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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any 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 accountant or other professional adviser.

If you have sold or transferred all your shares in Midea Group Co., Ltd., you should at once hand this circular, together with the form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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### **Midea Group Co., Ltd.** **美的集團股份有限公司**

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

**(Stock Code: 0300)**

- (1) WORK REPORT OF THE BOARD OF 2024;
- (2) FINAL ACCOUNTS REPORT OF 2024;
- (3) ANNUAL REPORT AND SUMMARY OF ANNUAL REPORT OF 2024;
- (4) PROFIT DISTRIBUTION PROPOSAL OF 2024;
- (5) SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS (2025-2027);
- (6) THE REPURCHASE OF THE COMPANY'S A SHARES BY WAY OF CENTRALIZED BIDDING;
- (7) GENERAL MANDATE TO REPURCHASE H SHARES OF THE COMPANY;
- (8) CHANGE OF USE AND CANCELLATION OF THE REPURCHASED A SHARES;
- (9) GENERAL MANDATE TO ISSUE SHARES OF THE COMPANY;
- (10) PROPOSED ADOPTION OF THE 2025 A SHARE OWNERSHIP PLAN;
- (11) PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR 2025 A SHARE OWNERSHIP PLAN;
- (12) PROPOSED AUTHORIZATION TO THE BOARD BY THE GENERAL MEETING TO DEAL WITH MATTERS RELATING TO 2025 A SHARE OWNERSHIP PLAN;
- (13) PROPOSED ADOPTION OF THE (H SHARE) SHARE AWARD SCHEME;
- (14) PROVISION OF GUARANTEES FOR CONTROLLED SUBSIDIARIES IN 2025;
- (15) PROVISION OF GUARANTEES FOR ASSET POOL BUSINESS OF CONTROLLED SUBSIDIARIES IN 2025;
- (16) LAUNCH OF FOREIGN EXCHANGE DERIVATIVES BUSINESS IN 2025;
- (17) RE-APPOINTMENT OF ACCOUNTING FIRMS;
- (18) WORK REPORT OF THE SUPERVISORY COMMITTEE OF 2024;
- (19) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (20) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING;
- (21) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS;
- (22) PROPOSED AMENDMENTS TO THE WORK SYSTEM OF INDEPENDENT DIRECTORS;
- (23) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF RELATED-PARTY TRANSACTIONS;
- (24) PROPOSED AMENDMENTS TO THE MANAGEMENT MEASURES FOR REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT;
- (25) PROPOSED AMENDMENTS TO THE MANAGEMENT MEASURES FOR PROCEEDS;
- (26) PROPOSED AMENDMENTS TO THE SYSTEM OF MAKING DECISIONS ON EXTERNAL GUARANTEES;
- (27) SPIN-OFF OF ANNT0 FOR OVERSEAS LISTING;
- (28) REPURCHASE AND CANCELLATION OF CERTAIN RESTRICTED SHARES;
- (29) PROPOSED ISSUANCE OF ULTRA-SHORT-TERM FINANCING BONDS AND MEDIUM-TERM NOTES;  
AND
- (30) NOTICE OF THE 2024 ANNUAL GENERAL MEETING

All capitalised terms used in this circular have the meanings set out in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 5 to 60 of this circular.

The Company will convene the AGM at Meeting Room B401, Midea Headquarters Building, No. 6 Midea Avenue, Shunde District, Foshan, Guangdong Province on Friday, 30 May 2025 at 2:30 p.m. The notice convening the AGM is set out on pages 217 to 225 of this circular.

A form of proxy for use at the AGM is published on the website of the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.midea.com.cn](http://www.midea.com.cn)). If you intend to appoint a proxy to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

7 May 2025

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## CONTENTS

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	<i>Page</i>
<b>Definitions .....</b>	<b>1</b>
<b>Letter from the Board .....</b>	<b>5</b>
<b>Appendix I – Shareholders’ Return Plan for the Next Three Years (2025-2027) .....</b>	<b>61</b>
<b>Appendix II – Explanatory Statement on Repurchase of A Shares .....</b>	<b>65</b>
<b>Appendix III – Explanatory Statement on Repurchase of H Shares .....</b>	<b>69</b>
<b>Appendix IV – Administrative Measures for 2025 A Share Ownership Plan .....</b>	<b>72</b>
<b>Appendix V – Proposal to the General Meeting to Authorize the Board of Directors to Handle Matters Relating to the 2025 A Share Ownership Plan .....</b>	<b>90</b>
<b>Appendix VI – Summary of Rules of the (H Share) Share Award Scheme .....</b>	<b>91</b>
<b>Appendix VII – Provision of Guarantees for Controlled Subsidiaries in 2025 .....</b>	<b>105</b>
<b>Appendix VIII – Provision of Guarantees for Asset Pool Business of Controlled Subsidiaries in 2025 .....</b>	<b>122</b>
<b>Appendix IX – Launch of Foreign Exchange Derivatives Business in 2025 .....</b>	<b>133</b>
<b>Appendix X – Work Report of the Supervisory Committee of 2024 .....</b>	<b>138</b>
<b>Appendix XI – Proposed Amendments to the Articles of Association .....</b>	<b>144</b>
<b>Appendix XII – Proposed Amendments to the Rules of Procedure of the Shareholders’ General Meeting .....</b>	<b>191</b>
<b>Appendix XIII – Proposed Amendments to the Rules of Procedure of the Board of Directors .....</b>	<b>201</b>
<b>Appendix XIV – Proposed Amendments to the Work System of Independent Directors .....</b>	<b>203</b>

---

## CONTENTS

---

<b>Appendix XV</b>	<b>– Proposed Amendments to the Management System of Related-party Transactions . . . . .</b>	<b>207</b>
<b>Appendix XVI</b>	<b>– Proposed Amendments to the Management Measures for Remuneration of Directors, Supervisors and Senior Management . . . . .</b>	<b>210</b>
<b>Appendix XVII</b>	<b>– Proposed Amendments to the Management Measures for Proceeds . . . . .</b>	<b>213</b>
<b>Appendix XVIII</b>	<b>– Proposed Amendments to the Decision-Making System for External Guarantees . . . . .</b>	<b>216</b>
<b>NOTICE OF THE 2024 ANNUAL GENERAL MEETING . . . . .</b>		<b>217</b>

