

Amendments to the Articles of Association of the Company

Pursuant to the issuance or amendment of *Guideline No. 3 – Issuance of Cash Dividends by Listed Companies* promulgated by CSRC (《上市公司监管指引第3号—上市公司现金分红》), *Guideline for the Issuance of Cash Dividends by Listed Companies* promulgated by the SSE (《上市公司现金分红指引》), *Rules Governing the Shareholders’ Meetings of the Listed Companies* as amended by CSRC in 2014 (《上市公司股东大会规则》), *Rules Governing the Listing of Securities on the Shanghai Stock Exchange*, (《上海证券交易所股票上市规则》), and other relevant laws and regulations, the following amendments are hereby proposed to be made to Articles 67, 86 and 219 of the Articles of Association.

1. Proposed amendment to Article 67

The original Article 67 (concerning the conduct of general meetings of the company) is set out below:

“General Meetings comprise annual General Meetings or extraordinary General Meetings. General Meetings are convened by the Board of Directors. An annual General Meeting shall be convened once a year and within a period not later than 6 months from the date of the last financial year or 15 months from the last preceding annual General Meeting, whichever is shorter.

The Board of Directors shall determine the date and venue of General Meetings.

The Board of Directors shall, within 2 months from the occurrence of any of the following events, convene an extraordinary General Meeting:

- (i) the number of Directors is fewer than that required by the Company Law or less than two-third of the requisite number required under these Articles;*
- (ii) the losses of the Company that have not been made up equals to one-third of its aggregate share capital;*
- (iii) Shareholders holding 10% or more of the voting shares issued by the Company make a requisition in writing to convene an extraordinary General Meeting;*
- (iv) such other meeting as the Board of Directors may think fit to convene or as may be requisitioned by the Supervisory Committee.”*

The revised Article 67 is set out below (with amendments in bold):

“General Meetings comprise annual General Meetings or extraordinary General Meetings. General Meetings are convened by the Board of Directors. An annual General Meeting shall be convened once a year and within a period not later than 6 months from the date of the last financial year or 15 months from the last preceding annual General Meeting, whichever is shorter.

The Board of Directors shall determine the date and venue of General Meetings.

The venue of the General Meetings shall be at the place of domicile of the Company, or determined in accordance with the Articles of Association.

General Meetings shall be held at an appropriate venue for a live meeting. Pursuant to the applicable laws, regulations and rules of the China Securities Regulatory Commission or the Articles of Association, the Company shall also provide safe, economic and convenient forms of

participation to Shareholders via the Internet or alternative forms. If Shareholders attend a General Meeting via the alternative forms provided, they are regarded as having attended the meeting.

A Shareholder may personally attend a General Meeting to vote, or he may appoint a proxy to vote on his behalf.

The Board of Directors shall, within 2 months from the occurrence of any of the following events, convene an extraordinary General Meeting:

- (i) the number of Directors is fewer than that required by the Company Law or less than two-third of the requisite number required under these Articles;
- (ii) the losses of the Company that have not been made up equals to one-third of its aggregate share capital;
- (iii) Shareholders holding 10% or more of the voting shares issued by the Company make a requisition in writing to convene an extraordinary General Meeting;
- (iv) such other meeting as the Board of Directors may think fit to convene or as may be requisitioned by the Supervisory Committee.”

2. Proposed Amendment to Article 86

The original Article 86 (concerning the conduct of general meetings of the company) is set out below:

“At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or after the declaration of the result of the show of hands) demanded by:

- (i) the Chairman of the meeting;
- (ii) not less than 2 Shareholders present in person or by proxy and entitled to vote;
- (iii) one or several Shareholders present in person or by proxy and representing ten percent or more of the total voting rights of the shares having the right to vote at the meeting.

Unless a poll is required, a declaration by the Chairman of the meeting in accordance with the results of a show of hands that a resolution has been carried by a show of hands, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

A demand for a poll may be withdrawn by the person demanding the poll.”

The revised Article 86 is set out below (with amendments in bold):

“The Company should put all the General Meetings’ resolutions to vote by poll.”

