion on each proposal;

III. scope of authorization and instructions for voting on the proposals;

IV. signature of the principal, and date etc;

V. term of the power of attorney.

Where any Director signs the written confirmation for regular reports by proxy, the said Director shall specify such authorization in the power of attorney.

The proxy Director shall submit the written power of attorney to the chairman and explain the proxy attendance in the attendance book of the meeting.

The Director attending the meeting by proxy shall exercise the rights as granted by the principal. Should a Director fails to attend a meeting of the Board either in person or by proxy, the said Director shall be deemed as having waived his/her right to vote at the meeting.

**Article 23** Proxy attendance at Board meetings shall follow the principles below:

I. where connected transactions are considered, a non-connected Director shall not appoint a connected Director to attend the meeting on his/her behalf; a connected Director shall not accept the appointment of a non-connected Director;

II. an independent Director shall not appoint a non-independent Director to attend the meeting on his/her behalf and a non-independent Director shall not accept the appointment by an independent Director;

III. a Director shall not give any other Director carte blanche to attend the meeting and vote on his/her behalf without providing his/her own opinions and voting intent on the proposals, and the relevant Director shall also not accept the carte blanche or any appointment not well defined;

IV. a Director shall not accept the appointment by more than two Directors, and a Director shall also not appoint any Director who has been appointed by two other Directors to attend the meeting on his/her behalf.

**Article 24** If any Director fails to attend Board meetings in person or by proxy in accordance with relevant laws, regulations, the Listing Rules, the Articles of Association and/or these Rules for two (2) consecutive times, or if any independent Director has not attended Board meetings in person for three (3) times consecutively, the Board shall propose to the General Meeting to replace the said Director or independent Director.

***Chapter IV Review, Voting and Resolution of the Board***

**Article 25** The chairman of the meeting is to announce commencement of the meeting at the scheduled time and report the number of attendees in person or by proxy.

**Article 26** A Board meeting is to be presided over by the chairman of the meeting, and the proposer or relevant person is first to make statement on proposals to be discussed.

The Board meetings are to adopt democratic discussions and fully respect opinions of every Director.

In order to fully understand the key points and situation of every proposal, the Board meeting may require person-in-charge from relevant departments of the Company to be present at the meeting and attend to questions concerned.

**Article 27** Regarding any proposal requiring prior consent of independent non-executive Directors, the written consent formed by the independent non-executive Directors is to be read out by a designated independent non-executive Director before the relevant proposal is discussed thereat.

The chairman of Board meeting shall promptly prevent any Director from hindering the normal progress of the Board meeting or interrupting another Director who is making a speech.

Without unanimous consent by all attending Directors, resolution not contained in the notice of the meeting may not be put to vote at a Board meeting. A Director acting as a proxy of another Director may not vote on behalf of any other Director on any resolution not contained in the notice of the meeting.

**Article 28** The meeting chairman is to seek explicit opinions on each proposal from the attending Directors.

**Article 29** The Directors are to carefully read the materials to be tabled at the meeting and express their well-informed, independent and discreet opinions.

The Directors may, before the meeting, inquire about information necessary for decision making from relevant persons or institutions, such as the office of the Board, the convener of the meeting, managers of the Company and other senior management, special committees, accounting firms or law firms, and may, while the meeting of the Board is underway, suggest the chairman of the meeting to invite the aforesaid persons or institutions to give explanations thereat.

**Article 30** Meeting of the Board is to vote on each proposal respectively, and this means voting is to start after all proposals are proposed. A proposal may not be put to vote unless the previous one is voted.

**Article 31** After adequate discussion, the chairman of the meeting is to put each resolution to the vote of the attending Directors. Each Director has one vote. The meeting of the Board may be voted by show of hand or by ballot, but the specific method is to be determined by the chairman of the meeting. All attending Directors are to vote for or against proposals or abstain from voting.

Any attending Director has to select one of the above choices. If any Director does not make any choice or selects two or more choices, the chairman of the meeting is to require the Director to make his/her choice again, or otherwise the Director is to be deemed to have abstained from voting. Any Director who has left the meeting without making any choice is deemed to have abstained from voting.

**Article 32** A Director who is connected with enterprises involved in any proposal to be resoled at the meeting of the Board may not vote, in person or as proxy of another Director, on such proposal. The meeting of the Board may be convened by half or above of the unconnected Directors attend and resolutions adopted are to be passed by half or above of the unconnected Directors. Where the number of unconnected Directors attending the meeting falls below three (3), the proposal is to be submitted to the General Meeting for consideration.

**Article 33** Unless otherwise provided in any applicable laws, regulations, the Listing Rules, the Articles of Association and/or these rules, resolutions made by the Board may only be passed by half or above of the unconnected Directors. If different resolutions conflict with each other, in terms of content or implication, the resolutions passed at the latter time are to prevail.

**Article 34** After voting of the attending Directors, the Company's securities affairs representative and the Board office staff are to collect ballots cast by the Directors without delay, and ballots are to be counted by the Board secretary under supervision of a supervisor or independent non-executive Director.

Where the meeting is held on-site, the chairman is to announce the statistics on-site; in other circumstances, the chairman is to require the Board secretary to announce the voting result within one (1) workday after the prescribed voting deadline.

The ballots cast by Directors after the time when the chairman announces the voting result or after the prescribed voting deadline may not be counted.

If any resolution is not passed, the same resolution may not be considered by the Board meeting within one (1) month unless the relevant conditions and factors have changed significantly.

**Article 35** If more than half of the attending Directors or more than two independent non-executive Directors are of the view that the relevant proposal is not clear or specific, or the materials provided are inadequate and that no judgment can be made thereon, the chairman of the meeting is to demand a suspension of voting on the said proposal. A Director proposing suspension of a proposal is to state the specific information required for resubmission of the proposal.

**Article 36** Resolutions of the Board meeting are subject to announcement and relevant procedures in accordance with any applicable laws, regulations, codes, the Listing Rules, and/or the Articles of Association. Prior to announcement of the resolutions, the attending Directors, non-voting attendees, recorder and service personnel are obliged to keep the content of the resolutions confidential.

**Article 37** The chairman shall urge the staff to implement the resolutions of the Board, examine the implementation thereof and notify the implementation of resolutions that have been formed at the following meetings of the Board.

***Chapter V Minutes of the Meeting of the Board***

**Article 38** The meeting of the Board is required to keep minutes, which is at least to include the followings:

I. the session, time, place and form of the meeting;

II. the sending of the meeting notice;

III. the convener and the chairman of the meeting;

IV. the attendance of Directors, in person or by proxy, of the meeting;

V. the proposals reviewed on the meeting and the speech points and main opinions concerning relevant matters and the voting intention for the proposals of each Director;

VI. the voting form and voting result of each proposal (the specific voting numbers of for, against and abstention is to be stated); and

VII. other matters that the attending Directors consider need to be recorded.

**Article 39** Directors who attend the Board meeting are to sign the minutes and resolutions of the meeting. Attending Directors have the right to demand explanation of their speech at the meeting be recorded in the minutes. Any Director who has different views on the meeting minutes or resolutions may make a written explanation when signing the minutes; when necessary, he/she shall report it to the regulatory authorities without delay; he/she may also make a public statement. Where any Director fails to sign for confirmation as provided in the foregoing provision, to make a written explanation on his/her different views, to report it to the regulatory authorities or to make a public statement, he/she are deemed to have fully agreed with the contents of the meeting minutes and resolutions.

Meeting minutes of the Board are to be complete and true, and to include, in sufficient detail, matters considered and decisions reached thereat, including any concerns raised or dissenting views expressed by the Directors. Secretary to the Board is to seriously record and organize matters discussed at the meeting.

Meeting minutes of the Board are to be properly kept as important records of the Company, so that they may serve as important basis for clarifying Directors' responsibilities in future.

Meeting minutes of the Board are to be kept by secretary to the Board as the Company's archives for a period of no less than ten (10) years.

**Article 40** Archives of the meeting of the Board include the notice of the meeting, meeting materials, attendance book, power of attorney for Directors to attend the meeting on behalf of others, sound recordings, voting ballots, minutes signed by Directors attending the meeting, resolutions of the meeting and announcement of the resolutions, etc., which are to be kept by the secretary to the Board.

Archives of the meeting of the Board are to be kept for at least ten (10) years.

**Article 41** Directors are to sign the resolution of the Board meeting and assume responsibilities thereto. Directors, who participate in resolutions that cause serious loss to the Company due to violation of laws, regulations, the Listing Rules, the Articles of Association and/or these rules, are liable to reimburse the Company. However, if it can be proven that a Director expressly objected to such resolutions during voting, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

***Chapter VI Supplemental Provisions***

**Article 42** In these rules, the term "connected" is to be interpreted in accordance with the Listing Rules, as amended from time to time. Other than this, unless otherwise specified in the context, all the terms used herein have the same meanings as those in the Articles of Association.

**Article 43** For matters not covered under these rules, or in case of any inconsistency between these rules and relevant applicable laws, regulations, rules, the Listing Rules and/or the Articles of Association (as promulgated from time to time), the relevant laws, regulations, rules, the Listing Rules and/or the Articles of Association are to prevail.

**Article 44** These rules, once adopted by the Company's General Meeting, will become effective from the date on which the A shares publicly issued by the Company are listed on Shanghai Stock Exchange.

**Article 45** These rules are to be construed by the Board. Any amendments to these rules are subject to review and approval by special resolutions at the Company's General Meeting.

**Proposed amended version of the supervisory committee meeting rules**

***Chapter I General Provisions***

**Article 1** These rules are formulated by Xinhua Winshare Publishing and Media Co., Ltd. (the "Company") in accordance with the Company Law of the People's Republic of China (the "Company Law"), Articles of Association of Xinhua Winshare Publishing and Media Co., Ltd. (the "Articles of Association") and provisions of other relevant laws, regulations and regulatory documents, by reference to Model Rules of Proceeding for the Supervisory Committee of Listed Companies issued by Shanghai Stock Exchange, to improve its supervisory mechanism, to clarify power and rules of procedures for the committee (the "Supervisory Committee") comprising the supervisors (the "Supervisors") of the Company and to protect the lawful rights of the shareholders.

**Article 2** The Supervisory Committee is a regulatory organization of the Company accountable to all shareholders, with emphasis on financial supervision, and is responsible for supervising, in accordance with the Company Law, other relevant laws, regulations and regulatory documents and the Articles of Association, whether the performance of duties by financial officers, directors (the "Directors"), general manager as well as other senior management is in compliance with laws and regulations, so as to protect the lawful rights of the Company and its shareholders.

**Article 3** Supervisors are to respect provisions under laws, regulations and the Articles of Association and discharge their obligations of integrity and diligence.

**Article 4** Supervisors are required to possess professional knowledge or work experience in law, accounting or relevant fields. Composition and structure of the Supervisory Committee are to ensure that the Supervisory Committee is able to exercise independent yet effective supervision and inspection on the Directors, general manager, other senior management and financial officers of the Company.

***Chapter II Composition and Duties and Powers of the Supervisory Committee***

**Article 5** The Supervisory Committee comprises 9 Supervisors, 4 of whom are shareholder's representatives, 2 of whom are independent Supervisors (referring to those Supervisors who are independent of the Company's shareholders and do not hold any position in the Company), and 3 of whom are employee representatives. The employee representatives of the Supervisory Committee are elected by employees of the Company through the employees' representatives meeting, employees' meeting or other democratic forms.

**Article 6** A chairman of the Supervisory Committee is appointed. The appointment and dismissal of the chairman of the Supervisory Committee are subject to adoption by over two thirds of the Supervisors by voting. A meeting of the Supervisory Committee is to be convened and presided over by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is incapable of performing or fails to perform his/her duties, a Supervisor jointly recommended by half or above of the Supervisors is to be appointed to convene and preside over the meeting.

The Supervisory Committee may establish an administrative body of the Supervisory Committee to deal with its daily business. The chairman of the Supervisory Committee may also demand securities affairs representative or other personnel of the Company to assist him/her in daily business of the Supervisory Committee.

**Article 7** The Supervisory Committee exercises the following duties and powers:

I. to inspect financials of the Company, including accounting books and other accounting documents of the Company, to audit the regular reports prepared by the board of Directors (the "Board") of the Company and to issue an audit opinion in writing;

II. to supervise conducts of the Directors, general manager and other senior management of the Company during performance of their duties and to make recommendations for removal for any violation of any applicable laws, regulations, listing rules (the "Listing Rules") of the stock exchange of the place where the Company's securities are listed, the Articles of Association, or resolutions passed at the Company's general meeting;

III. to request the Directors, general manager and other senior management of the Company to rectify any act that is harmful to the interest of the Company and to report to the general meeting of the Company or competent authorities of the state when necessary;

IV. to review financial reports, business reports and profit distribution plans and other financial documents that are to be submitted to general meeting by the Board, and, if questions are raised, to commission, at the cost of the Company, certified accountants and practicing auditors in the Company's name to assist in verification and examination;

V. to propose the convening of an extraordinary general meeting, and to convene and preside over a general meeting if the Board is unable to fulfill its duties in convening and presiding over general meeting in accordance with the Articles of Association;

VI. to make proposals to the general meeting of the Company;

VII. to attend the meetings of the Board and to raise questions or suggestions on Board resolutions;

VIII. to bring actions against the Directors, general manager and other senior management of the Company in accordance with Section 152 of the Company Law;

IX. to investigate where any operation of the Company is found to be abnormal and to engage, at the cost of the Company, accounting firms, law firms and other professional institutions to assist its work when necessary; and

X. other duties and powers as designated by other laws, regulations, the Listing Rules, the Articles of Association and/or the general meeting.

**Article 8** The supervisory records of the Supervisory Committee and the results of financial inspections or other special inspections form important basis for evaluating the performance of the Directors, general manager and other senior management of the Company.

**Article 9** The Supervisory Committee may report to the Board and/or the general meeting or to competent authorities of the state directly any conducts of the Directors, general manager and other senior management of the Company that are in violation of laws, regulations, the Listing Rules or the Articles of Association, as and when specified.

**Article 10** When exercising its duties and powers, the Supervisory Committee may engage, at the cost of the Company, law firms, accounting firms and other professional institutions to assist its work when necessary.

**Article 11** The Company must take measures to ensure that the Supervisors are provided with adequate information and render necessary assistance for the Supervisors to perform their duties, without interference or interruption by any person. All reasonable costs required for exercise of duties and powers by the Supervisors are to be borne by the Company.

***Chapter III Holding of Meetings of the Supervisory Committee***

**Article 12** Meetings of the Supervisory Committee are to be held once every six (6) months and convened by the chairman of the Supervisory Committee. All Supervisors are to be notified in writing ten (10) days before the meeting. If any meeting of the Supervisory Committee is unable to be held as scheduled, reasons must be given to the Company's general meeting.