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## DEFINITIONS

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

“2021 Restricted Share Incentive Scheme”	the 2021 Restricted Share Incentive Scheme (Draft) of the Company
“2022 Restricted Share Incentive Scheme”	the 2022 Restricted Share Incentive Scheme (Draft) of the Company
“2023 Restricted Share Incentive Scheme”	the 2023 Restricted Share Incentive Scheme (Draft) of the Company
“2025 A Share Ownership Plan” or the “Current Stock Ownership Scheme”	the 2025 A Share Ownership Plan (Draft) of the Company
“A Share(s)”	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed and traded on the Shenzhen Stock Exchange
“AGM”	the 2024 annual general meeting of the Company to be held at Meeting Room B401, Midea Headquarters Building, No. 6 Midea Avenue, Shunde District, Foshan, Guangdong Province on Friday, 30 May 2025 at 2:30 p.m., or any adjournment thereof
“AGM Notice”	the notice of the AGM dated 7 May 2025
“Annto”	Annto Supply Chain Technology Co., Ltd. (安得智聯供應鏈科技股份有限公司), a joint stock limited company incorporated in the PRC on 24 February 2011
“Articles of Association”	the articles of association of our Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of our Company
“Company”, “our Company”, or “the Company”	Midea Group Co., Ltd. (美的集團股份有限公司), a joint stock company incorporated in the PRC with limited liability on 7 April 2000, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 0300) and the Shenzhen Stock Exchange (stock code: 000333), respectively

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## DEFINITIONS

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“Company Law”	the Company Law of the PRC, as amended from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of our Company
“Group”	the Company and its consolidated subsidiaries
“H Share(s)”	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed and traded on the Hong Kong Stock Exchange
“H Shares Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase H Shares not exceeding 10% of the total number of H Shares in issue (excluding Treasury Shares) as at the date of the passing of the resolution of H share repurchase mandate proposed at the AGM for approval, the details of which are set out in the notice of the AGM
“(H Share) Share Award Scheme”	the share award scheme proposed to be adopted by the Company, the principal terms of which are set out in “Appendix VI – Summary of Rules of the (H Share) Share Award Scheme”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	28 April 2025, being the latest practicable date prior to the publishing of this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Minority Shareholders”	shareholders other than the Company’s Directors, Supervisors, senior management officers and Shareholder(s) severally or jointly holding more than 5% Shares of the Company
“New Shares”	(i) new H Shares that are allotted and issued by the Company and (ii) Treasury Shares
“Participants” or “Holders of the Stock Ownership Scheme”	participants or holders of the 2025 A Share Ownership Plan
“Practice Note 15”	the Practice Note 15 to the Listing Rules
“PRC” or “China”	the People’s Republic of China
“PRC Securities Law”	Securities Law of the People’s Republic of China, as amended from time to time
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Board of the Company
“Restricted Share(s)”	a certain number of A Share(s) granted by the Company to the participants according to the conditions and price stipulated under the respective Restrictive Share Incentive Schemes, which are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated
“Restricted Share Incentive Schemes”	the 2021 Restricted Share Incentive Scheme, 2022 Restricted Share Incentive Scheme and 2023 Restricted Share Incentive Scheme
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Shares

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## DEFINITIONS

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“Spin-off”	the Company’s proposal of spin-off and separate listing of the shares of Annto on the Main Board of the Hong Kong Stock Exchange
“Spin-off Rules”	the Rules on the Spin-off of Listed Companies (Trial) (《上市公司分拆規則(試行)》), as amended from time to time
“Supervisor(s)”	supervisors of the Company
“Supervisory Committee”	supervisory committee of the Company
“Treasury Share(s)”	has the meaning ascribed to it under the Listing Rules
“U.S. Securities Act”	United States Securities Act of 1933, as amended from time to time
“%”	per cent

Unless otherwise stated, all amounts stated in this circular are denominated in RMB.

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## LETTER FROM THE BOARD

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### Midea Group Co., Ltd. 美的集團股份有限公司

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

(Stock Code: 0300)

**Executive Directors:**

Mr. Fang Hongbo (方洪波) (*Chairman of the Board and Chief Executive Officer*)

Mr. Wang Jianguo (王健國)

Dr. Gu Yanmin (顧炎民)

Mr. Guan Jinwei (管金偉)

**Non-executive Director:**

Mr. Zhao Jun (趙軍)

**Independent non-executive Directors:**

Dr. Xu Dingbo (許定波)

Dr. Xiao Geng (肖耿)

Dr. Liu Qiao (劉俏)

Dr. Qiu Lili (邱鋰力)

**Registered Office and Headquarter  
in Mainland China:**

Midea Headquarters Building  
No. 6 Midea Avenue, Beijiao Town  
Shunde District  
Foshan, Guangdong Province  
China

**Principal Place of Business  
in Hong Kong:**

Room 1918, 19/F  
Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

7 May 2025

*To the Shareholders,*

Dear Sir or Madam,

- (1) WORK REPORT OF THE BOARD OF 2024;
- (2) FINAL ACCOUNTS REPORT OF 2024;
- (3) ANNUAL REPORT AND SUMMARY OF ANNUAL REPORT OF 2024;
- (4) PROFIT DISTRIBUTION PROPOSAL OF 2024;
- (5) SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS (2025-2027);
- (6) THE REPURCHASE OF THE COMPANY'S A SHARES BY WAY OF CENTRALIZED BIDDING;
- (7) GENERAL MANDATE TO REPURCHASE H SHARES OF THE COMPANY;
- (8) CHANGE OF USE AND CANCELLATION OF THE REPURCHASED A SHARES;
- (9) GENERAL MANDATE TO ISSUE SHARES OF THE COMPANY;
- (10) PROPOSED ADOPTION OF THE 2025 A SHARE OWNERSHIP PLAN;
- (11) PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR 2025 A SHARE OWNERSHIP PLAN;
- (12) PROPOSED AUTHORIZATION TO THE BOARD BY THE GENERAL MEETING TO DEAL WITH MATTERS RELATING TO 2025 A SHARE OWNERSHIP PLAN;



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## LETTER FROM THE BOARD

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- (13) PROPOSED ADOPTION OF THE (H SHARE) SHARE AWARD SCHEME;
- (14) PROVISION OF GUARANTEES FOR CONTROLLED SUBSIDIARIES IN 2025;
- (15) PROVISION OF GUARANTEES FOR ASSET POOL BUSINESS OF  
CONTROLLED SUBSIDIARIES IN 2025;
- (16) LAUNCH OF FOREIGN EXCHANGE DERIVATIVES BUSINESS IN 2025;
- (17) RE-APPOINTMENT OF ACCOUNTING FIRMS;
- (18) WORK REPORT OF THE SUPERVISORY COMMITTEE OF 2024;
- (19) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
- (20) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF  
THE SHAREHOLDERS' GENERAL MEETING;
- (21) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE OF THE BOARD OF DIRECTORS;
- (22) PROPOSED AMENDMENTS TO THE WORK SYSTEM OF INDEPENDENT DIRECTORS;
- (23) PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM OF RELATED-PARTY TRANSACTIONS;
- (24) PROPOSED AMENDMENTS TO THE MANAGEMENT MEASURES FOR REMUNERATION OF  
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT;
- (25) PROPOSED AMENDMENTS TO THE MANAGEMENT MEASURES FOR PROCEEDS;
- (26) PROPOSED AMENDMENTS TO THE SYSTEM OF MAKING DECISIONS ON  
EXTERNAL GUARANTEES;
- (27) SPIN-OFF OF ANNT0 FOR OVERSEAS LISTING;
- (28) REPURCHASE AND CANCELLATION OF CERTAIN RESTRICTED SHARES;
- (29) PROPOSED ISSUANCE OF ULTRA-SHORT-TERM FINANCING BONDS AND MEDIUM-TERM NOTES;  
AND
- (30) NOTICE OF THE 2024 ANNUAL GENERAL MEETING