3. Proposed Amendment to Article 219

The original Article 219 (concerning the profit distribution of the company) is set out below:

“The Company’s policies in connection with profit distribution are as follows:-

- (1) General Principles for Profit Distribution: The Company shall place great emphasis on giving reasonable returns to the Shareholders while taking into consideration the sustainable development of the Group, and provide reasonable return on investments to the Shareholders. In addition, the Company’s policy of profit distribution shall be stable and continuous. The Company should take into account (i) the general operational results of the Group and the market conditions, (ii) interests of the Shareholders, and (iii) relevant requirements under the laws and regulations of the People’s Republic of China (“PRC”) and implement reasonable profit distribution policies.*
- (2) Profit Distribution Methods: The Company can distribute profits to Shareholders in form of cash, shares, a combination of cash and shares and/or any other methods as permitted under the laws and regulations of the PRC and in compliance with SGX-ST Listing Rules. Subject to the operational results of the Group, the Company is allowed to distribute interim dividends.*
- (3) Conditions for Distributing Profits through Cash Dividends:
 - (a) The Company has achieved a net profit of not less than RMB0.05 per share for the relevant financial year or half financial year;*
 - (b) The Company’s distributable profits for the relevant financial year (after offsetting any losses and deducting the appropriations of the statutory surplus reserve and general reserve) are positive;*
 - (c) The Company’s net cash flows and cash flow from operations are positive;*
 - (d) For the year of profit distribution, the auditors of the Company have issued an audit report without any qualifications;*
 - (e) The Company does not have any Major Investment Plan and/or expected Major Cash Outflow in the subsequent twelve (12) months.**

For the purpose of this Article,

“Major Investment Plan” and/or “Major Cash Outflow” means (i) any major investments in companies, (ii) acquisition of assets and/or major equipments, (iii) and/or any expected cash outflow, during the subsequent twelve (12) months, which in aggregate, equal to or exceed 5% of the latest audited net tangible assets of the Group.

- (4) Policies for Distributing Cash Dividends
 - (a) The Company should ensure the consistency and stability of the profit distribution policies. In principle, the annual profits distributed by the Company shall not be less than 15% of (i) the Company’s net cash flow from operations in the relevant financial year, or (ii) the Group’s distributable profits for the relevant financial year, whichever is lower. The detailed percentage shall be determined and recommended by the Board, and approved by the Shareholders in general meeting.**

- (b) *If the Company intends to issue securities to the public in accordance with the "Regulations for the Administration of the Issuance of Securities by Listed Companies" (《上市公司证券发行管理办法》), its aggregate distributed cash dividends in the last three years must not be less than 30% of the average distributable profits in the last three years.*
- (c) *Any undistributed distributable profits for the relevant financial year can be distributed to Shareholders in the following financial years.*
- (d) *The aggregated distributed profits shall not be more than the aggregated distributable profits, and shall not jeopardize the sustainable development of the Group.*

(5) *Timing for Distributing Cash Dividends*

Subject to the general principles for profit distribution and the above conditions for distribution profits through declaring cash dividends, the Company in-principle shall distribute profits to Shareholders once a year, provided always that such distribution of profits shall not jeopardize the ordinary operation and sustainable development of the Group. Subject to the operational results and funding requirements of the Group, the Company can declare interim dividend where necessary.

(6) *Conditions for Distributing Profits through Share Dividend*

In the event that the Board is of the view that the Company's share capital does not match its asset and operation scale, and subject to the fulfilment of the above conditions for distribution profits through declaring cash dividends, the Company is entitled to distribute profits through declaring share dividends. The detailed percentage of entitlement shall be decided and recommended by the Board, and approved by Shareholders in general meeting.