**Article 13** An extraordinary meeting of the Supervisory Committee is to be convened within ten (10) days after the occurrence of any of the followings:

I. any Supervisor proposing to convene such meeting;

II. resolutions violating the laws, regulations, rules, requirements and orders of regulatory authorities, the Listing Rules, the Articles of Association, resolutions of the general meeting and other relevant resolutions being approved by the Company's general meeting and the meeting of the Board;

III. the Directors or senior management of the Company committing misconduct that might cause serious harm to the interests of the Company or result in any material adverse impact on the market;

IV. an action being brought against the Company, the Directors, Supervisors or senior management by the shareholders;

V. the Company, the Directors, Supervisors or senior management being subject to punishment by the securities regulatory authorities or public censure by the stock exchange of the place where the Company's securities are listed;

VI. a request by the securities regulatory authorities to convene the meeting; and

VII. other situations as provided in relevant laws, regulations, the Listing Rules or the Articles of Association.

**Article 14** Where an extraordinary meeting is proposed by any Supervisors, a written proposal signed by such Supervisors is to be submitted, either through administrative body of the Supervisory Committee or directly to the chairman of the Supervisory Committee. The written proposal is to include:

I. names of the proposing Supervisors;

II. reasons or objective grounds for the proposal;

III. time or duration, venue and method of meeting proposed;

IV. definite and specific motions; and

V. contact methods of the proposing Supervisors and date of proposal.

The administrative body of the Supervisory Committee is to issue a notice for an extraordinary meeting of the Supervisory Committee within three (3) days after receipt by the administrative body of the Supervisory Committee or chairman of the Supervisory Committee of the Supervisors' written proposal. If the administrative body of the Supervisory Committee fails to issue the notice for such meeting, the proposing Supervisors shall report to regulatory department without delay.

**Article 15** The chairman of the Supervisory Committee shall notify all Supervisors in writing three (3) days before an extraordinary meeting of the Supervisory Committee. In case of emergency, the convening of an extraordinary meeting of the Supervisory Committee is not subject to the aforementioned notification time, but reasonable notice must be given.

**Article 16** Notice of a meeting of the Supervisory Committee may be delivered in person, by facsimile, email, express delivery service, registered mail or other means. If the notice is not sent by direct delivery, Supervisors may be contacted through telephone to confirm receipt of such notices, and the confirmation of which is to be recorded. When it is necessary to convene an extraordinary meeting of the Supervisory Committee due to emergency, notice may be given verbally or by telephone at any time, provided that the convener should make necessary explanations at the meeting.

**Article 17** Notice of a meeting of the Supervisory Committee is to bear the following contents:

I. date, place and duration of the meeting;

II. reasons for convening the meeting and matters to be discussed thereat;

III. meeting convener and chairman, the extraordinary meeting proposer and his/her written proposal;

IV. meeting materials necessary for Supervisors to vote;

V. the request for the Supervisors to attend the meeting in person;

VI. contact person and contact method; and

VII. date of the notice.

A verbal meeting notice is at least to include the contents mentioned in I and II above, and a description that the extraordinary meeting of the Supervisory Committee is necessary to be held as soon as possible due to emergency.

**Article 18** Before giving the notice on holding a regular meeting of the Supervisory Committee, the administrative body of the Supervisory Committee is to collect meeting proposals from all Supervisors and spend at least two (2) days seeking for opinions from the employees of the Company. When collecting the proposals or seeking for opinions, the administrative body of the Supervisory Committee is to state that the Supervisory Committee's main responsibility is to supervise the standard operation of the Company and the official conducts of the Directors and senior management rather than the operating management decisions of the Company.

**Article 19** A meeting of the Supervisory Committee may not be conducted unless it is attended by two-thirds or more of the Supervisors. Where the minimum requirement of the attendee fails to be met due to refusal or failure to attend the meeting on part of some relevant Supervisors, the remaining Supervisors shall report it to the regulatory authorities without delay.

Secretary to the Board and securities affairs representative of the Company are to attend the meetings of the Supervisory Committee. The Directors, general manager and other senior management of the Company as well as internal and external auditing personnel may be invited to attend the meetings of the Supervisory Committee to attend to questions concerned.

**Article 20** The meeting of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee. In his/her absence, a supervisor jointly recommended by half or above of the supervisors shall be appointed to preside over the meeting.

**Article 21** The main topics of regular meetings of the Supervisory Committee shall include:

I. examination of the Company's interim or annual financial reports;

II. discussion on the work report, work plan and work summary of the Supervisory Committee;

III. consideration of punitive measures against the Company's Directors and general managers who have violated laws and regulations; and

IV. discussion on laws, regulations, the Listing Rules and other matters provided for in the Articles of Association and/or authorized by the general meetings.

**Article 22** Before the annual general meeting, the Supervisory Committee is to review and approve the Special Supervisory Report which shall include the following:

I. the inspection result of the Company's financial affairs;

II. the diligence of the Company's Directors and senior management in performing their duties and their execution of relevant laws, regulations, the Listing Rules, Articles of Association and resolutions passed at general meetings; and

III. other significant events deemed by the Supervisory Committee as necessary to be reported to the general meeting.

If the Supervisory Committee thinks necessary, it may provide its opinion on the proposals to be tabled at the general meeting and submit an independent report in relation thereto.

**Article 23** The supervisors shall attend meetings of the Supervisory Committee in person upon the written notices thereof. If a supervisor cannot attend the meeting for any reason, he/she may authorize, via power of attorney, another supervisor to attend the meeting on his/her behalf.

The power of attorney shall indicate the name of the agent, the matters entrusted to the agent, the scope of authorities, and the effective period, and shall be signed or sealed by the principal.

The supervisor who neither attends nor authorizes another supervisor to attend the meeting on his/her behalf shall be deemed as having waived his/her voting rights at the meeting.

**Article 24** Where a supervisor has failed to attend the meeting of the Supervisory Committee personally for two times consecutively, he/she shall be deemed to be unable to perform his/her duties, in which circumstance the Supervisory Committee is to recommend the removal of such supervisor by the general meeting or the employees' representatives meeting.

**Article 25** The meetings of the Supervisory Committee may be held by way of on-site meetings or telecommunication meetings such as telephone conferences, video conferences, written resolution meetings or by any other means of telecommunications.

If the meetings of the Supervisory Committee are telephone conferences or video conferences, it shall be ensured that the participating supervisors are able to hear clearly other supervisors' speeches and are able to communicate with each other. Sound records and video records shall be made for such meetings and kept permanently. Where the supervisors are not able to sign the meeting minutes immediately at such meetings, they shall cast their votes orally and complete the signing on written resolutions as soon as possible. Oral voting by the supervisors shall have the same effect as signature in writing, but the signature in writing shall comply with the earlier oral voting at the meetings. If there is any discrepancy between such signature and oral voting, the oral voting shall prevail.

Under emergency, the meetings of the Supervisory Committee may be held by way of written resolution meetings, which means the proposals are served, separately or in sequence, to the supervisors for their review and resolution, and the supervisors shall state clearly their affirmative or negative opinions on the resolutions. Where a written resolution meeting is to be held, the notices of voting shall state the time limit for the voting, which shall be no shorter than five (5) days following the day of service of such notices, unless all the supervisors agree to waive in writing the time limit requirement of such notices. If the supervisors vote in advance, they are considered to waive the time limit requirement of such notices.

***Chapter IV Resolution of the Supervisory Committee***

**Article 26** Voting on resolutions at the meetings of the Supervisory Committee can be made by a show of hands or by way of poll. Each supervisor shall have one (1) vote. Every supervisor is entitled to have a voice at the meeting of the Supervisory Committee, and all proposals submitted by the supervisors shall be discussed.

**Article 27** The chairperson of the meeting of the Supervisory Committee shall call the participating supervisors to present their opinions on various proposals clearly. The voting intentions of the supervisors shall be classified as agreement, disagreement and abstention. The participating supervisors shall choose one of the above intentions; failing to make choice or choosing two or more intentions simultaneously, the relevant supervisors shall be required by the chairperson of the meeting to make choice again; and the relevant supervisor who is refused to make choice shall be regarded as an abstainer. The supervisor who leaves the meeting place halfway without making a choice shall be regarded as an abstainer.

**Article 28** The chairman of the Supervisory Committee shall announce the resolutions and the reports passed based on the voting results, which shall be recorded in the minutes of the meeting.

**Article 29** Resolutions and reports of the Supervisory Committee shall be passed by more than two-thirds (inclusive) of the members of the Supervisory Committee.

**Article 30** Supervisors shall sign on the resolutions of the Supervisory Committee and shall be accountable thereto. Supervisors whose objections to the vote are recorded in the minutes of the meeting shall not be held accountable.

**Article 31** Minutes shall be kept for Supervisory Committee meetings. The Supervisory Committee members and recorder who have attended the meeting shall sign on the minutes. The supervisor may explain his/her dissenting opinion on the minutes in writing when signing. When necessary, he/she shall report to the regulatory authorities timely and may make public statements as well.

In case that the supervisor neither confirms by signature according to the previous provision nor explains his/her dissenting opinion in writing or reports to the regulatory authorities or makes public statements, he/she shall be regarded as being in full agreement with the contents of the minutes.

**Article 32** Minutes of Supervisory Committee meetings should include the following information:

I. the session, time, place and form of the meeting;

II. the sending of the meeting notice;

III. the convener and the chairperson of the meeting;

IV. the attendance to the meeting;

V. the proposals reviewed on the meeting and the speech points and main opinions concerning relevant matters and the voting intention for the proposals of each supervisor;

VI. the voting form and voting result of each proposal (the specific voting numbers of agreement, disagreement and abstention shall be stated); and

VII. other matters that the participating supervisors consider to be recorded.

For the meetings of the Supervisory Committee held in a communication way, the administrative body of the Supervisory Committee shall keep the minutes with reference to the above provisions.

**Article 33** The Supervisory Committee member shall be entitled to request recording of his/her remarks in the minutes in such specific explanatory manner. Archives of the meeting of the Supervisory Committee include the notice of the meeting, meeting materials, attendance book, power of attorney for supervisors to attend the meeting on behalf of others, sound recordings, voting ballots, minutes signed by supervisors attending the meeting, resolutions of the meeting, announcement of the resolutions, etc., which will be kept by the secretary to the Board for a period of not less than 10 years.

**Article 34** Announcement of resolutions of the meeting of the Supervisory Committee is to be handled by the secretary to the Board in accordance with relevant requirements of the stock exchange on which the Company's shares are listed.

**Article 35** The supervisors shall supervise and urge relevant personnel of the Company to implement the resolutions of the Supervisory Committee. The chairman of the Supervisory Committee shall report the implementation of the formed resolutions at the subsequent meeting of the Supervisory Committee.

***Chapter V Supplementary Provisions***

**Article 36** Unless specified otherwise in the context,all the terms used herein shall have the same meanings as in the Articles of Association, and shall be construed in accordance with the definitions and interpretations in the Articles of Association.

**Article 37** For matters not covered in these rules, or in case of any inconsistency between these rules and relevant laws, rules, regulations, the Listing Rules or the Articles of Association (as promulgated from time to time), the relevant laws, rules, regulations, the Listing Rules or the Articles of Association shall prevail. If there is any inconsistency between these rules and any relevant laws, rules, regulations, the Listing Rules or the Articles of Association (as promulgated from time to time), immediate amendments shall be made to these rules, and such amendments shall be reported to the Company's general meeting for deliberation and approval by special resolutions.

**Article 38** These rules, once adopted by the Company's general meeting, will become effective on the date on which the A shares publicly issued by the Company are listed on Shanghai Stock Exchange.

**Article 39** These rules shall be interpreted by the Supervisory Committee. Any amendments to these rules shall be subjected to deliberation and approval by special resolutions at the Company's general meeting.

The English version of this Appendix is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Proposed amended version of the connected transaction system are set out as follows.

**Proposed amended version of the connected transaction system**

***Chapter I General Provisions***

**Article 1** In order to regulate the connected transactions of the Xinhua Winshare Publishing and Media Co., Ltd. (the "Company"), ensure the equality, justice and fairness of the connected transactions of the Company, and protect the legal rights of the Company and the shareholders as a whole, the Rules for Connected Transactions are formulated by the Company pursuant to the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK Listing Rules"), the SSE Listing Rules (the "SSE Listing Rules", referred to as "Listing Rules" together with SEHK Listing Rules), the Implementation Guidelines of the Shanghai Stock Exchange on Connected Transactions of Listed Companies (the "Implementation Guidelines") and other applicable laws, regulations, regulatory documents as well as provisions of the Articles of Association of Xinhua Winshare Publishing and Media Co., Ltd (the "Articles of Association") in light of the actual circumstance of the Company.

**Article 2** The Rules are applicable for the Company and its wholly-owned subsidiaries or controlled subsidiaries (collectively, the "Subsidiaries"). The person in charge of the Company and its Subsidiaries (including the legal representative, directors, supervisors, general manager, other senior management and major business management officers of the enterprise) is obligated to comply with and procure the Company and its Subsidiaries to comply with relevant provisions on connected transactions of listed companies.

**Article 3** Connected transactions of the Company shall be conducted in accordance with the following basic principles:

(1) The principle of market orientation. Connected transactions of the Company shall be conducted in accordance with the principles of good faith, equality, willingness, justice, openness and fairness, and shall not impair the interests of the Company and non-connected shareholders, especially the interests of minority shareholders.

(2) The principle of abstaining from voting. The connected directors of the Company shall abstain from voting when the transactions related thereto are being considered by the board of directors, and the connected shareholders shall abstain from voting when transactions related thereto are being considered.

(3) The principle of adequate disclosure. Pursuant to relevant provisions of the Company Law, the Securities Law, the Listing Rules, the Implementation Guidelines, the Articles of Association and Principles on Information Disclosure of the Company, the Company shall adequately disclose the connected transactions which the Company was connected to and that have material impact on the financial position and operating results of the Company.

(4) The principle of severity. Should there be any inconsistency between the approval and disclosure standards on connected transactions of the SEHK Listing Rules and the SSE Listing Rules, corresponding governing rules shall apply based on the principle of severity.

(5) The principle of entering into written agreements. Any connected transaction between the Company and connected persons of the Company under the Listing Rules shall be entered into in a written agreement with a term of no more than three years. Once a written agreement on a connected transaction is entered into, the approved transaction conditions shall be strictly complied with by the undertaken departments and Subsidiaries of the Company. No one is allowed to modify the transaction conditions during the connected transactions. Should there be any amendments due to change of actual circumstances, corresponding audit and approval procedures shall be performed.

**Article 4** Where the specified transactions between the Company and non-connected persons, provided by the laws, regulations, regulatory documents, the securities regulatory authority and the stock exchange where the Company's shares are listed, shall be included under the management of connected transactions, the relevant provisions of the Rules shall be base on.

**Article 5** The secretary to the board of the Company is responsible for the organization and coordination of the audit on connected transactions of the Company, including receiving questioning or inquiry from and submitting discloseable documents to the securities regulatory authority where the Company's shares are listed.

The Board Office of the Company is a compliance investigating division for matters on connected transactions of the Company, being in charge of handling matters on specific reporting and disclosure of connected transactions.

The financial department of the Company is responsible for examining and auditing of the performance of connected transaction agreements, and reporting to the Board Office in respect of the changes occurred during the execution of connected transaction agreements.

Other functional departments of the Company perform their administrative responsibilities on related matters involving connected transactions in light of their respective functions.