### I. INTRODUCTION

The Company will convene the AGM at Meeting Room B401, Midea Headquarters Building, No. 6 Midea Avenue, Shunde District, Foshan, Guangdong Province on Friday, 30 May 2025 at 2:30 p.m. The following resolutions (in which special resolutions marked with #) will be proposed to Shareholders at the AGM for their consideration and, if thought fit, approval:

#### Resolutions

1. To consider and approve the work report of the Board of 2024
2. To consider and approve the final accounts report of 2024
3. To consider and approve the annual report and summary of annual report of 2024
4. <sup>#</sup>To consider and approve the profit distribution proposal of 2024
5. <sup>#</sup>To consider and approve the resolution on the Shareholders' return plan for the next three years (2025-2027)

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## LETTER FROM THE BOARD

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6. #To consider and approve the plan for the repurchase of the Company's A Shares by way of centralized bidding
7. #To consider and approve the resolution on the general mandate to repurchase H Shares of the Company
8. #To consider and approve the resolution on change of use and cancellation of the repurchased A Shares
9. #To consider and approve the resolution on the general mandate to issue Shares of the Company
10. To consider and approve the resolution on the 2025 A Share Ownership Plan (draft) and summary
11. To consider and approve the resolution on the Administrative Measures for 2025 A Share Ownership Plan
12. To consider and approve the resolution on proposed authorization to the Board by the general meeting to deal with matters relating to 2025 A Share Ownership Plan
13. To consider and approve the resolution on proposed adoption of the (H Share) Share Award Scheme
14. To consider and approve the resolution on provision of guarantees for controlled subsidiaries in 2025
15. To consider and approve the resolution on provision of guarantees for asset pool business of controlled subsidiaries in 2025
16. To consider and approve the resolution on launch of foreign exchange derivatives business in 2025
17. To consider and approve the resolution on re-appointment of PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) ("**PwC Zhong Tian**") and PricewaterhouseCoopers ("**PwC**") as the domestic and overseas audit firms for the Company in 2025, respectively and approval of audit fees of 2025 ("**Re-appointment of Accounting Firms**")
18. To consider and approve the work report of the Supervisory Committee of 2024
19. #To consider and approve the proposed amendments to the Articles of Association
20. To consider and approve the proposed amendments to the Rules of Procedure of the Shareholders' General Meeting

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## LETTER FROM THE BOARD

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21. To consider and approve the proposed amendments to the Rules of Procedure of the Board of Directors
22. To consider and approve the proposed amendments to the Work System of Independent Directors
23. To consider and approve the proposed amendments to the Management System of Related-Party Transactions
24. To consider and approve the proposed amendments to the Management Measures for Remuneration of Directors, Supervisors and Senior Management
25. To consider and approve the proposed amendments to the Management Measures for Proceeds
26. To consider and approve the proposed amendments to the System of Making Decisions on External Guarantees
27. To consider and approve the following resolutions relating to the Spin-off:
  - (1). #To consider and approve the resolution on the compliance of the Spin-off with the relevant laws and regulations
  - (2). #To consider and approve the resolution on the plan of Annto's initial public offering of H Shares and its listing on the Main Board of the Hong Kong Stock Exchange
  - (3). #To consider and approve the resolution on the proposal on the Spin-off
  - (4). #To consider and approve the resolution on the compliance of the Spin-off with the Spin-off Rules
  - (5). #To consider and approve the resolution on the Spin-off which benefits the safeguarding of legitimate rights and interests of Shareholders and creditors
  - (6). #To consider and approve the resolution on the Company's ability to maintain independence and sustainable operation
  - (7). #To consider and approve the resolution on the capability of Annto to implement regulated operation
  - (8). #To consider and approve the resolution on the explanation on the completeness of and compliance with legal procedures of the Spin-off and the validity of the legal documents submitted

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## LETTER FROM THE BOARD

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- (9). <sup>#</sup>To consider and approve the resolution on the analysis of the objectives, commercial rationality, necessity and feasibility of the Spin-off
  - (10). <sup>#</sup>To consider and approve the resolution on the provision of assured entitlement to the H Share Shareholders only for the Spin-off
  - (11). <sup>#</sup>To consider and approve the resolution to be submitted to the AGM on the authorization to the Board and its authorized persons to deal with all matters related to the Spin-off
28. To consider and approve the repurchase and cancellation of certain Restricted Shares:
- (1) <sup>#</sup>To consider and approve the repurchase and cancellation of certain Restricted Shares under the 2021 Restricted Share Incentive Scheme
  - (2) <sup>#</sup>To consider and approve the repurchase and cancellation of certain Restricted Shares under the 2022 Restricted Share Incentive Scheme
  - (3) <sup>#</sup>To consider and approve the repurchase and cancellation of certain Restricted Shares under the 2023 Restricted Share Incentive Scheme
29. To consider and approve the proposed issuance of ultra-short-term financing bonds and medium-term notes of the Company in the inter-bank bond market

Along with handling the above matters, Shareholders will hear the 2024 work report made by independent Directors at the AGM.

The purpose of this circular is to give you the AGM Notice and provide details in respect of the aforesaid resolutions to be considered at the AGM.

Special resolutions will be proposed at the AGM to approve the profit distribution proposal of 2024, the resolution on Shareholders' return plan for the next three years (2025-2027), the plan for the repurchase of the Company's A Shares by way of centralized bidding, the resolution on general mandate to repurchase H Shares of the Company, the resolution on the change of use and cancellation of the repurchased A Shares, the resolution on the general mandate to issue Shares of the Company, the resolution on the proposed amendments to the Articles of Association, the resolution on the compliance of the Spin-Off with the relevant laws and regulations, the resolution on the plan of Annto's initial public offering of H Shares and its listing on the Main Board of the Hong Kong Stock Exchange, the resolution on the proposal on the Spin-off, the resolution on the compliance of the Spin-off with the Spin-off Rules, the resolution on the Spin-off which benefits the safeguarding of legitimate rights and interests of Shareholders and creditors, the resolution on the Company's ability to maintain independence and sustainable operation, the resolution on the capability of Annto to implement regulated operation, the resolution on the explanation on the completeness

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## LETTER FROM THE BOARD

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of and compliance with legal procedures of the Spin-off and the validity of the legal documents submitted, the resolution on the analysis of the objectives, commercial rationality, necessity and feasibility of the Spin-off, the resolution on the provision of assured entitlement to the H Share Shareholders only for the Spin-off, the resolution to be submitted to the AGM on the authorization to the Board and its authorized persons to deal with all matters related to the Spin-off, and the resolution on the repurchase and cancellation of certain Restricted Shares. In accordance with the Articles of Association, a special resolution shall be passed by an affirmative vote of more than two-thirds of the Company's total voting Shares held by the Shareholders who are present at the meeting (including proxies).