(7) *Procedures for Scheme of Profit Distribution*

- (a) *After taking into consideration (i) the operational and financial results, and the funding requirements of the Group, (ii) the policies and requirements under this Article, and (iii) scheme on return of investment to Shareholders, the Board shall discuss, approve and recommend the scheme of profit distribution of the Company on an annual basis, and submit the same for Shareholders' approval in general meeting. During the discussion of the scheme of profit distribution of the Company, the Board should consider and decide on the timing and conditions of declaring cash dividends, as well as the minimum percentage of entitlement. The Company's independent directors shall express their independent opinions in relation to any scheme of profit distribution of the Company.*
- (b) *In the event that the Company records a profit in the relevant financial year but no scheme of profit distribution was recommended by the Board, the Board shall explain the reasons for not recommending any scheme of profit distribution in the Company's annual report and the usage of such profits. The independent directors of the Company shall provide and disclose their independent opinions in relation to such arrangement.*
- (c) *The board of supervisors shall supervise the execution of the profit distribution policies and the status in connection with return on investment to the Shareholders by the management of the Company and the Board.*

(8) *Amendment, Modification and Supplement of Profit Distribution Policies*

- (a) *Any profit distribution policies and/or amendment, modification and supplement to the profit distribution policies shall comply with the relevant rules and regulations promulgated by CSRS, the Shanghai Stock Exchange and the Singapore Exchange Securities Trading Limited, and shall be discussed and approved by the Board after taking into consideration the interests of the Shareholders and the principle of fully protecting Shareholders' interests and providing stable return on investment to the Shareholders. The independent directors should provide their independent opinions in relation to such profit distribution policies and/or amendment, modification and supplement to the profit distribution policies.*
- (b) *Any profit distribution policy and/or amendment, modification and/or supplement to the profit distribution policies must be approved as special resolution by the Shareholders of the Company. The Company shall uphold and protect the rights of the public Shareholders in attending the general meeting for considering and approving the proposed profit distribution policy. Shareholders are entitled to communicate their queries, comments, opinions in connection with the proposed profit distribution policy with the Company prior to the general meeting, either via telephone, facsimile, Company website, public mailbox or reception office of the Company for the purpose of considering and approving the proposed profit distribution policy, and the Company shall actively communicate with, and respond to, the Shareholders (especially the minority Shareholders).*

(9) *Protection to the Shareholders' interests*

- (a) *The Board and the Shareholders shall take into full consideration the opinions of the Company's independent directors and public Shareholders. Shareholders are entitled to communicate their queries, comments, opinions in connection with the proposed profit distribution policy with the Company prior to the general meeting, either via telephone, facsimile, Company website, public mailbox or reception office of the Company for the purpose of considering and approving the proposed profit distribution policy, and the Company shall actively communicate with, and respond to, the Shareholders (especially the minority Shareholders)*
- (b) *In the event that any independent director has a different opinion in relation to any scheme of profit distribution, he should disclose the same to the public and such independent director is entitled to invite minority/public A-Share Shareholders to appoint him as the proxy to vote on the relevant scheme of profit distribution via internet. For the avoidance of doubt, only A-Share Shareholders are entitled to vote via an internet voting system established by the Shanghai Stock Exchange.*
- (c) *In the case that a Shareholder of the Company mis-uses the Company's fund unlawfully, the Company shall have the right to deduct the cash dividends payable to that Shareholder to compensate for the unlawfully mis-used funds."*

The revised Article 219 is set out below (with amendments in bold):

“The Company’s policies in connection with profit distribution are as follows:-

- (1) *General Principles for Profit Distribution: The Company shall place great emphasis on giving reasonable returns to the Shareholders while taking into consideration the sustainable development of the Group, and provide reasonable return on investments to the Shareholders. In addition, the Company’s policy of profit distribution shall be stable and continuous. The Company should take into account (i) the general operational results of the Group and the market conditions, (ii) interests of the Shareholders, and (iii) relevant requirements under the laws and regulations of the People’s Republic of China (“PRC”) and implement reasonable profit distribution policies.*
- (2) *Profit Distribution Methods: The Company can distribute profits to Shareholders in form of cash, shares, a combination of cash and shares and/or any other methods as permitted under the laws and regulations of the PRC and in compliance with SGX-ST Listing Rules. **If the conditions for distributing profits through cash dividends are met, then the Company shall distribute profits through cash dividends.** Subject to the operational results of the Group, the Company is allowed to distribute interim dividends.*
- (3) *Conditions for Distributing Profits through Cash Dividends:*
 - (a) *The Company has achieved a net profit of not less than RMB0.05 per share for the relevant financial year or half financial year;*
 - (b) *The Company’s distributable profits for the relevant financial year (after offsetting any losses and deducting the appropriations of the statutory surplus reserve and general reserve) are positive;*
 - (c) *The Company’s net cash flows and cash flow from operations are positive;*
 - (d) *For the year of profit distribution, the auditors of the Company have issued an audit report without any qualifications;*
 - (e) *The Company does not have any Major Investment Plan and/or expected Major Cash Outflow in the subsequent twelve (12) months.*