***Chapter II Recognition of Connected Persons***

*Section I Connected Persons under the SEHK Listing Rules*

**Article 6** Connected persons under the SEHK Listing Rules consist of connected natural persons, connected legal persons as well as their respective associates, including:

(1) directors, chief executives, substantial shareholders of the Company and its Subsidiaries and supervisors of the Company;

(2) any person who has been the Director of the Company and its Subsidiaries within twelve months prior to the transaction date;

(3) any associate of the persons described in items (1) and (2) abovementioned herein;

(Note: "associate" includes, but not limited to, companies in which close relatives have more than 50% voting rights or have the rights of control over the Board. Please refer to the SEHK Listing Rules for the definition of "associate".)

(4) non-wholly owned subsidiaries of which any connected person of the Company (defined as in items (1) to (3) herein, other than those applied to Subsidiaries) having the power (individually or collectively) to exercise or control the exercise of 10% or more of the voting rights at any general meeting;

(5) any subsidiary of the non-wholly owned subsidiaries described as in item (4) above; and

(6) other connected persons recognized by the securities regulatory authority where the Company's shares are listed.

*Section II Connected Persons under the SSE Listing Rules*

**Article 7** In accordance with the SSE Listing Rules and the Implementation Guidelines, the connected persons of the Company consist of connected legal persons and connected natural persons.

**Article 8** A legal person or other organization shall be deemed as a connected legal person of the Company under the SSE Listing Rules and the Implementation Guidelines under any of the following circumstances:

(1) a legal person or other organization directly or indirectly controls the Company;

(2) a legal person or other organization, other than the Company and its Subsidiaries, which is directly or indirectly controlled by item (1) above;

(3) a legal person or other organization, other than the Company and its Subsidiaries, which is directly or indirectly controlled by the Company's connected natural person listed in the Article 10 of the Rules or in which the connected natural person serves as a director or senior management;

(4) a legal person or other organization which holds more than 5% shares in the Company;

(5) a legal person or other organization determined by China Securities Regulatory Commission ("CSRC"), the Shanghai Stock Exchange or the Company in accordance with the substance-over-form principle to be having special relationship with the Company and inducing the Company's interest to lean towards it, including a legal person or other organization holding more than 10% of the shares in the controlled subsidiaries of great significance to the Company.

**Article 9** Where the Company and any legal person as listed in item (2) in the preceding Article are under the common control of a state-owned asset regulatory institution, the connected relationship shall not be established thereby, unless the legal representative, general manager or more than half of the directors of that legal person act as the directors, supervisors or members of senior management of the Company.

**Article 10** A natural person shall be deemed as a connected natural person of the Company under the SSE Listing Rules and the Implementation Guidelines under any of the following circumstances:

(1) a natural person who directly or indirectly holds more than 5% shares in the Company;

(2) a director, supervisor and member of senior management of the Company;

(3) a director, supervisor and member of senior management of the connected legal person as listed in item (1) of Article 8 of the Rules;

(4) close family members of the natural persons prescribed in item (1) and item (2) of this Article, including spouse, children aged 18 or above and their spouses, parents and spouse's parents, brothers and sisters and their spouses, brothers-in-law and sisters-in-law, and parents of their children's spouses;

(5) a natural person determined by CSRC, the Shanghai Stock Exchange or the Company in accordance with the substance-over-form principle to be having special relationship with the Company and inducing the Company's interest to lean towards it, including a natural person holding more than 10% of the shares in the controlled subsidiaries of great significance to the Company.

**Article 11** A legal person, other organization or natural person shall be deemed as a connected person of the Company under any of the following circumstances:

(1) those who fall or will fall in the circumstances prescribed in Article 8 or Article 10 hereof by virtue of the agreement or arrangement concluded with the Company or its connected person(s) after execution thereof or within the next twelve months;

(2) those who have been under the circumstances prescribed in Article 8 or Article 10 hereof during the past twelve months.

*Section III Notification of Connected Persons Required by the Shanghai Stock Exchange*

**Article 12** The directors, supervisors, members of senior management, shareholders with more than 5% shares, actual controllers and persons acting in concert with them shall promptly notify the Company of the connected relationship with the Company.

**Article 13** The Audit Committee of the Company shall confirm the name list of the connected persons of the Company and promptly report to the Board and Supervisory Committee.

**Article 14** The Board Office of the Company shall promptly fill in online or update the name list of the connected persons of the Company and the information on connected relationship through "Listed Company Platform" on the website of the Shanghai Stock Exchange.

**Article 15** The Company shall disclose the connected relationship between the connected persons and the Company on a run-off basis, stating:

(1) full name and organization code (if any) of the controllers or stakeholders;

(2) full name and organization code (if any) of the controlled parties or the invested parties;

(3) the percentage of the total share capital of the controlled parties or invested parties held by the controllers or investors, etc.

***Chapter III Types of Connected Transactions***

*Section I Connected Transactions under the SEHK Listing Rules*

**Article 16** Connected transactions under the SEHK Listing Rules refer to any transaction between the Company or its Subsidiaries and the connected persons of the Company or associates thereof, including:

(1) any transaction between the Company (including its Subsidiaries, same below) and connected persons, consisting of:

1. an acquisition or disposal of assets (including matters deemed as disposals as set out in the SEHK Listing Rules);

2. any transaction relating to selling out, acceptance, transference, exercise or termination of an option of the Company to purchase or dispose assets or subscribe for securities;

3. contracting or terminating finance leases;

4. contracting or terminating operating leases or sub-leases, including leasing or sub-leasing of properties;

5. provision of indemnity or guarantees, or provision of financial assistance;

6. entering into any arrangement or agreement related to establishment of joint entities;

7. issuance of new securities;

8. provision or acceptance of services;

9. sharing services; and

10. provision or purchase of raw materials, semi-finished products and finished products.

(2) under certain special circumstances, transactions between the Company and non-connected persons also constitute connected transactions, including but not limited to:

1. acquisition or sale of interests of a company of which the substantial shareholder was (or intended to be) the director, chief executive or controlling shareholder (the "controller") of the Company, or the associate of the controller (or becoming the associate of the controller due to the transaction);

2. acquisition or sale of interests of a company in which the controller (or his associate) is or will be the shareholder, and the interests to be acquired are recognized as fixed income or shares, while the acquisition terms are inferior to those provided to the controller or his associate, or these shares are different from those held by (or to be granted to) the controller or his associate in type;

3. any transaction involving the subscribing of shares of a company (in which the Company is the shareholder) by the controller (or his associate) on particularly favorable terms;

4. any transaction relates to the subscribing of shares of a company (in which the Company is also the shareholder) by the controller (or his associate), but the shares acquired by the controller (or his associate) are different from those held by the Company in type.

**Article 17** Connected transactions consist of one-off connected transactions and continuous connected transactions. An one-off connected transaction refers to a disposable individual connected transaction between the Company and the connected persons, and a continuing connected transaction refers to a connected transaction involving goods, services and financial assistance, generally conducted during the ordinary business course and expected to be conducted on a continuous or regular basis.

**Article 18** In accordance with the SEHK Listing Rules, connected transaction may be classified as:

(1) connected transactions exempt from the reporting, announcement and independent shareholders' approval requirements;

(2) connected transactions exempt from independent shareholders' approval requirements;

(3) continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders' approval requirements;

(4) continuing connected transactions exempt from independent shareholders' approval requirements;

(5) non-exempt connected transactions and continuing connected transactions not classified as the above.

In accordance with the SEHK Listing Rules, the Company shall enter into a written agreement in respect of a continuing connected transaction with a term of no more than three years in the event that the continuing connected transaction is non-exempt, and set up a maximum aggregate annual value ("maximum aggregate annual value") in respect of the transaction in the agreement. The maximum aggregate annual value shall be determined according to the historical transactions and statistics listed in its published materials (or an upper cap shall be determined based on reasonable assumptions and the details of the assumptions shall be disclosed in the event that the Company has no such previous transactions).

**Article 19** The aggregate calculation of connected transactions.

(1) In case that a series of connected transactions have been completed within twelve consecutive months, or the transactions are mutually connected, these transactions will be calculated in aggregate and processed as a transaction, and the Company shall be in compliance with the requirements related to the classification of these transactions after aggregate calculation. In the event that aggregate calculation involving a series of assets acquisition conducted in the long run (represents these transactions constitute an action of anti-acquisition), the aggregate calculating period referred as herein will be twenty-four months instead of twelve months.

(2) In deciding whether aggregate calculation will be applied to connected transactions, factors to be taken into account include that whether the transaction is:

1. conducted by the Company and the same party or persons in mutual connection or have other connection;

2. involved in acquisition or sale of the securities or interests of a specific company or group company;

3. involved in acquisition or sale of integral part of an asset; or

4. the joint force resulting in the Company's substantial participation in a business which was not part of the main business of the Company.

*Section II Connected Transaction under SSE Listing Rules*

**Article 20** Connected transactions under SSE Listing Rules represent those entered into between the Company or its subsidiaries and connected persons which may involve transfer of resources or obligations, including but not limited to:

(1) purchase or sale of assets;

(2) external investment (including designated financial management and designated loans, etc.);

(3) provision of financial assistance;

(4) provision of guarantees;

(5) lease or rental of assets;

(6) designated or entrusted management of assets and business;

(7) donation or receipt of donation of assets;

(8) restructuring of claims or debts;

(9) execution of licensing agreements;

(10) transfer or receipt of transfer of research and development projects;

(11) purchase of raw materials, fuels and powers;

(12) sale of products and goods;

(13) provision or receipt of labor services;

(14) designated or entrusted sales;

(15) deposits or loans with the finance companies of the connected persons;

(16) joint investment with the connected persons;

(17) other matters which may lead to transfer of resources or obligations through agreements, including the financial assistance and guarantee provided by the Company for companies as jointly invested with the connected persons exceeding its shareholding or investment proportion, or waiver of right to increase capital contribution to companies as jointly invested with the connected persons on a pro rata basis or pre-emptive rights, etc.

***Chapter IV Approval and Disclosure of Connected Transaction***

*Section I Approval and Disclosure of Connected Transaction under SEHK Listing Rules*

**Article 21** According to the relevant provisions of SEHK Listing Rules, connected transactions shall be tested for results pursuant to the percentage ratios as specified by the Listing Rules, and comply with and perform different procedures as to reporting, annual audit, announcement, shareholders' circular, independent financial opinions and independent shareholders' approval:

(The "total consideration" set out in the below table includes the transaction consideration of connected transaction and the maximum aggregate annual value specified in continuing connected transaction agreement)

| **Applicable procedures** | **Standards for judgment** |
|---|---|
| Internal corporate approvals and filings<br><br>(i.e. waiver of the requirements in respect of reporting, annual audit, announcement, shareholders' circular, independent financial opinions and independent shareholders' approval) | • Total consideration is less than HK$1,000,000, and each of the percentage ratios (other than the profit ratio) is lower than 5%; or<br>• Total consideration is higher than HK$1,000,000, and each of the percentage ratios (other than the profit ratio) is lower than 0.1% or 1% (1% is only applicable to such party of connected transaction which is regarded as connected person only by virtue of his/her/its connection with subsidiaries of the Company).<br>*Notes: the waiver of requirements in respect of announcement and general meeting approval shall not apply to issuance of new securities to connected persons by the Company(other than subsidiaries), in which case, the relevant transaction is subject to Rule 14A.31(3) of SEHK Listing Rules.* |

| Applicable procedures | Standards for judgment |
|---|---|
| Internal corporate approvals, issuance of opinions by independent directors, consideration and approval at board meetings, reporting of transaction value cap and prompt disclosure of transaction<br><br>(i.e. waiver of the requirements in respect of independent shareholders' approval) | • Total consideration exceeds or equals to HK$1,000,000, while is less than HK$10,000,000, and each of the percentage ratios (other than the profit ratio) is lower than 25%; or<br>• Each of the percentage ratios (other than the profit ratio) is lower than 5%, while exceeds or equals to 0.1% or 1% (1% is only applicable to such party of connected transaction which is regarded as connected person only by virtue of his/her/its connection with subsidiaries of the Company).<br>*Notes: the waiver of requirements in respect of general meeting approval shall not apply to issuance of new securities to connected persons by the Company, in which case, the relevant transaction is subject to Rule 14A.31(3) of SEHK Listing Rules.* |
| Internal corporate approvals, establishment of independent board committee which shall appoint independent financial advisor to issue independent financial opinions on transaction, consideration and approval at board meetings, submit to general meeting and independent shareholders for approval, and make prompt disclosure | Transactions that don't fall within any of the aforesaid categories, including but not limited to:<br>• Each of the percentage ratios (other than the profit ratio) exceeds or equals to 5%, and total consideration is higher than HK$10,000,000. |

*Notes:* as to how to judge test standards and application for each of the percentage ratios of connected transactions, the relevant provisions under SEHK Listing Rules shall be followed as follows:

Assets ratio = total assets involved in relevant transaction/total assets of the Company*100%
Profit ratio = profit attributable to the assets involved in relevant transaction/profits of the Company*100%
Earnings ratio = earnings attributable to the assets involved in relevant transaction/earnings of the Company*100%
Consideration ratio = consideration of relevant transaction/total market value of the Company*100%
Equity ratio = carrying value of the share capital issued by the Company as consideration/carrying value of the issued share capital of the Company immediately prior to execution of relevant transaction*100%

The calculation of total market value is based on the average closing price of the securities of the Company as quoted on the Daily Quota Sheet of the Stock Exchange for the last five consecutive trading days immediately prior to the relevant transaction date and the aggregate number of issued shares.

**Article 22** As for such connected transaction that requires independent shareholders' approval under SEHK Listing Rules, an independent board committee comprising of independent non-executive shareholders shall be established to advise on the fairness of the terms of the concerned transaction or arrangement, and on whether the transaction is in the interests of the Company and its shareholders as a whole. The Company shall also appoint independent financial advisor to issue opinions to the independent board committee on the fairness of the terms of the concerned transaction or arrangement, and on whether the transaction is in the interests of the Company and its shareholders as a whole.

*Section II Approval and Disclosure of Connected Transaction under SSE Listing Rules*

**Article 23** As to the connected transaction between the Company and connected natural person with the aggregate transaction amount less than RMB300,000, and those between the Company and connected legal person with the aggregate transaction amount less than RMB3,000,000 or 0.5% of the latest audited net assets of the Company, they shall be submitted to manager meeting for consideration and approval (other than provision of guarantee).

**Article 24** As to the connected transaction between the Company and connected natural person with the aggregate transaction amount higher than RMB300,000, and those between the Company and connected legal person with the aggregate transaction amount higher than RMB3,000,000 and representing 0.5% to 5% of the latest audited net assets of the Company, they shall be submitted to the Board for consideration and approval, and disclosed promptly.

**Article 25** As to the material connected transaction (other than provision of guarantees, receipt of cash assets as gift or liabilities purely to reduce or exempt the obligations of the Company) between the Company and connected person with transaction amount higher than RMB30,000,000 and representing more than 5% of the latest audited net assets of the Company ("material connected transaction"), or those in which the Company provides guarantees to connected person, they shall be submitted to the Board and the general meeting for consideration and approval, and disclosed promptly. Any connected transaction that requires consideration and approval at general meeting shall be subject to prior consideration and approval from the Board.

Material connected transaction shall be enclosed with the audit or evaluation report in respect of the concerned transaction subject issued by such securities service institution that is qualified for conducting securities and futures related businesses. However, transaction subject as far as the connected transaction related to daily operations as described in section II of chapter V of the Rules concerned is not subject to audit or evaluation.