In addition, according to the Spin-off Rules, in addition to an affirmative vote of more than two-thirds of the Company's total voting Shares held by Shareholders who are present at the meeting, the following resolutions shall also be passed by an affirmative vote of more than two-thirds of the Company's total voting Shares held by the Minority Shareholders who are present at the meeting, including the resolution on the compliance of the Spin-off with the relevant laws and regulations, the resolution on the plan of Annto's initial public offering of H Shares and its listing on the Main Board of the Hong Kong Stock Exchange, the resolution on the proposal on the Spin-off, the resolution on the compliance of the Spin-off with the Spin-off Rules, the resolution on the Spin-off which benefits the safeguarding of legitimate rights and interests of Shareholders and creditors, the resolution on the Company's ability to maintain independence and sustainable operation, the resolution on the capability of Annto to implement regulated operation, the resolution on the explanation on the completeness of and compliance with legal procedures of the Spin-off and the validity of the legal documents submitted, the resolution on the analysis of the objectives, commercial rationality, necessity and feasibility of the Spin-off, the resolution on the provision of assured entitlement to the H Share Shareholders only for the Spin-off, and the resolution to be submitted to the AGM on the authorization to the Board and its authorized persons to deal with all matters related to the Spin-off.

## **II. MATTERS TO BE CONSIDERED AT THE AGM**

### **1. Work Report of the Board of 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the Work Report of the Board of 2024. For the main content of the Work Report of the Board of 2024, please refer to the relevant sections of the 2024 Annual Report published by the Company.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of an ordinary resolution.

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## LETTER FROM THE BOARD

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### **2. Final Accounts Report of 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the final accounts report of 2024. Please refer to the financial report section in the 2024 Annual Report (A Share) and the 2024 Annual Report (H Share) published by the Company.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

### **3. Annual Report and Summary of Annual Report of 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the Annual Report and Summary of Annual Report of 2024. Please refer to the 2024 Annual Report and its Summary (A Share) and 2024 Annual Report (H Share) published by the Company.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of an ordinary resolution.

### **4. Profit Distribution Proposal of 2024**

A special resolution will be proposed at the AGM to consider and approve the Profit Distribution Proposal of 2024. Specifically:

Audited by PwC Zhong Tian, the net profit attributable to owners of the parent company in the 2024 consolidated statements of the Company was RMB38,537,237,000. The parent company realized a net profit of RMB28,517,064,000 in 2024 after adding undistributed profit at the beginning of the year amounting to RMB27,901,530,000 and deducting distributed profit amounting to RMB20,764,776,000. In accordance with the provisions of the Company Law and the Articles of Association, when the cumulated amount of the statutory reserve of a company has reached 50% or more of its registered capital, no further allocations is required. The Company did not allocate any statutory reserve for the current period. Therefore, the parent company's actual distributable profit for 2024 was RMB35,653,818,000.

The Company's 2024 Profit Distribution Plan is as follows: based on the total Share capital of 7,631,903,546 Shares, which were derived from the total Share capital of 7,660,355,772 Shares as of 28 March 2025 minus the repurchased Shares in the special account for Share repurchase (the balance in the Company's special account for Share repurchase was 28,452,226 Shares as of 28 March 2025), a cash dividend of RMB35 (tax inclusive) per ten Shares shall be distributed to all Shareholders, with an aggregate cash dividend amounting to RMB26,711,662,411. No statutory reserve was converted into share capital. In the event of any changes in the total Share capital entitled to profit distribution during the implementation of this Profit Distribution Proposal, the total dividend amount shall be adjusted based on the total Share capital entitled to profit distribution as at the shareholding registration date, in accordance with the principle that the per-share distribution amount shall remain unchanged.

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## LETTER FROM THE BOARD

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Dividends for A Shares will be paid in RMB and dividends for H Shares will be paid in Hong Kong dollars, and the actual amount will be translated by the average benchmark exchange rate between RMB and Hong Kong dollars as announced by the People's Bank of China for the five business days prior to the date of the Company's AGM.

The accumulated total cash dividend of the Company for 2024 amounted to RMB26,711,662,411, representing approximately 69.31% of net profits attributable to ordinary shareholders of the listed company in 2024. The Company did not repurchase Shares in 2024.

The Company convened the 24th meeting of the fourth session of Board on 10 January 2024 and the 2024 first extraordinary meeting on 29 January 2024 to consider and approve the Resolution on Change in Use and Cancellation of Repurchased Shares, approving the Company to change the use of 69,807,864 repurchased Shares under the Resolution on the Plan to Repurchase Certain Public Shares considered and approved at the 29th meeting of the third session of the Board on 23 February 2021 from "implementation of the Company's share incentive schemes and/or employee stock ownership schemes" to "cancellation and reduction of the Company's registered capital". The procedures for cancellation of these Shares were completed at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on 7 February 2024. The repurchase amount of above repurchased Shares that were cancelled was RMB6,048,232,607.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

### **5. Shareholders' Return Plan for the Next Three Years (2025-2027)**

A special resolution will be proposed at the AGM to consider and approve the Shareholders' Return Plan for the Next Three Years (2025-2027).

Since its listing of A Shares in 2013, the Company's accumulated cash profit distribution has exceeded RMB107.0 billion. Dividend payout ratios for 2021-2023 were 40.9%, 58.2%, and 61.6%, respectively, reflecting a sustained upward trend in dividend payout. In order to ensure the continuity and stability of the profit distribution policy, improve and perfect the dividend decision-making and supervision mechanism, and guide investors to establish a long-term investment and rational investment concept, in accordance with relevant laws, regulations, and the Articles of Association, it is proposed to formulate the Shareholders' Return Plan for the Next Three Years (2025-2027). Over the next three years (2025-2027), subject to the relevant conditions being met, the Company will implement cash dividend distributions twice per year. Such cash distributions may take the form of direct cash dividends, or share repurchases by way of tender offer, centralized bidding, or other methods permitted under applicable regulatory rules, using cash as consideration. When the conditions for cash dividend distributions are met, the Company shall declare dividends. The amount of profits distributed in the form of cash shall not be less than 30% of the average annual distributable profits realized over the past three years. The proportion of cash dividends in each profit distribution shall not be less than 60% of the total amount of that distribution.

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## LETTER FROM THE BOARD

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The Shareholders' Return Plan for the Next Three Years (2025-2027) is set out in Appendix I of this circular.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

### **6. Repurchase of the Company's A Shares by Way of Centralized Bidding**

A special resolution will be proposed at the AGM to consider and approve the repurchase of the Company's A Shares through centralized bidding at the system of the Shenzhen Stock Exchange.