For the purpose of this Article,

“Major Investment Plan” and/or “Major Cash Outflow” means (i) any major investments in companies, (ii) acquisition of assets and/or major equipments, (iii) and/or any expected cash outflow, during the subsequent twelve (12) months, which in aggregate, equal to or exceed 5% of the latest audited net tangible assets of the Group.

- (4) *Policies for Distributing Cash Dividends*
 - (a) *The Company should ensure the consistency and stability of the profit distribution policies. In principle, the annual profits distributed by the Company shall not be less than 15% of (i) the Company’s net cash flow from operations in the relevant financial year, or (ii) the Group’s distributable profits for the relevant financial year, whichever is lower. **If the conditions for distributing profits through cash dividends are met, then the Company shall distribute profits through cash dividends.** The detailed percentage shall be determined and recommended by the Board, and approved by the Shareholders in general meeting.*

- (b) *If the Company intends to issue securities to the public in accordance with the "Regulations for the Administration of the Issuance of Securities by Listed Companies" (《上市公司证券发行管理办法》), its aggregate distributed cash dividends in the last three years must not be less than 30% of the average distributable profits in the last three years.*
- (c) *Any undistributed distributable profits for the relevant financial year can be distributed to Shareholders in the following financial years.*
- (d) *The aggregated distributed profits shall not be more than the aggregated distributable profits, and shall not jeopardize the sustainable development of the Group.*

(5) *Timing for Distributing Cash Dividends*

Subject to the general principles for profit distribution and the above conditions for distribution profits through declaring cash dividends, the Company in-principle shall distribute profits to Shareholders once a year, provided always that such distribution of profits shall not jeopardize the ordinary operation and sustainable development of the Group. Subject to the operational results and funding requirements of the Group, the Company can declare interim dividend where necessary.

(6) *Conditions for Distributing Profits through Share Dividend*

In the event that the Board is of the view that the Company's share capital does not match its asset and operation scale, and subject to the fulfilment of the above conditions for distribution profits through declaring cash dividends, the Company is entitled to distribute profits through declaring share dividends. The detailed percentage of entitlement shall be decided and recommended by the Board, and approved by Shareholders in general meeting.

(7) *Procedures for Scheme of Profit Distribution*

- (a) *After taking into consideration (i) the operational and financial results, and the funding requirements of the Group, (ii) the policies and requirements under this Article, and (iii) scheme on return of investment to Shareholders, the Board shall discuss, approve and recommend the scheme of profit distribution of the Company on an annual basis, and submit the same for Shareholders' approval in general meeting. During the discussion of the scheme of profit distribution of the Company, the Board should consider and decide on the timing and conditions of declaring cash dividends, as well as the minimum percentage of entitlement. The Company's independent directors shall express their independent opinions in relation to any scheme of profit distribution of the Company. **The Company shall strengthen its considerations on providing investment returns to the Shareholders. Every 3 years, the Company shall draft a scheme on return of investment to Shareholders, specifying the relevant arrangements and forms of the profit distribution, and the intervals between any cash distributions, to be implemented for the next 3 years. The scheme on return of investment to Shareholders shall be drafted after considering (i) the operational and financial results; (ii) the funding requirements of the Company; (iii) development targets; and (iv) provision of a reasonable return of investment to Shareholders.***

The Board shall also consider the characteristics of the industry, the stage of development, business model and profitability of the Company, as well as additional factors such as whether there are any planned major expenditures, to determine if one of the following exceptions apply, such that the Company may propose cash dividends that differ from the scheme on return of investment to Shareholders:

- (i) If the Company is at a mature stage of development and there are no planned major expenditures, the cash dividends distribution shall not be less than or equal to 80% of the total profit distribution.**
- (ii) If the Company is at a mature stage of development and there are planned major expenditures, the cash dividends distribution shall not be less than or equal to 40% of the total profit distribution.**
- (iii) If the Company is at an immature stage of development and there are planned major expenditures, the cash dividends distribution shall not be less than or equal to 20% of the total profit distribution.**

If it is difficult to distinguish the Company's current development stage, but there are planned major expenditures, the Board may consider the profit distribution percentage set out in part (iii) above.

- (b) In the event that the Company records a profit in the relevant financial year but no scheme of profit distribution was recommended by the Board, the Board shall explain the reasons for not recommending any scheme of profit distribution in the Company's annual report and the usage of such profits. The independent directors of the Company shall provide and disclose their independent opinions in relation to such arrangement.**
- (c) The board of supervisors shall supervise the execution of the profit distribution policies and the status in connection with return on investment to the Shareholders by the management of the Company and the Board.**

(8) Amendment, Modification and Supplement of Profit Distribution Policies

- (a) Any profit distribution policies and/or amendment, modification and supplement to the profit distribution policies shall comply with the relevant rules and regulations promulgated by CSRC, the Shanghai Stock Exchange and the Singapore Exchange Securities Trading Limited, and shall be discussed and approved by the Board after taking into consideration the interests of the Shareholders and the principle of fully protecting Shareholders' interests and providing stable return on investment to the Shareholders. The independent directors should provide their independent opinions in relation to such profit distribution policies and/or amendment, modification and supplement to the profit distribution policies. **The Board shall take the Company's growth and dilution in net assets per share into account when approving the profit distribution policies.****

- (b) ***If the Company makes revisions to the profit distribution policies due to cash requirements arising from the Company's operations, significant investments or major expenditures, the revised profit distribution policy shall not be in violation of the relevant provisions of the CSRC and the Stock Exchanges. The Board, the Supervisory Committee and the Shareholders shall review the resolutions regarding the revisions to the profit distribution policy, which shall be passed with the consent of the majority of the Directors, the majority of the independent directors and the majority of the Supervisory Committee. Any profit distribution policy and/or amendment, modification and/or supplement to the profit distribution policies must be approved as special resolution by the Shareholders of the Company. The Company shall uphold and protect the rights of the public Shareholders in attending the general meeting for considering and approving the proposed profit distribution policy. Shareholders are entitled to communicate their queries, comments, opinions in connection with the proposed profit distribution policy with the Company prior to the general meeting, either via telephone, facsimile, Company website, public mailbox or reception office of the Company for the purpose of considering and approving the proposed profit distribution policy, and the Company shall actively communicate with, and respond to, the Shareholders (especially the minority Shareholders).***

(9) *Protection to the Shareholders' interests*

- (a) *The Board and the Shareholders shall take into full consideration the opinions of the Company's independent directors and public Shareholders. Shareholders are entitled to communicate their queries, comments, opinions in connection with the proposed profit distribution policy with the Company prior to the general meeting, either via telephone, facsimile, Company website, public mailbox or reception office of the Company for the purpose of considering and approving the proposed profit distribution policy, and the Company shall actively communicate with, and respond to, the Shareholders (especially the minority Shareholders)*
- (b) *In the event that any independent director has a different opinion in relation to any scheme of profit distribution, he should disclose the same to the public and such independent director is entitled to invite minority/public A-Share Shareholders to appoint him as the proxy to vote on the relevant scheme of profit distribution via internet. For the avoidance of doubt, only A-Share Shareholders are entitled to vote via an internet voting system established by the Shanghai Stock Exchange. **The independent directors may also propose an alternate scheme of profit distribution (based on the feedback received from minority Shareholders) to the Board for approval.***
- (c) *In the case that a Shareholder of the Company mis-uses the Company's fund unlawfully, the Company shall have the right to deduct the cash dividends payable to that Shareholder to compensate for the unlawfully mis-used funds."*