**Article 26** Transaction amount of the below transactions shall be determined as follows under SSE Listing Rules:

(1) Where the Company and connected person jointly contribute to establish a company, the contribution of the Company shall be deemed as the transaction amount;

(2) Where the Company proposes to waive its right to increase capital on a pro-rata basis or pre-emptive right over a company jointly invested with connected person, the amount involved in waiving the aforesaid rights shall be deemed as the transaction amount;

(3) Where the consolidation scope of financial statements of the Company changes due to that the Company waives its right to increase capital or pre-emptive right, the latest closing total net assets corresponding to the Company's proposed waivers of the right to increase capital or pre-emptive right shall be deemed as the transaction amount;

(4) Where the Company conducts connected transactions that involve "provision of financial assistance" and "entrusted financial management", the actual amount incurred shall be deemed as the transaction amount.

**Article 27** Under SSE Listing Rules, where the Company conducts the following connected transactions, the transaction amount shall be calculated based on the principle of accumulative calculation within twelve consecutive months:

(1) transactions with the same connected person;

(2) transactions with different connected persons under related transaction subject categories.

The "same connected person" as abovementioned includes any legal person or other organization that is under direct or indirect common control with connected person by the same legal person or other organization or natural person, or that there exists equity control relationship between each other or that in which the same connected natural person acts as director or senior management officer.

The connected transactions following the decision-making procedures of general meeting according to the accumulative calculation principle shall not be included in the relevant accumulative calculation scope.

**Article 28** Where the Company proposes to consider a material connected transaction under SSE Listing Rules, the transaction shall be submitted to the Board for consideration after the independent directors express the opinions on preliminary approval. Before making a judgment, the independent directors may appoint independent financial advisers to issue a report that may serve as the basis of its judgment.

**Article 29** The audit committee of the Company shall at the same time review the matters concerned in the connected transactions, form written opinions, submit it to the Board for consideration and then report to the supervisory committee. The audit committee may appoint independent financial advisers to issue a report that may serve as the basis of its judgment.

**Article 30** The supervisory committee of the Company shall conduct supervise on connected transactions in aspects of consideration, voting, disclosure and implementation, and then express its opinions in annual reports.

**Article 31** Announcement on connected transactions as disclosed by the Company shall include the following contents:

(1) brief introduction of the connected transaction;

(2) introduction of the connected persons;

(3) basic information on the transaction subject;

(4) major content and pricing policy of the connected transaction;

(5) purpose of the connected transaction and effect on the Company;

(6) preliminary approval and independent opinions from the independent directors;

(7) opinions from the independent financial advisers (where applicable);

(8) opinions from the audit committee (where applicable);

(9) historical connected transactions;

(10) undertaking from the controlling shareholders (if any).

**Article 32** The Company shall disclose the material connected transactions occurred during the reporting period in its annual reports and interim reports as significant matters, and make separate disclosure based on different types of transactions, i.e. connected transaction related to daily operations, material connected transaction related to acquisition and sales of assets, connected transaction arising from joint external investment with connected person and connected transaction in which there are creditor's rights, debts and guaranteed matters between the Company and connected person.

*Section III Consideration Procedure of Connected Transaction*

**Article 33** When a connected transaction is considered by the Board, the connected directors or directors who are deemed to have material interests in such connected transaction shall abstain from voting and shall not exercise voting rights on behalf of other directors. The board meeting can be validly convened in case that the same is attended with more than half of the non-connected directors. Unless otherwise required by applicable regulations, resolutions of the board meeting require approval from more than half of the non-connected directors, and shall come into effect upon signature of independent non-executive directors. Where a board meeting is convened with less than three non-connected directors attended, the connected transactions shall be submitted to general meeting for consideration.

**Article 34** Connected director as referred to in the preceding article shall contain the following director or a director involved in any of the following circumstances:

(1) being the counterparty of a transaction;

(2) being the direct or indirect controller of the counterparty of a transaction;

(3) being employed by the counterparty of a transaction, by a legal person or other organization which can directly or indirectly control the counterparty, or by a legal person or other organization which is under direct or indirect control of the counterparty;

(4) being a close family member of the counterparty of a transaction or such counterparty's direct or indirect controllers (for detailed scope, please refer to the provisions of item (4) under Article 10 of the Rules. The same shall also apply to the below item);

(5) being a close family member of the directors, supervisors or senior management officers of the counterparty of a transaction or such counterparty's direct or indirect controllers;

(6) being a director whose independent business judgment may, as determined by the domestic and overseas regulatory authorities, the Stock Exchange, Shanghai Stock Exchange or the Company out of other reasons, be effected.

**Article 35** In case that connected transaction requires consideration of the Board, the Company shall provide to the Board at least the following relevant documents and information:

(1) background description of connected transaction, or feasibility report of the transaction;

(2) subject qualification certificate of connected person (such as business license for legal person or identity certificate of natural person, etc);

(3) agreement, contract or any other written arrangement related to connected transaction;

(4) documents and materials taken as references for pricing of connected transaction;

(5) review opinions from the management of the Company;

(6) explanation on effects of connected transaction on the legal interests of the Company and non-connected shareholders;

(7) report from intermediate institution (where applicable);

(8) other materials required by the Board for consideration.

**Article 36** When a connected transaction is considered at general meeting, the connected shareholders shall abstain from voting and shall not exercise voting rights on behalf of other shareholders. The voting shares held by them shall not be counted in the total number of shares validly voted.

**Article 37** Connected shareholder as referred to in the preceding article shall contain the following director or a director involved in any of the following circumstances:

(1) being the counterparty of a transaction or its associate;

(2) being the direct or indirect controller of the counterparty of a transaction;

(3) under direct or indirect control of the counterparty of a transaction;

(4) under common control of the same legal person or natural person with the counterparty of a transaction, whether directly or indirectly;

(5) being a shareholder whose voting right is restricted or affected due to any outstanding equity transfer agreements or other agreements between such shareholder and the counterparty of a transaction or such counterparty's connected persons;

(6) being a director who may, as considered by the domestic and overseas regulatory authorities, the Stock Exchange and Shanghai Stock Exchange, receive preferential benefits from the Company.

*Section IV Procedures for Exempted Connected Transaction*

**Article 38** Pursuant to the provisions of the Listing Rules and the Implementation Guidelines, the connected transactions of the Company that can be exempted from compliance with disclosure and decision-making procedures, can apply the same according to their approval authority and transaction property. Specific matters and conditions that are qualified for exempt from disclosure and decision-making procedures shall follow the relevant provisions under the Listing Rules and the Implementation Guidelines, and shall be implemented as per the stricter provisions.

***Chapter V Management of Connected Transaction***

*Section I Management of New, Existing or Exempted Connected Transactions*

**Article 39** The Company will prepare, and amend from time to time, the Guidelines on Internal Reporting and Disclosure of Connected Transactions of the Company (公司關聯交易內部申報及披露指引) according to the requirements of the Listing Rules, the Implementation Guidelines and the Rules, so as to further clarify and standardize the examination, disclosure and decision-making procedures for connected transactions, making sure that the reporting and disclosure of its connected transactions comply with the requirements of the Listing Rules and the Implementation Guidelines.

*Section II Special Provisions on Daily Connected Transactions under the SSE Listing Rules*

**Article 40** The "Daily Connected Transaction" referred to herein includes:

(1) purchase of raw materials, fuels and powers;

(2) sale of products and goods;

(3) provision or receipt of labor services;

(4) designated or entrusted sales;

(5) deposits or loans with the finance companies of the connected persons;

(6) joint investment with the connected persons.

**Article 41** Where the Company and a connected person enter into daily connected transactions as specified in the preceding article, such connected transactions shall be subject to the disclosure and review procedures in accordance with the following requirements:

(1) If any agreement of daily connected transaction, considered and approved by the general meeting or the Board and is being executed, undergoes no significant changes to their major terms in the course of execution, the Company shall disclose

the actual performance of each agreement in its annual report and interim report as required by relevant requirements, and shall state whether the provisions of such agreement are complied with. In the event of any substantial changes to the major terms of such agreement during the course of execution or where such agreement shall be renewed upon expiration, the Company shall, with reference to the aggregate transaction amount involved in such agreement, submit the newly amended or renewed agreement of the daily connected transactions to the Board or the general meeting for consideration. Where no specific aggregate transaction amount is provided in the agreement, the transaction shall be submitted to the general meeting for consideration;

(2) For any new daily connected transactions, the Company shall enter into written agreement with connected person and make prompt disclosure. Such transaction shall, with reference to the aggregate transaction amount involved in the agreement, be submitted to the Board or the general meeting for consideration. Where no specific aggregate transaction amount is provided in the agreement, the transaction shall be submitted to the general meeting for consideration; such agreement, after being considered, approved and disclosed, shall, based on the daily connected transactions contemplated there under, be handled according to the provisions mentioned in the preceding item;

(3) Since there are lots of new daily connected transactions every year, it is necessary to enter into new agreements for daily connected transactions frequently, thereby making it difficult to submit every agreement to the Board or the general meeting for consideration in accordance with the provisions of the preceding item. In such case, the Company may, based on the type of transactions, make reasonable estimation of the aggregate amount of such daily connected transactions to be entered into in the current year prior to the disclosure of the annual report for the preceding year, and submit the transactions to the Board or the general meeting for consideration based on the estimated results, and then make corresponding disclosures. For daily connected transactions falling in the range of estimation, the Company shall make disclosure by category and aggregate respectively in its annual report and interim report. If the actual amount of the transaction exceeds the estimated aggregate amount, the Company shall resubmit the transaction to the Board or the general meeting for consideration with reference to the excessive amount, and then make corresponding disclosures.

**Article 42** Agreement of daily connected transactions shall include:

(1) pricing policy and basis;

(2) transaction price;

(3) method to determine the range of total transaction amount or the total transaction amount;

(4) time and method of payment;

(5) comparison with the actual transaction amount of daily connected transactions of the same category for the past three years;

(6) other major terms that shall be disclosed.

Where there is only market price for reference instead of definite transaction price in the agreement, the Company shall, in addition to fulfilling the disclosure obligations under Article 41, disclose the actual transaction price, market price and its determination method, and the reason for any difference between the prices.

***Chapter VI Pricing of Connected Transaction***

**Article 43** The Company shall enter into written agreements and make clear pricing policy for conducting connected transactions. Where there are material amendments to the major terms of the agreement such as transaction price in the course of execution of the connected transactions, the Company shall re-perform the corresponding approval procedures based on the amended transaction amount.

**Article 44** The pricing of the connected transactions of the Company shall be fair and implemented with reference to the following principles:

(1) where there is a governmental price on the transactional items, such price shall be directly applied to;

(2) where the transactional items carry out the government guiding price, the transaction price shall be determined within the scope of government guiding price in a fair manner;

(3) besides the aforesaid governmental price or government guiding price, where there is a comparable market price or pricing standard from an independent third party for the transactional items, such price or standard may be preferentially referred to determine the transaction price;

(4) where there is no comparable market price from an independent third party for the connected items, the transaction price may be determined by reference to price of non-connected transactions entered into between connected party and any third party independent from the connected party;

(5) where there is no market price from an independent third party, nor is there an independent non-connected transaction price for reference, the pricing basis shall be the reasonable formulated price, which shall be reasonable costs, expenses plus reasonable profits.

**Article 45** Where the Company determines price for a connected transaction in accordance with clause (3), (4) or (5) of the preceding Article, the following pricing methods may be adopted based on different connected transactions:

(1) cost-plus pricing method, that the price shall be determined with the reasonable costs incurred from the connected transaction plus the gross pricing of the comparable non-connected transaction, and such method shall apply to those connected transactions involving procurement, sales, transfer and use of tangible assets, labor service provision and capital financing, etc;

(2) resale price method, that the amount of the price at which the connected party purchases goods and then resell them to the non-connected party subtracting the gross profit of the comparable non-connected transaction shall be regarded as the fair trading price for the goods purchased by the connected party, and such method shall apply to those business involving simple process instead of any substantial value-added process for the goods such as change of appearance, functions, structure or replacement of trademark by the reseller, or to those pure purchase-and-sale business;

(3) comparable uncontrolled price method, that the price shall be determined based on the price charged for the business activities which are the same as or similar to the connected transaction conducted among the non-connected parties, and such method shall apply to all types of connected transactions;

(4) transactional net margin method, that the net profit of the connected transaction shall be determined by the profit index of the comparable non-connected transactions, and such method shall apply to those connected transactions involving procurement, sales, transfer and use of tangible assets, and labor service provision, etc;

(5) profit split method, that the profit attributable to the Company and its connected parties shall be calculated based on the contributions from each of them to the consolidated profits of the connected transaction, and such method shall apply to those connected transactions where each participating party are highly integrated and it is difficult to assess the transaction results of each party on a individual basis.

**Article 46** Where the Company fails to determine price for connected transactions based on the abovementioned principles and methods, the principle and method for determination of the transaction price shall be disclosed and such pricing shall also be stated as to its fairness.

### *Chapter VII Special Provisions on Purchasing Connected Person's Assets at Premium under SSE Listing Rules and the Implementation Guidelines*

**Article 47** In case of a substantial connected transaction in which the Company is to purchase connected persons' assets at a price that exceeds 100% of their book value, the Company shall, apart from disclosing the reasons for such premium, provide internet voting or other convenient means of voting for shareholders to attend general meeting, and comply with the provisions hereof.

**Article 48** The Company shall provide profit forecast report for the assets it proposes to purchase. Such report shall be reviewed by such accounting firm that is qualified for conducting securities and futures related businesses.

If the Company fails to provide the profit forecast report, it shall explain the reasons and make risk warning in the relevant announcement of the connected transaction, and make detailed analyses on the impact of that connected transaction on the Company's ability to operate as a going concern and its future development as well.

**Article 49** In case of a connected transaction in which the Company appraises the assets to be purchased by those valuation methods which are based on future earnings forecast (such as discounted cash flow method or hypothetical development method) and adopts the same as its pricing basis, the Company shall disclose the difference between the actual and estimated profits of the assets involved in its annual reports for three consecutive years after completion of such connected transaction, and have an accounting firm issue specific review opinions for such case.

The Company shall enter into an explicit and practicable compensation agreement with connected persons in the case that the actual profit of the assets involved falls short of the estimated profit.

**Article 50** In case of a connected transaction in which the Company appraises the assets to be purchased by discounted cash flow method or hypothetical development method and adopts the same as its pricing basis, the Company shall disclose the relevant data of appraisals which are used for more than two appraisal methods, including the methods aforesaid. The independent directors shall comment on independence of the valuation institutions, reasonableness of the assumptions used in the appraisal and fairness of the appraised price, etc.

**Article 51** The Company's audit committee shall advise on the connected transactions aforesaid as to the followings:

(1) the grounds and factors considered for the opinions given;

(2) whether the transaction is priced on a fair and reasonable basis and is in the interests of the Company and its shareholders as a whole;

(3) proposals made to non-connected directors and non-connected shareholders for or against the connected transaction.

Before making a judgment, the audit committee may appoint independent financial advisers to issue a report that may serve as the basis of its judgment.