#### ***I. Main Content of the Repurchase Plan***

##### *(I) Purpose of the Share Repurchase*

Based on the Company's confidence in its future development and strong recognition of its value, and taking into full consideration factors such as the Company's operations, the prospects for principal business, financial position, and future profitability, the Company proposes to repurchase its A Shares for the purposes of cancellation and reduction of registered capital in accordance with the law and as well as continued implementation of its share incentive plans and/or employee stock ownership plans, so as to boost investor confidence, increase Shareholders' return, optimize the corporate governance structure, and establish long-term incentive and restraint mechanism for the management's shareholding, thereby ensuring the realization of long-term operational objectives.

##### *(II) Method and Use of the Share Repurchase*

The share repurchase of the Company is conducted by repurchasing A Shares of the Company through centralized bidding at the stock trading system of the Shenzhen Stock Exchange.

The repurchased Shares shall be used for cancellation and reduction of the registered capital and to implement the share incentive schemes and/or employee stock ownership schemes. Specifically, 70% and above of the repurchased Shares shall be used for cancellation and reduction of the registered capital to improve earnings per Share of the Company.

##### *(III) Price or Price Range and Pricing Principles of the Share Repurchase*

According to the provisions of Article 15 of the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 9 – Share Repurchase (《深圳證券交易所上市公司自律監管指引第9號—回購股份》) and taking into consideration the Company's current financial position and operation, the price of the Share repurchase by



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## LETTER FROM THE BOARD

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the Company is determined as not more than RMB100 per Share, and the specific price will be determined based on comprehensive consideration of the Company's Share price at the secondary market, financial position and operations.

During the repurchase period, in the event that the Company implements dividend distribution, bonus shares issuance, conversion of capital reserve into share capital, share sub-division, share consolidation, rights issue, or other ex-rights or ex-dividend matters, the upper limit of the repurchase price shall be adjusted accordingly from the date the share price goes ex-rights or ex-dividend in accordance with the relevant provisions of the China Securities Regulatory Commission and the Shenzhen Stock Exchange.

*(IV) Total Amount and Source of Funds Intended for the Repurchase*

Taking into consideration the Company's current financial position and operations, the total amount of funds for the Share repurchase shall not exceed RMB10 billion and shall not be less than RMB5 billion. The funding sources shall be the Company's self-owned funds and/or special loan for share repurchase provided by Shunde Branch of Bank of China Limited ("BoC").

Pursuant to the guiding opinions under the Notice on the Establishment of Refinancing Loans for Share Repurchase and Shareholding Increase (《關於設立股票回購增持再貸款有關事宜的通知》) issued by the People's Bank of China, the National Financial Regulatory Administration and the China Securities Regulatory Commission, the Company meets the eligibility requirements for such refinancing loans for share buybacks. In active response to the decision and arrangement, the Company obtained the Loan Commitment Letter from the BoC recently, pursuant to which the BoC will provide the Company with a loan facility of up to RMB9 billion, specifically designated for the Company's Share repurchase, with loan terms of no more than 3 years.

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## LETTER FROM THE BOARD

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*(V) Type and Number of Shares to be Repurchased and Their Percentage of the Total Share Capital*

The type of repurchased Shares is the Company's issued A Shares. Based on the maximum repurchase amount of RMB10 billion and a repurchase price not exceeding RMB100 per Share, it is estimated that no less than 100,000,000 Shares will be repurchased, representing approximately 1.31% of the Company's current total issued Share capital. Based on the minimum repurchase amount of RMB5 billion, it is estimated that no less than 50,000,000 Shares will be repurchased, representing approximately 0.65% of the Company's current total issued Share capital. The specific number of Shares to be repurchased shall be subject to the actual number of the repurchased Shares upon expiry of the repurchase period.

*(VI) Share Repurchase Period*

The repurchase period shall be not more than twelve months from the date when this Share repurchase plan is considered and approved at the Company's general meeting. The repurchase period will expire early, i.e., the share repurchase plan is fully implemented, if any of the following conditions is fulfilled during the repurchase period:

- (1) If the repurchase amount reaches a maximum of RMB10 billion during the above period, the repurchase plan will be fully implemented and the repurchase period will expire early from that date.
- (2) If the general meeting of the Company resolves to terminate the repurchase plan, the repurchase period shall expire early with effect from the date on which the general meeting resolves to terminate the repurchase plan.

The Company shall not repurchase its Shares during the following periods:

- (1) From the date when material events which may have a significant impact on the trading price of the Company's securities and derivatives transactions take place or during the decision-making process, until the statutory disclosure date.
- (2) Other circumstances prescribed by the CSRC and the Shenzhen Stock Exchange.

The Company will, based on the authorizations granted by the general meeting and the Board, make repurchase decisions at appropriate times during the repurchase period in light of market conditions and implement such decisions in accordance with the law.

## LETTER FROM THE BOARD

### *II. Estimated changes in the Company's shareholding structure after completion of repurchase and cancellation*

Based on the lower limit of RMB5 billion and the upper limit of RMB10 billion of the amount of funds for the repurchase of A Shares, the repurchase price of RMB100 per Share, and 70% of which will be used for cancellation and reduction of registered capital, the number of A Shares repurchased is 50,000,000 and 100,000,000, respectively, and the number of Shares cancelled are 35,000,000 and 70,000,000, respectively, the changes in the shareholding structure of the Company after the repurchase and cancellation of A Shares are as follows (based on the Share capital of the Company on 28 March 2025 when the proposal was approved by the Board):

Type of share	Before the repurchase		After the repurchase (based on the minimum repurchase amount)		After the repurchase (based on the maximum repurchase amount)	
	Percentage of		Percentage of		Percentage of	
	Number of Shares (Share)	total Share capital (%)	Number of Shares (Share)	total Share capital (%)	Number of Shares (Share)	total share capital (%)
A Share	7,009,507,272	91.50	6,974,507,272	91.46	6,939,507,272	91.43
Restricted Shares						
(A Share)	112,504,187	1.47	112,504,187	1.48	112,504,187	1.48
Unrestricted Shares						
(A Share)	6,897,003,085	90.04	6,862,003,085	89.99	6,827,003,085	89.94
H Shares	650,848,500	8.50	650,848,500	8.54	650,848,500	8.57
<b>Total Shares</b>	<b><u>7,660,355,772</u></b>	<b><u>100.00</u></b>	<b><u>7,625,355,772</u></b>	<b><u>100.00</u></b>	<b><u>7,590,355,772</u></b>	<b><u>100.00</u></b>

### *III. Analysis of the potential impacts of Share repurchase on the Company's day-to-day operations, profitability, finance, R&D, performance of debt obligation, future development, maintenance of listing status, etc.*

As of 31 December 2024, the Company's total assets amounted to approximately RMB604.4 billion, cash at banks and on hand amounting to approximately RMB140.4 billion, net assets attributable to Shareholders of the Company amounting to RMB216.8 billion with gearing ratio of 62.33%. Assuming a repurchase amount at the maximum limit of RMB10 billion, and based on the financial data as at 31 December 2024, the repurchase funds would represent approximately 1.65% of the Company's total assets and approximately 4.61% of its net assets attributable to Shareholders of the Company.

