employment relationship with the Company upon the expiration of the contract, 1 incentive target left the Company due to layoffs, 4 incentive targets terminated their employment relationship with the Company due to job transfers not under their control, 30 incentive targets voluntarily resigned due to personal reasons, and 2 incentive targets resigned due to retirement; E) among the incentive targets in the grant of the reserved part of the restricted shares under the 2022 Incentive Plan, 3 incentive targets were dismissed due to incompetence, 2 incentive targets terminated their employment relationship with the Company due to job transfers not under their control, 24 incentive targets voluntarily resigned due to personal reasons, and thus lost their qualification to participate in the incentive plans, the Company held the third meeting of the sixth session of Board of Directors on June 19, 2023, deliberated and approved the *Proposal on Repurchase and Cancellation of Some Restricted Shares*, agreeing to repurchase and cancel a total of 759,849 restricted shares that have been granted yet still under sales restriction.

Therefore, in accordance with the *Administrative Measures for Shares Incentive of Listed Companies* and other related laws and regulations as well as the Incentive Plan, the Company repurchased a total of 759,849 restricted shares that have been granted but still under sales restriction for cancellation purpose.

The Company applied to the Shanghai Branch of China Securities Depository and Clearing Co., Ltd. (CSDC) for handling the procedures for the

Article 6 The registered capital of the Company is RMB 1,698,704,266."

2. "**Article 20** The total shares of the Company are 1,699,464,115, and the shareholding structure of the Company is 1,699,464,115 ordinary shares, of which A shareholders hold 1,599,464,115 shares, representing 94.12%; and foreign investors hold 100,000,000 underlying A shares represented by GDRs based on the conversion ratio determined by the Company, representing 5.88%."

Amended to be:

"**Article 20** The total shares of the Company are 1,698,704,266, and the shareholding structure of the Company is 1,698,704,266 ordinary shares, of which A shareholders hold 1,598,704,266 shares, representing 94.11%; and foreign investors hold 100,000,000 underlying A shares represented by GDRs based on the conversion ratio determined by the Company, representing 5.89%."

The Company does not need to submit a proposal on the change in the registered capital of the Company and the revision of the Articles of Association to the shareholders' meeting for deliberation and voting, because it is stipulated in the *Proposal on*

Meeting to Authorize the Board of Directors to Handle the Matters Related to Shares Incentives deliberated and approved at the first extraordinary shareholders' meeting of the Company in 2021 and the *Proposal on Requesting the*

the Matters Related to the 2022 Restricted Shares Incentive Plan deliberated and approved at the second extraordinary shareholders' meeting of the Company in 2022 that "(6) authorize the Board of Directors to handle all necessary matters related to granting equity nBT0 1 431.47 247.61 Tm0 g