### *Chapter VIII Supplementary Provisions*

**Article 52** For any issues that are not covered hereof, the Company shall proceed pursuant to the laws, rules and regulations concerning connected transactions applicable to relevant national regulatory authorities and the place where the securities of the Company are listed.

**Article 53** In case of any inconsistence between the Rules and relevant laws and rules to be issued in future by relevant national regulatory authorities and the place where the securities of the Company are listed, the latter shall prevail, or otherwise the Company may amend the Rules, in which case, the amendments shall be submitted to the Board for consideration and approval.

**Article 54** The Rules shall take effect from the date the same is passed at the general meeting of the Company and the A shares publicly issued by the Company get listed on the Shanghai Stock Exchange.

**Article 55** The Board shall have the right to construe the Rules.

The English version of this Appendix is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The working system of the independent Directors and the management approach for external guarantees proposed to be adopted are set out as follows:

**The working system of the independent Directors**

***Chapter I General Provisions***

**Article 1** In order to further optimize the corporate governance structure of Xinhua Winshare Publishing and Media Co., Ltd. (hereinafter referred to as "the Company"), enhance regulated operations of the Company and to ensure correct and comprehensive fulfillment of the Company's Independent Non-executive Directors' (hereinafter referred to as "independent Directors") duties, the Company has formulated these working rules for independent Directors ("these Rules") in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Guidance on Establishment of the System of Independent Directors by Listed Companies (hereinafter referred to as the "Guidance Opinions") of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC"),Working Guidelines of Record Keeping and Training of Independent Directors of Listed Companies of the Shanghai Stock Exchange, the Code of Corporate Governance for Listed Companies in China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "SEHK Listing Rules"), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange(hereinafter referred to as the "SSE Listing Rules", which together with the SEHK Listing Rules as the "Listing Rules"), relevant national laws, rules and regulations such as the Guidelines Regarding the Appointment and Conduct of Listed Company Directors of the Shanghai Stock Exchange, Xinhua Winshare Publishing and Media Co., Ltd. Articles of Association (hereinafter referred to as the "Articles of Association") and Rules of Procedures of Board Meetings of Xinhua Winshare Publishing and Media Co., Ltd. (hereinafter referred to as the "Rules of Procedures of Board Meetings").

**Article 2** The independent Directors referred to in these Rules are directors who hold no positions other than as independent Directors of the Company or as members of specialized committees of the Board and directors who have no relationship with the Company and the Company's substantial shareholders (shareholders who independently or jointly hold 5% or above of the Company's shares with voting rights) which may affect their independent and objective judgment. All independent Directors must also meet the independent director requirements of the SEHK Listing Rules.

**Article 3** Independent Directors shall meet the independent director requirements of the Listing Rules. The regulations regarding directors in national laws and regulations such as the Company Law, the Listing Rules, the Articles of Association and Rules of Procedures of Board Meetings are also applicable on independent Directors, save as otherwise stipulated in these Rules.

***Chapter II Qualifications of Independent Directors***

**Article 4** Independent Directors shall satisfy the following basic requirements:

I. Possess the qualifications of a listed company director according to the provisions of laws, administrative regulations, the Listing Rules, regulatory rules and code of the listing place of the Company's securities, the Articles of Association and other relevant regulations. In particular, a person shall not act as an independent Director in the following circumstances:

1. Any situations as stipulated under Article 147 of the Company Law;

2. Forbidden by the CSRC to enter the securities market as a penalty and which the penalty is still in effect;

3. Under administrative penalty imposed by the CSRC in the last three years or 36 months;

4. Publicly censured or criticized more than twice by a stock exchange in the last three years;

5. Within the period deemed by the stock exchange where the Company's securities are listed as not suitable to be a listed company director;

6. Under investigation by legal authorities due to suspected criminal offence or under investigation by the CSRC due to suspected violation of regulations and a clear conclusion is yet to be determined;

7. In violation of the Civil Servant Law of the Peoples' Republic of China regarding civil servants holding duties concurrently;

8. In violation of the regulations regarding the Notification of Regulating Central Management Cadres Becoming Independent Directors, Independent Supervisors of Listed Companies and Fund Management Companies after Resignation/Retirement from Public Office issued by the Central Commission for Discipline Inspection of the Communist Party of China and Organization Department of the Communist Party of China Central Committee;

9. In violation of the Recommendations in Strengthening Anti-Corruption in Higher Educational Schools regarding leadership members of Higher Educational Schools holding concurrent duties;

10. In violation of Certain Regulations of Rectitude Administration of Leading Cadres of the Chinese Communist Party regarding Party Members holding concurrent duties;

11. Missed two consecutive Board (hereinafter referred to as the "Board") of Directors (hereinafter referred to as "Directors") meetings while serving as an independent Director or did not attend more than one-third of Board meetings for that year in person;

12. Expressed independent opinion which deviated significantly from the truth while serving as independent Director;

13. Any other situations stipulated in the relevant laws and regulations of the listing place of the Company's securities (including but not limited to the Listing Rules).

II. Being independent as required by Chapter 3 of these Rules;

III. Possess basic knowledge of the operations of a listed company and being familiar with relevant laws, administrative regulations, rules and regulations;

IV. With at least five years of work experience in the legal, economic areas or other experiences required for carrying out the duties of an independent Director;

V. Other conditions required by applicable laws, regulations or regulatory rules of the listing place (including but not limited to the Listing Rules), and other requirements of the Articles of Association and the Rules of Procedures of Board Meetings.

**Article 5** Independent Directors and persons proposed for appointment as independent Directors shall comply with the requirements of the CSRC and attend training provided by the CSRC and its authorized institutions to obtain the independent Director qualification certificate.

**Article 6** The Board shall comprise no less than one-third of independent Directors, at least one of whom shall possess the suitable professional qualification, or possess suitable accounting or relevant financial management knowledge, which include qualifications such as Certified Public Accountant (CPA), Senior Accountant, Associate Professor of Accounting or a Doctor's Degree in Accounting.

***Chapter III The Independence of Independent Directors***

**Article 7** Independent Directors must be independent and meet the requirements of the Listing Rules and the requirements for the independence of independent Directors of the Shanghai Stock Exchange (hereinafter referred to as the "SSE") and the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "SEHK") as well as the requirements for the independence of independent Directors in the Guidance Opinions. The following persons shall not serve as the Company's independent Directors:

(I) Persons employed by the Company and its subsidiaries and their immediate families and main social relations (immediate families refer to spouses, parents and children; main social relations refer to siblings, parents-in-law, children-in-law, spouses of siblings and the siblings of spouses etc.);

(II) Persons directly or indirectly holding 1% or more of the Company's issued shares or the top 10 natural person shareholders of the Company and their immediate families;

(III) Persons employed by the shareholders directly or indirectly holding 5% or more of the Company's issued shares or the top five shareholders of the Company and those persons' immediate families;

(IV) Persons employed by the Company's de facto controller and its subsidiaries;

(V) Persons providing financial, legal and consultancy services to the Company and its controlling shareholders or their respective subsidiaries, which include the staff, personnel who has the authority to confirm or sign on documents, the partner or main principal in the project team of the intermediary providing such service;

(VI) Directors, supervisors or senior management of any entity which has substantial business relationships with the Company, its controlling shareholders and their respective subsidiaries or directors, supervisors and senior management of controlling shareholders of such entities;

(VII) Persons that any of the above six situations has occurred to him/her in the past one year;

(VIII) Persons providing financial, legal and consultancy services to the Company and its subsidiaries;

(IX) Persons already serving as Independent Director in five domestically listed companies;

(X) Other persons forbidden by the Listing Rules, the Articles of Association and Rules and Procedures of Board Meetings to serve as independent Directors;

(XI) Other persons deemed by the CSRC, SSE or SEHK whom cannot serve as independent Directors.

***Chapter IV Nomination, Election and Replacement of Independent Directors***

**Article 8** The Company's Board of Directors, Supervisory Committee and shareholders alone or jointly holding 1% or above of the Company's issued shares have the right to nominate the candidates for independent Directors, whose appointment shall be subject to the election and decision of the Company's general meeting (hereinafter referred to as the "General Meeting").

**Article 9** The nominators of independent Directors shall obtain the consent of the nominees prior to the nomination, have full knowledge of the occupation, academic qualification, professional title, detailed work experience, all part-time jobs of the nominees and prepare written materials on such conditions to the Company. Specific descriptions regarding the nominee's qualifications, independence, professional experience and professional conduct shall also be submitted to the General Meeting. The nominee shall provide written undertaking to the Company, agreeing to accept the nomination, pledging that the publicly disclosed information of the nominee is truthful and complete and undertake that he will duly perform his duties after election.

**Article 10** The nominators of independent Directors shall express their opinions regarding the nominee's qualification and independence. The nominee shall make a public declaration that there is not any relationship between him or herself and the Company that would affect his independent and objective judgment and sign a written confirmation. Before convening the General Meeting for the election of Independent Directors, the Board shall declare the above contents in accordance with applicable laws, regulations, the Listing Rules and the Articles of Association.

**Article 11** Before convening the general meeting for the election of independent Directors, the Company shall submit all relevant information to the CSRC, the representative office of CSRC at the place where the Company's shares are listed and the SSE. In the event that the Board has any objection to the relevant information on the nominees, the Board's written opinion shall be submitted as well.

The independent Director nominees and nominators shall respond to the inquiries of CSRC and/or SSE truthfully within the given timeframe and provide timely supplemental information upon request.

Nominees objected by CSRC or SSE can serve as the Company's Director candidates, but cannot serve as independent Director candidates. At the general meeting for the election of independent directors, the Board shall make an explanation regarding whether an independent Director candidate has been objected by CSRC and SSE.

**Article 12** The terms of office of independent Directors shall be the same as that of other directors of the Company, and they may stand for re-election upon expiry of their term, provided that the consecutive terms of office shall not exceed six years (if any applicable laws, regulations and/or the Listing Rules have stricter provisions, such provisions shall prevail).

**Article 13** Should an independent Director fail to attend the Board meetings in person for three times in succession, the Board may propose to the General Meeting for replacing the director. Should an independent Director fail to attend the Board meetings in person for two times in succession and fail to delegate another director to attend the Board meetings, he will be deemed as unable to carry out his duties, and the Board will also propose to the general meeting for replacing such director.

Except for the abovementioned conditions or situations in which a person shall not act as director under applicable laws, regulations, the Listing Rules and the Articles of Association, the office of an independent Director cannot be terminated without any reason before expiration. In case an independent Director is dismissed before the expiry of his term, the Company shall disclose the matter as a special issue according to applicable laws and regulations (including but not limited to the Listing Rules). Should an independent Director consider he is dismissed without proper reason, he can make a public declaration.

**Article 14** Independent Directors may tender resignation before expiration of their terms of office by submitting to the Board a written resignation (departure) report, explaining any situation during their service period or matters related to their resignation which they consider as necessary to draw the attention of the shareholders and creditors of the Company and also give specific reasons for their resignation. Reasons for resignation may involve the Company violating laws and regulations or irregular operations. In such cases, specific description should be given regarding such matters and timely reports should be submitted to SSE, SEHK and other relevant regulatory institutions. The resignation report should be submitted to the Company's supervisory committee for filing.

If an independent Director departs due to reasons other than expiry of term, according to the Listing Rules, the Company shall inform SEHK and SSE the independent Director's departure and reasons and make an announcement.

If the resignation of an independent Director results in the proportion of independent Directors falling below the minimum requirement as stipulated by relevant laws and regulations, the Listing Rules, the Guidance Opinions and/or these Rules, the resignation report of such independent Director shall only come into effect when the next independent Director fills his vacancy. Before that, such independent Director shall continue carrying out his duties.

**Article 15** If an independent Director cannot fulfill the independence qualification or is unsuitable to carry out the duties of an independent Director, resulting in the number of independent Directors falling below the minimum requirement as stipulated by relevant laws and regulations, the Listing Rules, the Guidance Opinions and/or these Rules, the Company shall notify SEHK and SSE according to the requirements as soon as possible, make an announcement and convene a General Meeting to elect independent Directors to maintain a sufficient number of independent Directors.

***Chapter V Rights and Responsibilities of Independent Directors***

**Article 16** In order to fully exercise the functions of independent Director, in addition to the powers conferred by the Company Law, the Listing Rules, the Articles of Association and other relevant laws and regulations, the Company has delegated the following specific authorities to independent Directors:

1. Any resolution of the Board regarding connected transactions of the Company must be signed by independent Directors in order for it to become valid;

2. Major connected transactions (to be determined by the standards promulgated by competent regulatory authorities from time to time) shall be approved by independent Directors before submissions to the Board for consideration. Prior to making any judgment, independent Directors may hire an intermediary institution to prepare an independent financial consultancy report as the basis of their judgment;

3. To propose to the Board to convene extraordinary general meetings;

4. To propose to the Board to convene Board meetings;

5. Independent Directors can directly report situations to general meetings, CSRC and other relevant departments;

6. To propose to the Board the appointment or dismissal of accounting firms;

7. To engage independently external auditors and consulting firms;

8. To publicly solicit voting rights from shareholders prior to general meetings.

To exercise the abovementioned (Item 7) power, independent Directors shall seek approval from all independent Directors. To exercise the remaining powers, at least half of all independent Director's approval shall be obtained.

In the event that the abovementioned proposals have not been adopted or the above powers cannot be exercised normally, the Company shall disclose such situations.

**Article 17** Apart from exercising the abovementioned duties, independent Directors shall express independent opinions to the Board or general meetings on the following matters:

1. Nomination and dismissal of Directors;

2. Appointment or dismissal of the senior management officers of the Company;

3. Remuneration of Directors and senior management officers of the Company;

4. Major (to be determined by the standards promulgated from time to time by regulatory authorities at the place where the Company's shares are listed) borrowings or other fund transfers, existing or newly occurred, made between the Company and the shareholders, de facto controllers of the Company and their connected enterprises, and whether the Company has adopted any effective measures to recover the debts;

5. Cash dividend proposal;

6. The Company changes its A share proceeds investment plan or uses unused A share proceeds to temporarily replenish working capital;

7. Matters which independent Shareholders consider would harm the interests of the Company's medium and small shareholders;

8. Other matters provided under applicable laws, regulations, the Listing Rules, the Articles of Association and the Rules of Procedures of Board Meetings.

**Article 18** With respect to the proposals that require prior approval by independent Directors according to relevant provisions, the presider of the meeting shall, before considering the said proposals, designate one independent Director to read out the written approval opinions reached by the independent Directors.

**Article 19** Independent Directors shall express the following opinions regarding the matters listed under Article 17 above: consent; qualified opinion and reasons; dissent and reasons; unable to express an opinion and the obstacles.

If the relevant matters are required to be disclosed, the Company shall make an announcement on the opinions of the independent Directors. If discrepancies arise among independent Directors and a consensus cannot be reached, the Board shall disclose the opinions of independent Directors separately.

**Article 20** The audit, nomination, remuneration and assessment committees established under the Board shall consist of a majority of independent Directors. An independent Directors shall also be the convener of the abovementioned committees.

### *Chapter VI Obligations of Independent Directors*

**Article 21** Independent Directors owe fiduciary and diligence duties to the Company and all shareholders. Independent Directors shall faithfully carry out their duties, safeguard the Company's overall interest, in particular ensuring that the interests of medium and small shareholders are not harmed in accordance with the Company Law, the Guidance Opinions, the Listing Rules, the Articles of Association and the Rules of Procedures of Board Meetings, other applicable laws and regulations and requirements of regulatory institutions. Independent Directors shall carry out their duties independently without the influence of the Company's substantial shareholders, de facto controllers or other entities or persons that have interests in the Company.