Based on the Company's business operations, financial condition, and future development, the Company considers that a maximum repurchase amount of RMB10 billion will not have a material and adverse impact on the Company's operation, finance, and future

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## LETTER FROM THE BOARD

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development nor the Company's performance of debt obligations and R&D capabilities. After the implementation of the repurchase, the Company's shareholdings will continue to meet the listing requirements, the Company's listing status will remain unaffected, and there will be no change in the Company's control.

All Directors undertake that, in the course of this Share repurchase, they will act with honesty, integrity, diligence, and due care and safeguard the interests of the Company and the legitimate interests of the Shareholders, and that the repurchase will not adversely affect the Company's ability to meet its debt obligations or its ability to continue as a going concern.

***IV. Trading in the Company's Shares by Directors, Supervisors, senior management, controlling Shareholders, actual controllers and their concert parties within six months prior to the Board's resolution approving the Share repurchase, statement on whether any insider trading or market manipulation was conducted individually or in concert with others, and plans for an increase or decrease in shareholding during the repurchase period and decrease in shareholding in the next six months***

None of the Company's Directors, Supervisors, senior management, controlling Shareholders, actual controllers, or their concert parties traded in the Company's Shares within six months prior to the Board's resolution approving the Share repurchase, nor was there any insider trading or market manipulation conducted individually or in concert with others. There are currently no plans to increase or decrease their shareholdings during the repurchase period, nor to reduce their shareholdings within the next six months. If any of the above-mentioned parties intends to implement any shareholding increase or decrease plans in the future, the Company will fulfill its information disclosure obligations in a timely manner in strict compliance with applicable laws and regulations.

***V. Relevant Arrangements for Statutory Cancellation or Transfer after Share Repurchase***

The repurchased Shares will be used to cancel and reduce the registered capital and to implement the share incentive schemes and/or employee stock ownership schemes. Specifically, over 70% of repurchased Shares will be used for cancellation and reduction of the registered capital. The Company will comply with creditor notification procedures and fulfill information disclosure obligations, and fully safeguard creditor's legitimate interests and rights according to relevant laws and regulations and requirements of the Articles of Association.

***VI. Consideration and Approval of the Share Repurchase Plan***

According to laws and regulations, regulatory documents and provisions of the Articles of Association, the Share repurchase has been considered and approved at 6th meeting of the fifth session of Board convened by the Company on 28 March 2025 and shall be proposed for consideration and approval at the Company's general meeting.

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## LETTER FROM THE BOARD

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### ***VII. Specific Authorization to the Management for Handling Matters Relating to the Share Repurchase***

Pursuant to relevant laws, regulations, and regulatory documents, and following consideration and approval by the Board of the Company, in order to ensure the smooth implementation of the Share repurchase, the Board proposes that the general meeting authorize the Company's management to, within the scope permitted by applicable laws and regulations and in accordance with the principle of maximizing the interests of the Company and its Shareholders, exercise full authority to handle matters relating to the Share repurchase. The content and scope of authorization shall include but not be limited to:

- (1) formulate specific plans for this Share repurchase based on the circumstances of the Company and market conditions and to the extent permitted by laws and regulations;
- (2) authorize the management to make corresponding adjustments to the specific plan for this share repurchase and related matters in the event of any changes to regulatory requirements governing Share repurchases or changes in market conditions, except for matters that, pursuant to applicable laws, regulations, or the Articles of Association, are required to be reconsidered and approved by the Board;
- (3) handle all relevant filing and approval procedures, including but not limited to authorizing, signing, executing, amending, and completing all necessary documents, contracts, agreements, and other instruments relating to this Share repurchase;
- (4) open special securities account for Share repurchase (if necessary) and handle other relevant business;
- (5) repurchase Shares based on actual circumstances, including the time, price, number, etc. for the repurchase;
- (6) determine to terminate the implementation of the share repurchase plan based on the Company's actual circumstances, share price performance, and other relevant factors, provided that the amount of repurchase funds used during the repurchase period is not less than the minimum threshold;
- (7) make corresponding amendments to the provisions of the Articles of Association relating to registered capital, total share capital, and other related matters based on the actual repurchase, and complete the relevant industrial and commercial registration filings;
- (8) handle other matters necessary for this Share repurchase that are not specifically set out above but necessary for the Share repurchase, in accordance with relevant provisions (i.e. applicable laws, regulations, and regulatory requirements), except for matters which, pursuant to relevant documents, are required to be handled by the Board or the general meeting.

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## LETTER FROM THE BOARD

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This authorization shall remain effective from the date of the consideration and approval at the Company's general meeting until the completion of the authorized matters set out above.

### *VIII. Risk Reminder for the Repurchase Plan*

- (1) The share repurchase plan is required to be submitted to the general meeting for consideration, and there is a risk of its failure to be approved at the general meeting.
- (2) The share repurchase is exposed to the risk that the Company's Share price continuously exceed the maximum repurchase price during the repurchase period, resulting in a risk that the share repurchase plan may not be or may only be partially implemented.
- (3) The funds for the Share repurchase is sourced from the Company's self-owned funds and/or specific loans for Share repurchase. The share repurchase plan may be exposed to the risk of failure in its implementation as result of that the funds required for the repurchase of Shares cannot be raised.
- (4) The share repurchase plan may be exposed to the risk of amendment or termination due to significant changes to the Company's production and operation, financial condition, or external objective circumstances.
- (5) Part of the repurchased Shares will be used for cancellation, and the Company is required to notify its creditors in accordance with the Company Law. The Company may be exposed to the risk of creditors' requesting the Company to repay debts in advance or providing corresponding guarantees.
- (6) Part of the repurchased Shares will be used for the implementation of the equity incentive scheme and/or the employee stock ownership plan. There is a risk that not all of the repurchased Shares can be granted due to, among other things, the failure of the equity incentive scheme or employee stock ownership plan to be approved by the Board, general meeting, and other decision-making bodies, or the waiver of subscription by the Participants.

The Company will make advance arrangements for funding and strive to facilitate the smooth implementation of the share repurchase plan, and will make and implement repurchase decisions at an appropriate time based on market conditions during the repurchase period. If any of the aforementioned risks result in the share repurchase plan being unable to be implemented, the Company will perform the corresponding consideration procedures and information disclosure obligations in accordance with laws, regulations, and the Articles of Association.

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## LETTER FROM THE BOARD

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The Company will perform its information disclosure obligations in a timely manner based on the progress of the share repurchase plan. Investors are advised to pay attention to investment risks.