**Article 22** In principle, an independent Director can serve as independent Director for at most five listed companies and shall make sure that there is enough time and attention to effectively carry out his duties as independent Director. An independent Director shall in principle be present at the Company for not less than 10 days each year to gain an understanding on the Company's daily operations, financial management and other standardized operations.

**Article 23** Independent Directors shall attend Board meetings on time to understand the Company's production process and operations and actively investigate and obtain the circumstances and information necessary for decision making.

### *Chapter VII Protection for Independent Directors in the Performance of Duties*

**Article 24** The Company shall ensure that independent Directors have equal rights to access information as other Directors. For matters subject to decisions by the Board, the Company shall advise the independent Directors in advance within the time according to the laws and provide them with adequate information. If the said information is deemed as inadequate, the independent Directors are entitled to request supplemental information. When two or more independent Directors are of the view that the information is insufficient or the basis of argument is not clear, they may jointly propose in writing to the Board to postpone the Board meeting or postpone deliberation of the issue, and the Board should adopt such proposal.

The Company and independent Directors shall keep the information provided by the Company to the independent Directors for a period no less than five years.

**Article 25** The Company shall provide the independent Directors with necessary working conditions to perform their duties. The Secretary to the Board shall proactively assist independent Directors to discharge their duties, such as providing information and supplying documents etc. If any announcement is required to be made in respect of any independent opinions, proposals and written statements of independent Directors, the Secretary to the Board shall make timely arrangement with the stock exchange where the Company's securities are listed for such announcement.

**Article 26** In the exercise of rights and responsibilities by the independent Directors, the relevant personnel of the Company shall actively cooperate with them, and shall not reject, hinder the provision of or conceal relevant information, or interfere with their exercise of rights and responsibilities independently.

**Article 27** The expenses incurred by the independent Directors in the engagement of intermediaries and other expenses in the performance of their rights and responsibilities shall be borne by the Company.

**Article 28** The Company shall offer appropriate allowances to independent Directors. The level of such allowances shall be proposed by the Board for consideration and approval by the general meetings and shall be disclosed in the annual report of the Company.

Save for the abovementioned allowances, independent Directors shall not receive other additional and undisclosed benefits from the Company, its substantial shareholders or any organization or personnel in which it has an interest.

**Article 29** The Company may establish a necessary insurance system for independent Directors to mitigate the risks that may arise in the normal performance of their duties and responsibilities.

***Chapter VIII Legal Liabilities of Independent Directors***

**Article 30** If a Board resolution violates the laws, regulations, the Listing Rules, the Articles of Association and/or the Rules of Procedures of Board Meetings resulting in substantial loss of the Company and the independent Director is aware but has not objected, or where an independent Director involves in illegal conduct forbidden by the Company Law, the Listing Rules and/or other applicable laws, regulations and regulatory documents resulting in substantial loss of the Company, the independent Director shall assume compensation liabilities according to laws.

***Chapter IX Working Rules on Annual Report of Independent Directors***

**Article 31** In the course of preparing and disclosing the Company's annual report, independent Directors shall diligently and practically implement their duties and responsibilities.

**Article 32** After the end of each accounting year, the management of the Company shall timely report to each independent Director regarding the progress of major matters such as the Company's production operations and financing activities. The Company shall also arrange on-site investigation for each independent Director. Independent Directors shall listen to the Chief Financial Officer's report on the Company's financial status and operation results for the year.

**Article 33** Before the certified accountants for annual audit report of the Company (hereinafter referred to as the "Annual Audit Certified Accountants") commence audit, the person-in-charge of the audit department of the Company shall submit to each independent Director the working plan of the annual audit and other relevant information in written form. Before the commencement of audit by the Annual Audit Certified Accountants, the independent Directors shall communicate with the Annual Audit Certified Accountants regarding the composition of the audit team, audit plan, risk judgment, testing and evaluation of risks and malpractice, the auditing focus for the year, the nature and scope of audit and the relevant reporting responsibilities.

**Article 34** The Company shall arrange at least one meeting between the independent Directors and the Annual Audit Certified Accountants to communicate the difficulties in the auditing process after the Annual Audit Certified Accountants issued the preliminary audit opinions and before convening of Board meeting to consider the annual report, and the independent Directors shall perform the duties of attending such meetings.

**Article 35** Prior to convening a Board meeting to consider the Company's annual report, independent Directors shall review the convening procedures of the Board meeting and sufficiency of currently available information for making reasonable and accurate decisions. Should it be discovered that the convention of the Board meeting is inconsistent with the rules of the Board or the information for the meeting is insufficient, independent Directors shall suggest the Board to supplement the information, rectify the inconsistencies and postpone the convention of the Board meeting. If the suggestions are not taken by the Board, the independent Director may refuse to attend the meeting and demand the Company to disclose the situation and the reasons for his absence. The Company shall disclose the situation and reasons of such absence in the announcement of Board resolutions.

**Article 36** The change of accounting firms during the annual audit shall be a primary concern of the independent Directors. When such change occurs, the independent Director shall express opinions and report to the securities regulatory departments where the Company's securities are listed and the SSE.

**Article 37** In case of any alterations being made to the accounting policies and accounting estimates in the annual report or amendment to substantial accounting errors by the Company, independent Directors shall express an independent opinion, which shall be disclosed by the Company in the annual report and submitted to the SSE.

**Article 38** Independent Directors' communication with relevant personnel, on-site investigation, expressed opinions and recommendations as mentioned in this chapter shall have a written record and be signed by the parties present.

**Article 39** Independent Directors shall express independent opinion on material matters such as the Company's external guarantees and connected transactions during the year in the Company's annual report.

**Article 40** Independent Directors shall sign a written confirmation for opinions expressed in the Company's annual report. In the event that independent Directors cannot guarantee or object to the truthfulness, accuracy and completeness of the content of the annual report, they shall state the reasons and express their opinions which shall be publicly disclosed.

**Article 41** In case an independent Director objects a specific matter in the Company's annual report, with the consent of all independent Directors, the independent Directors may engage external auditors and consulting firms independently to provide audit and consultation on specific matters of the Company. The related costs of which shall be borne by the Company.

**Article 42** The independent Director shall be closely concerned with the confidentiality of information during the preparation of the annual report and strictly prevent the acts in breach of the laws or regulations such as leak of information and insider transaction, and etc. from happening.

***Chapter X Supplementary Provisions***

**Article 43** Unless specifically specified, the terms used in these Rules have the same meaning as the terms in the Listing Rules and the Articles of Association.

**Article 44** For matters not covered by these Rules or that are inconsistent with applicable laws, rules, regulations, regulatory documents, the Listing Rules, the Articles of Association and/or the Rules of Procedures of Board Meetings issued from time to time, the relevant laws, rules, regulations, regulatory documents, the Listing Rules, Articles of Association and/or the Rules of Procedures of Board Meetings shall prevail.

**Article 45** After these Rules have been considered and approved at the General Meeting, they shall come into effect on the day which the Company's publicly offered A shares become listed on SSE. After these Rules come into effect, in case of any discrepancy between these Rules and other rules of the Company, these Rules shall prevail to the extent that they are not in conflict with Article 44 of these Rules.

**Article 46** These Rules shall be interpreted by the Board of the Company.

**The management approach for external guarantees**

***Chapter I General Provisions***

**Article 1** In order to regulate the provision of external guarantees by Xinhua Winshare Publishing and Media Co., Ltd. (hereinafter referred to as the "Company"), to avert risks in the provision of external guarantees by the Company and protect the lawful interests of shareholders, these measures are formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guarantee Law of the People's Republic of China, Notice Concerning the Regulation on the Flow of Funds Between Listed Companies and Their Related Parties and the Provision of Guarantees by Listed Companies to External Parties, Notice on Regulation of External Guarantee Acts of Listed Companies, Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the "SSE Listing Rules"), Application Guidelines for Enterprise Internal Control 12 – Guarantee Business and relevant provisions of the Articles of Association of Xinhua Winshare Publishing and Media Co., Ltd. (hereinafter referred to as the "Articles of Association").

**Article 2** These measures are applicable to the Company, its wholly-owned subsidiaries and holding subsidiaries (hereinafter referred to as the "Subsidiaries").

**Article 3** External guarantees specified herein shall refer to guarantees, asset pledges, charges and other guarantees provided by the Company and its Subsidiaries to a third party against its own assets and/or creditworthiness as guarantee, including guarantees between the Company and its Subsidiaries and those among the Subsidiaries.

**Article 4** The Company exercises centralized management over external guarantees. The branches of the Company are not allowed to provide external guarantees. Unless otherwise approved or authorized by the Board of the Company and/or the general meetings, the Subsidiaries are not allowed to provide external guarantees. Unless approved or authorized by the board of directors of the Company and/or the general meetings, no individual is entitled to enter into any contracts, agreements or other similar legal documents on external guarantees in the name of the Company.

***Chapter II Conditions for External Guarantees***

**Article 5** External guarantees shall be carried out in accordance with the following basic principles:

(1) The principle of voluntariness – When providing external guarantees, the Company or its Subsidiaries shall observe the principles of voluntary, equality, fairness, integrity and mutual benefit. The Company or its Subsidiaries shall decline to provide guarantees if they are compelled to do so.

(2) The principle of compliance – When providing guarantees, the Company or its Subsidiaries shall comply with the laws and regulations, and act in accordance with the SSE Listing Rules, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules", together with the SSE Listing Rules, the "Listing Rules"), the Articles of Association, these measures and relevant laws and regulations, and shall be reviewed and approved by the Board of the Company and/or the general meetings.

(3) The principle of risk control – Before resolving any matters relating to external guarantees or submitting the same to the general meeting for voting, the Board of the Company shall procure a thorough understanding of the credit status of the guaranteed party and make a thorough analysis of the risks associated with the provision of such guarantees. The Company shall also adopt necessary risk control measures.

**Article 6** Subject to compliance with relevant laws and regulations, the Listing Rules, the Articles of Association and these measures, the Company or its Subsidiaries may provide guarantees to an entity that fulfills one of the following criteria:

(1) The entity is a controlling shareholder, de facto controller of the Company and their respective connected parties;

(2) The entity is a subsidiary of the Company;

(3) The entity is a stakeholding company of the Company.

**Article 7** Subject to compliance with relevant laws and regulations, the Listing Rules, the Articles of Association and these measures, the Company or its Subsidiaries may, due to business needs, also provide guarantees to other entity that fulfills one of the following criteria:

(1) It is an entity that has an important business relationship with the Company or its Subsidiaries and has a sound record of creditworthiness with banks.

(2) It is a mutual guarantee entity due to the business needs of the Company or its Subsidiaries.

**Article 8** Under special circumstances, the Company or its Subsidiaries shall take necessary risk control measures such as counter-guarantee upon provision of external guarantees, except for guarantees between the Company and its Subsidiaries and those among the Subsidiaries. The counter-guarantee can be provided in the form of full mortgage or pledge by the guaranteed party or guarantee or full mortgage or pledge by a third party. For surety guarantees provided by a third party, the guarantee agreement shall stipulate that such third party guarantor shall undertake joint liability.

For counter-guarantee by means of property mortgage or pledge, the counter guarantor shall submit an asset valuation report issued by a qualified professional asset valuer. In which, the appraised value of properties under such counter-guarantee shall exceed the amount of debts being secured by the Company.

The Company may also engage a qualified intermediary to investigate the risk tolerance of the counter guarantor and analyze the risks associated with the provision of such guarantees. The results of the analysis shall be set out in a written report.

**Article 9** The Company or its Subsidiaries shall not provide guarantees to the following applicants, if:

(1) the guarantee does not comply with the laws, regulations or industrial policies of the PRC, the Listing Rules, the Articles of Association and/or any applicable Hong Kong laws, rules and codes;

(2) the applicant enters into restructuring, custody arrangements, merger or liquidation process;

(3) the financial conditions of the applicant deteriorate or become insolvent, chaotic management or exist greater operation risk;

(4) the applicant involves in economic disputes with other enterprises and legal proceedings has been brought against the applicant, which may lead to potential liability for compensation;

(5) the applicant involves in dispute relating to guarantee with the Company or its Subsidiaries and the dispute has not been settled or the applicant fails to pay the full amount of guarantee in a timely manner;

(6) the applicant fails to ascertain any valid properties under the counter-guarantee;

(7) other circumstances under which the Board decides that a guarantee shall not be provided.

***Chapter III Approval Authority***

**Article 10** The provision of external guarantees in the following circumstances is subject to the approval of the general meeting of the Company:

(1) any guarantee provided when the aggregate amount of external guarantees of the Company and its Subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;

(2) where the aggregate amount of guarantees in any rolling 12-month period exceeds 50% of the latest audited net assets of the Company and the absolute amount of which exceeds RMB50 million;

(3) any guarantee provided when the aggregate amount of external guarantees of the Company and its Subsidiaries has reached or exceeded 30% of the latest audited total assets of the Company;

(4) where the aggregate amount of guarantees in any rolling 12-month period exceeds 30% of the latest audited total assets of the Company;

(5) any guarantee provided in favour of a party with an asset-to-liability ratio of more than 70%;

(6) the amount of a single guarantee exceeding 10% of the latest audited net asset of the Company;

(7) any guarantee provided in favour of any Shareholder, de facto controller of the Company and their respective connected parties;

(8) other guarantees required to be submitted to general meetings for consideration and approval as stipulated by other laws and regulations (including but not limited to the Listing Rules and any applicable Hong Kong laws, rules and codes) and the Articles of Association.

**Articles 11** The provision of external guarantees by the Company or its Subsidiaries shall be approved by the Board of the Company. Subject to the relevant requirements of other laws and regulations (including but not limited to the Listing Rules and any applicable Hong Kong laws, rules and codes) and the Articles of Association, upon the approval of the Board of the Company, the provision of external guarantees by the Company or its Subsidiaries may subject to consideration and approval of general meetings.

***Chapter IV Rules of Procedures***

**Article 12** The finance department of the Company is responsible for the daily management of external guarantees. The office of the Board is responsible for organizing and implementing the approval process of the Board and general meetings. For those matters which shall be reviewed by the legal department, shall submit to the legal department for prior review in accordance with the relevant provisions of the Company.

**Article 13** The provision of external guarantees by the Company and its Subsidiaries shall apply to the chief financial officer of the Company through members of the relevant operation division in writing. Upon recommendation of the chief financial officer of the Company, the application shall be submitted to the general manager meeting for preliminary review. Following the approval at the general manager meeting, the application shall be submitted to the Board of the Company and/or general meetings for approval or authorization.