Appendix II to this circular contains the explanatory statement as required under the Listing Rules, which provides the necessary information in relation to the A Shares repurchase plan.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

### **7. General Mandate to Repurchase H Shares of the Company**

To ensure the Company's flexibility in the repurchase of H Shares at the right time, a special resolution will be proposed at the AGM to consider and approve the grant of the H Share Repurchase Mandate to the Board, details of which are set out in the AGM Notice. Pursuant to the H Share Repurchase Mandate, the number of H Shares that may be repurchased shall not exceed 10% of the total number of issued H Shares of the Company which have not yet been repurchased (excluding Treasury Shares) as at the date on which the resolution approving the H Share Repurchase Mandate is adopted.

The H Share Repurchase Mandate will be conditional upon the special resolution(s) for approving the grant of the H Shares Repurchase Mandate being adopted at the AGM. The H Share Repurchase Mandate (if approved) will lapse at the earlier of: (a) the conclusion of the next annual general meeting of the Company following the adoption of the relevant special resolution(s) at the AGM; or (b) the date on which the authority granted under the relevant special resolution(s) is revoked or amended by a special resolution of the Shareholders at any general meeting of the Company.

If the Company repurchases any H Shares pursuant to the H Share Repurchase Mandate, the Company will (i) cancel the repurchased H Shares and reduce its registered capital in accordance with applicable laws and regulations; and/or (ii) depending on the circumstances at the time of the repurchase (such as market conditions and the Company's capital management needs), hold the repurchased H Shares as Treasury Shares. If the Company holds any H Shares as Treasury Shares, any sale or transfer of such treasury H Shares will be conducted pursuant to the terms of resolution No. 9 below and in accordance with the Listing Rules and applicable PRC laws and regulations.

Appendix III to this circular contains the explanatory statement as required under the Listing Rules, which provides the necessary information in relation to the H Share Repurchase Mandate.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

## LETTER FROM THE BOARD

### 8. Change in Use and Cancellation of Repurchased A Shares

A special resolution will be proposed at the AGM to consider and approve the resolution on the change in use and cancellation of repurchased A Shares, whereby the original proposal of “repurchasing shares for the implementation of the Company’s equity incentive scheme and/or employee stock ownership plan” will be changed to “repurchasing shares for cancellation and reduction of the Company’s registered capital”. Details are as follows:

#### *I. Information on Repurchase of A Shares*

The Company disclosed the announcement on the results of repurchase of share repurchase and changes in share capital on 13 March 2023, pursuant to which the Company repurchased a total of 48,558,888 A Shares (the “**A Shares Repurchase**”). As of the Latest Practicable Date, under the A Shares Repurchase, the total number of A Shares used for the employee stock ownership plan was 20,106,662, and the number of remaining repurchased A Shares was 28,452,226.

#### *II. Reasons for and Details of the Proposed Change in the Use of Repurchased A Shares*

According to the announcement in relation to the repurchase of certain public shares disclosed by the Company on 12 March 2022, the purpose of the Repurchase was to implement the Company’s equity incentive scheme and/or employee stock ownership plan. Taking into account the overall capital market conditions, and with a view to enhancing the Company’s long-term investment value, increasing earnings per Share, and further strengthening investor confidence, and in light of the practical circumstances including the Company’s proposed implementation of the 2025 A Share employee stock ownership plan, the Company proposes to change the use of 11,090,741 A Shares out of the remaining repurchased shares to “used for cancellation and reduction of the Company’s registered capital”.

#### *III. Changes in the Company’s Share Capital Upon the Proposed Change in Use and Cancellation of Repurchased A Shares*

The changes in the Company’s share capital structure before and after the proposed change of use and cancellation of the repurchased A Shares are as follows (based on the Company’s Share capital as at the date of the passing of this resolution by the Board on 28 March 2025):

Nature of Shares	Before Cancellation of Repurchased Shares		Number of Shares to be Cancelled (Shares)	After Cancellation of Repurchased Shares	
	Number of Shares (Shares)	Percentage (%)		Number of Shares (Shares)	Percentage (%)
I. RMB Ordinary Shares (A Shares)	7,009,507,272	91.50	–	6,998,416,531	91.49
Including: Restricted circulating Shares	112,504,187	1.47	–	112,504,187	1.47
Unrestricted circulating Shares	6,897,003,085	90.04	11,090,741	6,885,912,344	90.02
II. Overseas listed foreign Shares (H Shares)	650,848,500	8.50	–	650,848,500	8.51
III. Total share capital	7,660,355,772	100.00	11,090,741	7,649,265,031	100.00



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## LETTER FROM THE BOARD

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### ***IV. Impact of the Proposed Change in Use of Repurchased A Shares on the Company***

The proposed change of use and cancellation of the repurchased A Shares will be conducive to effectively enhancing the Company's long-term investment value and increasing earnings per Share, thereby further strengthening investor confidence. It will not have any material adverse impact on the Company's ability to perform its debt obligations, its going concern capability, or the rights and interests of Shareholders. It will also not result in the Company's shareholding distribution failing to meet the listing requirements, nor will it affect the Company's listing status.

### ***V. Procedures to be Completed for the Proposed Change in Use of Repurchased A Shares***

The proposed change in use of the repurchased A Shares is required to be submitted to the general meeting of the Company for consideration. The Company will subsequently perform the relevant approval procedures and information disclosure obligations in accordance with applicable laws and regulations. The Board proposes to the general meeting to grant authorisation to the Company's management to handle matters relating to the cancellation of the Shares.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

## **9. General Mandate to Issue Shares of the Company**

To seize market opportunities and ensure flexibility in the issuance of new shares, a special resolution will be proposed at the AGM to approve the grant of an unconditional and general mandate to the Board to exercise the general power of the Company to issue, allot, and deal with additional Shares of the Company based on market conditions and the needs of the Company, and to make or grant offers, agreements and/or options in respect of such matters, provided that the number of Shares involved shall not exceed 20% of the total number of issued Shares of the Company (excluding Treasury Shares) as at the date on which this resolution is adopted at the general meeting of the Company.

Further details regarding the proposed special resolution for the grant of the general mandate to issue Shares of the Company are set out in the AGM Notice.

This resolution was considered and approved at the Board meeting on 28 March 2025, and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

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## LETTER FROM THE BOARD

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### 10. Proposed Adoption of the 2025 A Share Ownership Plan

An ordinary resolution will be proposed at the AGM to consider and approve the resolution on proposed adoption of the 2025 A Share Ownership Plan. Details are as follows:

#### *I. Principal Terms of the 2025 A Share Ownership Plan*

##### *(I) Purposes of the Share Ownership Plan*

- (1) Build an internal entrepreneurial group, further unleash the self-motivation and creativity of the core management team, continuously enhance the Company's corporate governance, and attract, incentivise, and retain core management and key technical personnel who have a significant impact on the future development of the Company.
- (2) Foster a sense of mission and responsibility, promote a value-oriented performance culture, establish and improve a mechanism for benefit sharing between employees and owners, align the interests of the Company, Shareholders, and employees, and ensure the realization of the Company's development strategies and business objectives.