**Article 14** Following the preliminary approval at the general manager meeting, the finance department of the Company will submit the external guarantee report to the secretary of the Board for consideration at the Board meeting or general meeting. The external guarantee report shall at least include the followings:

(1) whether the provision of guarantee is in compliance with relevant laws and regulations and industrial policies in the PRC, the Listing Rules, the Articles of Association and in line with the development strategy and operation needs of the Company;

(2) the business registration and bank credit rating certificate of the guaranteed party;

(3) the principle activities, financial conditions and trading status of the guaranteed party;

(4) the audit report of the guaranteed party for the latest 6 months prepared by an independent auditor;

(5) whether the guaranteed party is involved in any material litigation, arbitration and administrative punishment case which is proceeding or pending for judgment, verdict and administrative penalty;

(6) the amount, type, period, purpose and expected economic benefits of such guarantee;

(7) the source of funds of the guaranteed party for repayment of such guaranteed debts;

(8) the examination on the legal titles and the value of the properties under the counter-guarantee provided by the guaranteed party as well as the examination on the qualification of the counter guarantor and its ability to perform the guarantee;

(9) other items should be stated.

**Article 15** External guarantees to be approved by the Board shall be approved by more than half of all the directors and by resolution passed by over two-thirds of the directors present at the board meeting.

A director who is connected with any guarantees to be approved at the board meeting shall abstain from voting. The board meeting shall be attended by more than half of the unconnected directors, and resolutions adopted by the board of directors shall have more than two-thirds of the attending unconnected directors voted for such resolutions.

If the number of unconnected directors attending the Board meeting is less than three, such matter shall be put forward to the general meeting for consideration.

**Article 16** External guarantees to be approved at general meeting shall be considered and approved by the Board before submission to the general meeting. Such resolutions must be passed by valid votes representing more than half of the voting rights held by shareholders attending the meeting in favour of the resolutions.

In approving resolutions in respect of guarantees to be provided in favour of shareholders, de facto controller and their respective connected parties, such shareholders or shareholders controlled by such de facto controller shall abstain from voting. Such resolution must be passed by votes representing more than half of the voting rights held by other shareholders attending the meeting in favour of the resolution.

Resolution on guarantees provided by the Company and its Subsidiaries within a year with an aggregate cumulative guaranteed amount exceeding 30% of the latest audited total assets of the Company shall be passed by valid votes representing more than two-thirds of the voting rights held by the unconnected shareholders (including their proxies) attending the meeting in favour of the resolutions.

**Article 17** If the directors, general managers, deputy general managers, members of the senior management and other key management personnel of the Company selected by the Board violate the laws, administrative regulations, the Listing Rules, the Articles of Association and/or the provisions of these measures concerning the limits of authority and procedures of approving external guarantees, thus causing losses to the Company, they shall be liable to compensate the Company for the losses. The Company may institute legal proceedings against the above persons.

***Chapter V Administration and Control***

**Article 18** Upon approval of the external guarantees, the finance department of the Company shall procure the counter guarantor to complete the registration of the counter-guarantee, and shall keep properly the valid certificates of title for the properties under counter-guarantee and other valid certificates of title established under the counter-guarantee. The finance department shall also examine the capability of the counter guarantor in honoring such undertaking, the condition and value of the properties under counter-guarantee on a regular basis, in order to ensure the security and integrity of the properties under the counter-guarantee.

**Article 19** The signing of external guarantee contract shall strictly comply with the relevant requirements for contract management of the Company, and all relevant documents shall be given to the filing department of the Company for filing. The finance department shall inform the secretary to the Board upon signing of the contract.

**Article 20** The finance department shall be responsible for the daily management and control of external guarantee during the term of external guarantee contract. The finance department shall designate an officer to set up an account specialized for external guarantee.

The division head of the operational team shall be responsible for the follow-up and monitoring of the operational and financial conditions of the guaranteed parties, examining the operation of the guarantee and report promptly to the finance department. In case the guarantee operations would harm the interests of the Company, the members of the relevant operation division shall propose solutions to the general manager meeting to implement specific measures.

**Article 21** The finance department shall be responsible for the daily management and control of external guarantees and fill out quarterly report form recording details of the Company's external guarantees, and submit to the office of the Board.

**Article 22** Where the guaranteed party is engaged in any material litigation or arbitration or is subject to bankruptcy or liquidation that may affect its ability to perform repayment obligations, the members of the relevant operation division shall investigate into the matter and report immediately to the chief financial officer, the general managers and the chairman and inform the secretary of the Board in writing.

**Article 23** Where the guaranteed party becomes insolvent or fails to perform its obligations under the relevant contract, the Company or its subsidiaries shall perform the repayment obligations for the guaranteed party according to the terms and conditions of the guarantee contract. The Company or its subsidiaries shall thereafter take all measures required, including but not limited to legal proceedings to claim compensations from the guaranteed party. At the same time, the Company shall have the right to dispose of the properties under counter-guarantee legally and hold the counter guarantor liable for compensation, so as to minimize the economic loss of the Company.

**Article 24** Once the obligations of the external guarantees assumed by the Company are released, the finance department of the Company shall complete the registration for the release of the external guarantees accordingly and submit the relevant written materials to the office of the Board.

**Article 25** For any losses caused to listed companies by external guarantee contracts entered into by the directors, managers and other executives of the Company beyond their authority, the listed companies reserve the right to hold the relevant person accountable.

***Chapter VI Information Disclosure***

**Article 26** Upon approval of the resolutions on external guarantees by the Board and/or general meetings, the Board shall submit the relevant documents to the Shanghai Stock Exchange in a timely manner pursuant to the SSE Listing Rules and publish the same in designated newspapers. The contents to be disclosed shall include but not limited to the resolutions of the Board or the general meetings, and the following information as of information disclosure date: the total amount of guarantees provided in favour of third parties by the Company and its subsidiaries, the total amount of guarantees provided in favour of its subsidiaries by the Company, and the respective proportions of the aforementioned amounts to the Company's latest audited net assets and other appropriate disclosures as required by the Hong Kong Listing Rules.

**Article 27** If the following events arise regarding guarantees that are already disclosed, the relevant departments and officers shall inform the office of the Board for duly fulfilling the disclosure obligations in a timely manner:

(1) the guaranteed party fails to perform its repayment obligations within 15 workings day after its debts become due;

(2) the guaranteed party is subject to bankruptcy or liquidation or other conditions that its repayment ability would be adversely affected.

**Article 28** In the annual reports, the independent non-executive Directors of the Company shall make special statements on the Company's accumulated and current external guarantees as well as the compliance with the provisions of these measures and shall express an independent opinion therein.

***Chapter VII Supplementary Provisions***

**Article 29** Matters that are not covered by these measures shall be implemented according to the provisions of relevant laws and regulations, the Listing Rules, regulatory documents and the Articles of Association. If these measures are inconsistent with the laws, regulations, the Listing Rules or regulatory documents later promulgated or with the Articles of Association duly amended, the laws, regulations, the Listing Rules or regulatory documents so issued or the Articles of Association so amended shall prevail; and in such circumstances, these measures shall be modified accordingly and, after considering and approving by the Board, submitted to the general meeting of the Company for consideration and approval.

**Article 30** The Board of the Company shall be responsible for the interpretation of these measures.

**Article 31** These measures shall be submitted to the Board and then to the general meeting of the Company for consideration and approval, and shall take effect upon the A shares publicly issued by the Company being listed on the Shanghai Stock Exchange. After these measures come into effect, in case of any discrepancy between these measures and other principles of the Company, these measures shall prevail to the extent that the principles are not in conflict with Article 30 stated above.

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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**EGM**") of Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**") will be held at 9:30 a.m. on Friday, 8 March 2013 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

*Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 5 February 2013.*

## AS SPECIAL RESOLUTIONS

"**THAT**

1. Subject to the obtaining of approvals of the CSRC and other relevant regulatory authorities, the issue of A Shares by the Company and each of the following terms and conditions of the A Share Issue be approved:

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| (i) Class of shares: | A Shares |
| (ii) Nominal value: | RMB1.00 each |
| (iii) Number of A Shares proposed to be issued: | Not more than 98,710,000 A Shares.<br><br>The number of A Shares proposed to be issued shall be subject to the approval by the CSRC, and be confirmed by the Board in accordance with the authorization set out under special resolution (4) herein after considering the market conditions and other factors and consulting the lead underwriter. |

* *for identification purposes only*

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| (iv) Target persons for the issue: | Qualified participants in the price consultation process; the individuals, legal persons and other investors within the PRC which have established A share accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and administrative regulations and other regulatory requirements to which the Company is subject); and other targets persons as approved by the CSRC. |
| (v) Price determination method: | The issue price will be determined based on the results of price consultations with qualified participants in the price consultation process and the market conditions; or other price determination method as approved by the CSRC. |
| (vi) Issuing method: | By a combination of conducting offline placing inquiry to the participants in the price consultation process and share issue by way of online subscription pricing method, or other ways of issue as approved by the CSRC |
| (vii) Proposed stock exchange for listing: | Shanghai Stock Exchange |
| (viii) Arrangement for listing of A Shares: | Upon completion of the A Share Issue, all A Shares (including the existing domestic Shares and A Shares to be issued under the A Share Issue) will be applied for listing on the Shanghai Stock Exchange, and such A Shares will comply with the lock-up period requirements under the relevant laws and regulations. |
| (ix) Proposed date of listing of A Shares: | Subject to the approvals from the CSRC and Shanghai Stock Exchange, the date of listing shall be determined by the Board after consultation with the lead underwriter and other regulatory authorities. |

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| (x) Plan of distribution of accumulated undistributed profits before the A Share Issue: | The accumulated undistributed profits of the Company prior to the completion of the A Share Issue shall be entitled to all new and existing Shareholders in proportion to their respective shareholdings after the A Share Issue. |
| (xi) Rights attaching to the A Shares: | The A Shares, unless otherwise provided by applicable laws, regulations, the Listing Rules and other regulatory documents, shall carry the same rights as the Company's existing domestic Shares and H Shares. |
| (xii) Transfer of state-owned Shares: | According to the "Partial Transfer of State-owned Shares to the National Social Security Fund in the Domestic Securities Market Implementation Measures" (Cai Qi [2009] No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)), the state-owned Shareholders of the Company shall transfer part of their holding of state-owned Shares to the extent of 10% of the actual amount of shares issued under the A Share Issue of the Company to the National Council for Social Security Fund (NCSSF) (全國社會保障基金理事會) in accordance with relevant state regulations. |
| (xiii) Validity period of this resolution: | This special resolution shall be effective for a period of 12 months from the date of approval by the EGM and the Class Meetings. |

2. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, after deducting the expenses incurred in the proposed A Share Issue, the use of the proceeds obtained from the proposed A Share Issue in financing the following projects with an estimated total investment amount of approximately RMB1,418,000,000 be approved:

   (a) Service platform of education cloud project (教學雲服務平台項目) with an estimated total investment amount of RMB420,000,000, out of which RMB400,000,000 is intended to be funded by the proceeds from the A Share Issue;

(b) Retail shops upgrading and expansion project (零售門店升級拓展項目) with an estimated total investment amount of RMB200,000,000, out of which RMB180,000,000 is intended to be funded by the proceeds from the A Share Issue;

(c) Logistics network construction project in Western China (西部物流網絡建設項目) with an estimated total investment amount of RMB598,000,000, out of which RMB400,000,000 is intended to be funded by the proceeds from the A Share Issue;

(d) Enterprise resource planning system construction and upgrading project (ERP建設升級項目) with an estimated total investment amount of RMB150,000,000 which is intended to be funded entirely by the proceeds from the A Share Issue; and

(e) Chinese cultural revival publication project (中華文化復興出版工程項目) with an estimated total investment amount of RMB50,000,000 which is intended to be funded entirely by the proceeds from the A Share Issue.

Prior to receiving the proceeds from the proposed A Share Issue, the Company may pay the relevant investment amount by self-financing based on the actual payment schedule of the abovestated projects. Upon receipt of the proceeds from the proposed A Share Issue, the Company shall repay the said self-financing amount previously made with part of the proceeds.

In case that the proceeds from the proposed A Share Issue (after deducting the expenses incurred in the A Share Issue) are insufficient for funding the abovestated projects, the Company shall arrange the use of the proceeds in accordance with the importance and urgency of the abovestated projects, and shall pay the outstanding balance by its own funds or through debt financing. In case there is a surplus after applying the proceeds from the proposed A Share Issue to the abovestated projects and deducting the expenses incurred in the A Share Issue, such surplus shall be use for the current capital of the Company or repayment of the Company's bank loan in accordance with the relevant rules.

3. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the Dividends Distribution Plan set out as follows:

**The Dividends Distribution Plan**

*(i) Conditions and proportion for cash dividend distribution*

Save in exceptional circumstances, the Company should make a cash distribution proposal if the distributable profit for the year is positive. Save in exceptional circumstances, the Company should annually distribute not less than 30% of the distributable profit for the year as cash dividend.

Exceptional circumstances refer to the Company's participation in any project which involves significant investment or cash expenditures that requires to obtain approval in the Shareholders' meeting according to relevant laws and the Articles of Association (except for fund-raising projects).

*(ii) Conditions for stock dividend distribution*

Subject to the relevant laws and regulations and the Articles of Association, the Company may make a stock dividend distribution proposal if (a) the Company is operating in good condition; (b) the Board is in the opinion that price of the Share does not match with the scale of Company's capital and the distribution of stock dividend is in the interest of the Shareholders as a whole and the abovesaid conditions for cash dividend distribution are fulfilled. The independent non-executive Directors shall express independent opinions on the stock dividend distribution proposal raised by the Board.

*(iii) The formulation of the profit distribution proposal*

The profit distribution proposal shall be formulated and considered by the Board and approved in the Shareholders' meeting. During the course of formulating the profit distribution proposal, the Board should consider the opinions of the independent non-executive Directors, the supervisory committee and the Shareholders (especially minority Shareholders) by communicating with such Shareholders through various channels (including but not limited to telephone, fax, email, face-to-face communication and inviting the minority Shareholders to participate in the meetings, etc.).

If the conditions for cash dividend distribution are fulfilled and the Company has not distributed cash dividend for any exceptional circumstances, the Board shall explain the reasons of non-distribution, the actual use of the retained profit and the expected profit from any investment. After the independent non-executive Directors have expressed their opinions and being approved in the Shareholders' meeting, the Board shall disclose such explanation in designated media.

*(iv) The Dividends Distribution Plan for the next 3 years*

The next 3 years are an important period for the Company to implement its objectives of striding development. Save in exceptional circumstances, the Company shall distribute cash dividends of not less than 30% of the distributable profit for the year to the Shareholders annually. Provided that there is sufficient cash for dividend distribution, the Company may otherwise propose stock dividend distribution.

**Adjustment to the Dividends Distribution Plan**

The Company shall review the Dividends Distribution Plan at least every three years, make appropriate and necessary amendments to the existing dividend distribution policy and confirm the Shareholders' return plan for the relevant period.

The Dividends Distribution Plan shall be proposed by the Board and approved in the Shareholders' meeting. The independent Directors shall review the Dividends Distribution Plan and express independent opinions. The supervisory committee of the Company shall review the Dividends Distribution Plan and express review opinions.

**Effectiveness of the Dividends Distribution Plan**

The effectiveness of the Dividends Distribution Plan is subject to the approval by the Shareholders at the EGM and the completion of the proposed A Share Issue.

4. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings, the Board be authorized to process the A Share Issue and the related matters in accordance with the relevant requirements of the CSRC, Hong Kong Stock Exchange and Shanghai Stock Exchange. The authorization proposed to be granted to the Board shall include but not limited to the followings:

   (i) To adjust and determine the matters relating to the listing of the A Shares in accordance with the relevant rules and the actual conditions of the securities market within the ambit granted by the Shareholders at the EGM, which include but not limited to the number of A Shares to be issued, target person for the issue, issuing method, issuing price and the timing of commencing and terminating the issue;

   (ii) Subject to the actual situation of the investment projects before the listing of the A Shares and the approvals from the competent authorities, to carry out necessary and appropriate adjustments to the projects which intended to be invested by the proceeds from the A Share Issue and approved by the Shareholders at the EGM, which include but not limited to the projects proposed to be invested, the investment amount, implementation plans and implementation methods;

   (iii) To implement all procedures relating to the listing of the A Shares, which include the application of the A Share Issue to CSRC and/or other competent authorities, the signing of the relevant documents which include but not limited to the prospectus of the A Shares and other relevant documents;

   (iv) To engage the listing intermediates and other professional parties, determine their respective engagement fees and entered into the agreements relating to the A Share Issue on behalf of the Company which include the underwriting agreement and sponsor agreement;

(v) To amend the Articles of Association, the Rules of Procedure, the Internal Rules and the New Internal Rules of the Company subject to the completion of the A Share Issue, the results of the A Share Issue and the requirements of the relevant competent government authorities and to deal with the relevant procedures for registration of changes and filing of the Articles of Association, the registered capital and other issues with relevant authorities;

(vi) To apply and deal with the procedures for registration of changes with the registration authority and deal with the procedures for registration, settlement and lock-up with the share registration and clearing authority of the Company subject to the results of the A Share Issue;

(vii) Other matters relating to the A Share Issue; and

(viii) To delegate the above authorizations to authorised Director(s).

The authorization granted under this special resolution shall be effective for a period of 12 months from the date of approval by the EGM.

5. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the proposed amendments to the Articles of Association (details of which will be set out in the circular of the Company to be despatched to the Shareholders), and to authorize the Board to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as he may deem necessary or expedient and in the interest of the Company in order to effect the proposed amendments, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC regulatory authorities, and to deal with other related issues arising from the amendments to the Articles of Association.

6. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the proposed amendments to the general meeting rules (details of which will be set out in the circular of the Company to be despatched to the Shareholders), and to authorize the Board to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as he may deem necessary or expedient and in the interest of the Company in order to effect the proposed amendments, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC regulatory authorities, and to deal with other related issues arising from the amendments to the general meeting rules.

7. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the proposed amendments to the board meeting rules (details of which will be set out in the circular of the Company to be despatched to the Shareholders), and to authorize the Board to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as he may deem necessary or expedient and in the interest of the Company in order to effect the proposed amendments, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC regulatory authorities, and to deal with other related issues arising from the amendments to the board meeting rules.

8. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the proposed amendments to the supervisory committee meeting rules (details of which will be set out in the circular of the Company to be despatched to the Shareholders), and to authorize the Board to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as he may deem necessary or expedient and in the interest of the Company in order to effect the proposed amendments, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC regulatory authorities, and to deal with other related issues arising from the amendments to the supervisory committee meeting rules."

**AS ORDINARY RESOLUTIONS**

"**THAT**

9. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the proposed amendments to the connected transaction system (details of which will be set out in the circular of the Company to be despatched to the Shareholders), and to authorize the Board to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as he may deem necessary or expedient and in the interest of the Company in order to effect the proposed amendments, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC regulatory authorities, and to deal with other related issues arising from the amendments to the connected transaction system.

10. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the adoption of the working system of the independent Directors (details of which will be set out in the circular of the Company to be despatched to the Shareholders), and to authorize the Board to modify the wordings of the working system of the independent Directors as appropriate (such modifications will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as he may deem necessary or expedient and in the interest of the Company in order to effect the adoption, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC regulatory authorities, and to deal with other related issues arising from the adoption of the working system of the independent Directors.

11. Subject to the passing of the abovestated special resolution (1) at the EGM and the Class Meetings and conditional upon the completion of the A Share Issue, to approve and confirm the adoption of the management approach for external guarantees (details of which will be set out in the circular of the Company to be despatched to the Shareholders), and to authorize the Board to modify the wordings of the management approach for external guarantees as appropriate (such modifications will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as he may deem necessary or expedient and in the interest of the Company in order to effect the adoption, comply with the changes in the PRC laws and regulations, and satisfy the requirements (if any) of the relevant PRC regulatory authorities, and to deal with other related issues arising from the adoption of the management approach for external guarantees."

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

Sichuan, the PRC, 5 February 2013

*Notes:*

1. The register of members of the Company will be closed from 6 February 2013 to 8 March 2013 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares of the Company) or the head office in the PRC of the Company (for holders of domestic shares of the Company), no later than 4:30 p.m. on 5 February 2013.

2. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.

3. In order to be valid, the proxy form must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the head office in the PRC of the Company not less than 24 hours before the time for holding the EGM or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM or any adjourned meetings should you so wish.

4. Shareholders or their proxies shall produce their identity documents when attending the EGM.

5. Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H shares of the Company) or to the head office in the PRC of the Company (for holders of the domestic shares of the Company) on or before 15 February 2013.

6. The EGM is expected to take one hour. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.

7. The head office in the PRC of the Company is as follows: No. 6 Wenxuan Road Shang Mao Avenue, Cheng Bei Chengdu, Sichuan 610081, The PRC.

*As at the date of this notice, the board of directors of the Company comprises (a) Mr. Gong Cimin and Mr. Luo Yong as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Chengxing and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Chan Yuk Tong, Mr. Han Xiaoming and Mr. Han Liyan as independent non-executive Directors.*

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)**

## NOTICE OF DOMESTIC SHARES CLASS MEETING

**NOTICE IS HEREBY GIVEN** that a class meeting (the "**Domestic Shares Class Meeting**") for holders of domestic shares ("**Domestic Shares**") of Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**") will be held at 10:30 a.m. (or immediately after the EGM) on Friday, 8 March 2013 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

*Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 5 February 2013.*

**AS SPECIAL RESOLUTIONS**

"**THAT**

1. Subject to the obtaining of approvals of the CSRC and other relevant regulatory authorities, the issue of A Shares by the Company and each of the following terms and conditions of the A Share Issue be approved:

| | | |
|---|---|---|
| (i) | Class of shares: | A Shares |
| (ii) | Nominal value: | RMB1.00 each |
| (iii) | Number of A Shares proposed to be issued: | Not more than 98,710,000 A Shares.<br><br>The number of A Shares proposed to be issued shall be subject to the approval by the CSRC, and be confirmed by the Board in accordance with the authorization to be granted at the EGM after considering the market conditions and other factors and consulting the lead underwriter. |

* *for identification purposes only*

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| (iv) Target persons for the issue: | Qualified participants in the price consultation process; the individuals, legal persons and other investors within the PRC which have established A share accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and administrative regulations and other regulatory requirements to which the Company is subject); and other targets persons as approved by the CSRC. |
| (v) Price determination method: | The issue price will be determined based on the results of price consultations with qualified participants in the price consultation process and the market conditions; or other price determination method as approved by the CSRC. |
| (vi) Issuing method: | By a combination of conducting offline placing inquiry to the participants in the price consultation process and share issue by way of online subscription pricing method, or other ways of issue method as approved by the CSRC |
| (vii) Proposed stock exchange for listing: | Shanghai Stock Exchange |
| (viii) Arrangement for listing of A Shares: | Upon completion of the A Share Issue, all A Shares (including the existing domestic Shares and A Shares to be issued under the A Share Issue) will be applied for listing on the Shanghai Stock Exchange, and such A Shares will comply with the lock-up period requirements under the the relevant laws and regulations. |
| (ix) Proposed date of listing of A Shares: | Subject to the approvals from the CSRC and Shanghai Stock Exchange, the date of listing shall be determined by the Board after consultation with the lead underwriter and other regulatory authorities. |
| (x) Plan of distribution of accumulated undistributed profits before the A Share Issue: | The accumulated undistributed profits of the Company prior to the completion of the A Share Issue shall be entitled to all new and existing Shareholders in proportion to their respective shareholdings after the A Share Issue. |

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| (xi) Rights attaching to the A Shares: | The A shares, unless otherwise provided by applicable laws, regulations, the Listing Rules and other regulatory documents, shall carry the same rights as the Company's existing domestic Shares and H Shares. |
| (xii) Transfer of state-owned Shares: | According to the "Partial Transfer of State-owned Shares to the National Social Security Fund in the Domestic Securities Market Implementation Measures" (Cai Qi [2009] No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)), the state-owned Shareholders of the Company shall transfer part of their holding of state-owned Shares to the extent of 10% of the actual amount of shares issued under the A Share Issue of the Company to the National Council for Social Security Fund (NCSSF) (全國社會保障基金理事會) in accordance with relevant state regulations. |
| (xiii) Validity period of this resolution: | This special resolution shall be effective for a period of 12 months from the date of approval by the EGM and the Class Meetings." |

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

Sichuan, the PRC, 5 February 2013

*Notes:*

1. The register of members of the Company will be closed from 6 February 2013 to 8 March 2013 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the Domestic Shares Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the head office in the PRC of the Company no later than 4:30 p.m. on 5 February 2013.

2. Shareholders who are entitled to attend and vote at the Domestic Shares Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.

3. In order to be valid, the proxy form must be deposited by hand or post to the head office in the PRC of the Company not less than 24 hours before the time for holding the Domestic Shares Class Meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the Domestic Shares Class Meeting or any adjourned meetings should you so wish.

4. Shareholders or their proxies shall produce their identity documents when attending the Domestic Shares Class Meeting.

5. Shareholders who intend to attend the Domestic Shares Class Meeting should complete the reply slip and return it by hand or by post to the head office in the PRC of the Company on or before 15 February 2013.

6. The Domestic Shares Class Meeting is expected to take 30 minutes. Shareholders attending the Domestic Shares Class Meeting shall be responsible for their own travel and accommodation expenses.

7. The head office in the PRC of the Company is as follows: No. 6 Wenxuan Road Shang Mao Avenue, Cheng Bei Chengdu, Sichuan 610081, The PRC.

*As at the date of this notice, the board of directors of the Company comprises (a) Mr. Gong Cimin and Mr. Luo Yong as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Chengxing and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Chan Yuk Tong, Mr. Han Xiaoming and Mr. Han Liyan as independent non-executive Directors.*

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

## NOTICE OF H SHARES CLASS MEETING

**NOTICE IS HEREBY GIVEN** that a class meeting (the "**H Shares Class Meeting**") for holders of H Shares ("**H Shares**") of Xinhua Winshare Publishing and Media Co., Ltd.* (the "**Company**") will be held at 11:00 a.m. (or immediately after the Domestic Shares Class Meeting) on Friday, 8 March 2013 at Sichuan Xinhua International Hotel, No. 8 Guzhongshi Street, Chengdu, Sichuan, the PRC for the purpose of considering and, if thought fit, passing the following resolutions:

*Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 5 February 2013.*

### AS SPECIAL RESOLUTIONS

"**THAT**

1. Subject to the obtaining of approvals of the CSRC and other relevant regulatory authorities, the issue of A Shares by the Company and each of the following terms and conditions of the A Share Issue be approved:

| | | |
|---|---|---|
| (i) | Class of shares: | A Shares |
| (ii) | Nominal value: | RMB1.00 each |
| (iii) | Number of A Shares proposed to be issued: | Not more than 98,710,000 A Shares.<br><br>The number of A Shares proposed to be issued shall be subject to the approval by the CSRC, and be confirmed by the Board in accordance with the authorization to be granted at the EGM after considering the market conditions and other factors and consulting the lead underwriter. |

* *for identification purposes only*

| | |
|---|---|
| (iv) Target persons for the issue: | Qualified participants in the price consultation process; the individuals, legal persons and other investors within the PRC which have established A share accounts with China Securities Depository and Clearing Corporation Limited Shanghai Branch (except those prohibited by the PRC laws and administrative regulations and other regulatory requirements to which the Company is subject); and other targets persons as approved by the CSRC. |
| (v) Price determination method: | The issue price will be determined based on the results of price consultations with qualified participants in the price consultation process and the market conditions; or other price determination method as approved by the CSRC. |
| (vi) Issuing method: | By a combination of conducting offline placing inquiry to the participants in the price consultation process and share issue by way of online subscription pricing method, or other ways of issue method as approved by the CSRC |
| (vii) Proposed stock exchange for listing: | Shanghai Stock Exchange |
| (viii) Arrangement for listing of A Shares: | Upon completion of the A Share Issue, all A Shares (including the existing domestic Shares and A Shares to be issued under the A Share Issue) will be applied for listing on the Shanghai Stock Exchange, and such A Shares will comply with the lock-up period requirements under the the relevant laws and regulations. |
| (ix) Proposed date of listing of A Shares: | Subject to the approvals from the CSRC and Shanghai Stock Exchange, the date of listing shall be determined by the Board after consultation with the lead underwriter and other regulatory authorities. |
| (x) Plan of distribution of accumulated undistributed profits before the A Share Issue: | The accumulated undistributed profits of the Company prior to the completion of the A Share Issue shall be entitled to all new and existing Shareholders in proportion to their respective shareholdings after the A Share Issue. |

| | |
|---|---|
| (xi) Rights attaching to the A Shares: | The A shares, unless otherwise provided by applicable laws, regulations, the Listing Rules and other regulatory documents, shall carry the same rights as the Company's existing domestic Shares and H Shares. |
| (xii) Transfer of state-owned Shares: | According to the "Partial Transfer of State-owned Shares to the National Social Security Fund in the Domestic Securities Market Implementation Measures" (Cai Qi [2009] No. 94) (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》(財企[2009]94號)), the state-owned Shareholders of the Company shall transfer part of their holding of state-owned Shares to the extent of 10% of the actual amount of shares issued under the A Share Issue of the Company to the National Council for Social Security Fund (NCSSF) (全國社會保障基金理事會) in accordance with relevant state regulations. |
| (xiii) Validity period of this resolution: | This special resolution shall be effective for a period of 12 months from the date of approval by the EGM and the Class Meetings." |

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

Sichuan, the PRC, 5 February 2013

*Notes:*

1. The register of members of the Company will be closed from 6 February 2013 to 8 March 2013 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the H Shares Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 5 February 2013.

2. Shareholders who are entitled to attend and vote at the H Shares Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.

3. In order to be valid, the proxy form must be deposited by hand or post to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time for holding the H Shares Class Meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the H Shares Class Meeting or any adjourned meetings should you so wish.

4. Shareholders or their proxies shall produce their identity documents when attending the H Shares Class Meeting.

5. Shareholders who intend to attend the H Shares Class Meeting should complete the reply slip and return it by hand or by post to the H share registrar of the Company on or before 15 February 2013.

6. The H Shares Class Meeting is expected to take 30 minutes. Shareholders attending the H Shares Class Meeting shall be responsible for their own travel and accommodation expenses.

*As at the date of this notice, the board of directors of the Company comprises (a) Mr. Gong Cimin, and Mr. Luo Yong as executive Directors; (b) Mr. Luo Jun, Mr. Zhang Chengxing and Mr. Zhao Junhuai as non-executive Directors; and (c) Mr. Chan Yuk Tong, Mr. Han Xiaoming and Mr. Han Liyan as independent non-executive Directors.*