##### *(II) The Share Ownership Plan Adheres to the Following Principles*

###### (1) Principle of Compliance with Laws and Regulations

In implementing the share ownership plan, the Company shall strictly follow the procedures prescribed by laws and administrative regulations, and carry out information disclosure in a truthful, accurate, complete, and timely manner. No person shall use the share ownership plan to engage in insider trading, market manipulation, or other securities fraud activities.

###### (2) Principle of Voluntary Participation

In implementing the share ownership plan, the Company shall adhere to the principle of independent decision-making and voluntary participation. The Company shall not compel participation in the share ownership plan through allocation, forced distribution, or other coercive means.

###### (3) Principle of Long-term Service

The underlying Shares held under the share ownership plan will vest in three periods during the vesting assessment period based on the assessment results for each vesting period. The aforementioned installment vesting mechanism is

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## LETTER FROM THE BOARD

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conducive to encouraging core management and key technical personnel to provide long-term service, incentivizing the achievement of long-term results, and promoting the sustainable development of the Company.

(4) Principle of Benefit Sharing

The vesting to the Participants under the share ownership plan will be linked to the Company's key performance indicators and long-term strategic objectives, which is conducive to reinforcing a shared corporate vision and closely aligning the long-term interests of the Company's core management and key technical personnel with those of the Shareholders.

(5) Principle of Self-bearing of Risk

Participants of the share ownership plan shall bear their own gains and losses and assume their own risks, and shall enjoy equal rights and interests with other investors.

*(III) Participants of the Share Ownership Plan*

The Participants of the share ownership plan include, as specified in the scheme, the Directors and senior management of the Company, presidents of the Company's subsidiaries, and core management or key technical personnel who have a significant impact on the Company's operating performance and long-term strategic objectives.

*(IV) Source of Shares and Funds for the Share Ownership Plan*

(1) Source of Shares

The Shares under the share ownership plan will be sourced from the repurchased A Shares to be transferred from and held in the Company's designated securities account for repurchase. The transfer price of such A Shares is based on the share options pricing principles of the Administrative Measures on Incentive Scheme of Listed Companies: the average trading price of A Shares on the previous one trading day before the date when the Company first disclosed the 2025 A Share Ownership Plan (Draft) (29 March 2025) of RMB76.67 per Share and the average trading price of A Shares on the previous 20 days of RMB73.73 per Share (the higher of the amount), namely RMB76.67 per Share. Based on the total amount of the share ownership scheme for the period, a total of 17,361,485 A Shares are transferred from the repurchase account under the share ownership scheme.

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## LETTER FROM THE BOARD

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### (2) Source of Funds

The source of funds for the share ownership plan will be the Company's designated incentive fund, the legitimate remuneration of employees, or other methods permitted by laws and administrative regulations. The total amount of the share ownership plan is RMB1,331,105,055, representing approximately 3.45% of the net profit attributable to the parent company in the Company's audited consolidated financial statements for 2024.

### (V) *Basis for Determining the Share Transfer Price under the Share Ownership Plan*

The basis for determining the share transfer price under the share ownership plan is as follows:

- (1) Taking into account the Company's operating conditions and the objective of strengthening its core management and key technical personnel, and with reference to relevant policies and cases of listed companies, an effective and feasible plan has been formulated that aligns with the Company's actual circumstances.
- (2) In determining the price under the share ownership plan, based on the principle of equal incentives and constraints, and with full consideration of employee constraint mechanisms, stringent corporate performance assessment and individual performance evaluation have been established, which are conducive to encouraging the core management team to provide long-term service, incentivizing the achievement of long-term performance, and promoting the sustainable development of the Company.
- (3) The share ownership plan is intended to improve the Company's corporate governance mechanism, enhance the overall value of the Company, and ensure a deep alignment between the core management and key technical personnel and the Company's long-term growth in value.

### (VI) *Term of the Share Ownership Plan*

The term of the share ownership plan shall be five years commencing from the date on which the scheme is considered and approved at the general meeting and the Company announces the transfer of the underlying Shares to the employee stock ownership scheme (the "**Announcement Date**"). Upon expiry of the term, the scheme shall terminate, unless extended upon approval by the Board following a proposal by the stock ownership plan management committee (the "**Plan Management Committee**").

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## LETTER FROM THE BOARD

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### *(VII) Administration of the Share Ownership Plan*

The Plan Management Committee shall be elected by the holders' meeting to exercise shareholder rights on behalf of the holders of the share ownership plan, conduct daily management of the share ownership plan, to effectively protect the legitimate rights and interests of the holders of the share ownership plan.

### *(VIII) Lock-up Period and Vesting of Shares*

The A Shares held under the share ownership plan shall be subject to a lock-up period of 24 months commencing from the Announcement Date and no trading can be conducted during the lock-up period. Upon the expiry of the aforementioned lock-up period, and depending on the achievement of performance targets of the Company and the unit as well as the assessment results of the Participants during the assessment period, the corresponding portions of A Shares held under the scheme to which the Participants are entitled shall vest in three tranches at the ratios of 40%, 30%, and 30%, respectively. The specific vesting ratios shall be determined based on the Participants' individual assessment results. The vested A Shares will be centrally sold by the Plan Management Committee, and the proceeds will be allocated based on the interests in the underlying stocks vested in holders.

If the number of underlying Shares to be vested to a Participant, as determined based on the achievement of the unit's performance targets during the vesting assessment period and the Participant's individual assessment results, is less than the number of underlying Shares originally transferred to such Participant, the excess portion of the underlying shares and any corresponding dividends (if any) shall be forfeited and reclaimed by the Plan Management Committee without compensation. Such forfeited Shares shall be sold at an appropriate time before the expiry of the ownership scheme, and the proceeds from the sale shall be returned to the Company.

Any undistributed underlying Shares under the share ownership plan and any corresponding dividends (if any) shall belong entirely to the Company.

### *(IX) The number and Participants of Underlying Shares held under the Current Stock Ownership Scheme*

During its term, the aggregate number of Shares to be held in the respective phases of the share ownership scheme of the Company shall not exceed 10% of the total share capital of the Company, and the aggregate number of underlying Shares corresponding to the holdings of any Participant in the share ownership scheme shall not exceed 1% of the total share capital of the Company.

The cumulative total number of underlying Shares excludes Shares obtained by Participants before the Company's listing of A Shares, Shares purchased independently in the secondary market, and Shares acquired through equity incentive plans.

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## LETTER FROM THE BOARD

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The Current Stock Ownership Scheme covers 601 core managers and core technical personnel who play an important role in the overall performance and medium and long-term development of the Company, including 13 senior executives of the Company, 588 presidents, core managers and technical personnel in subsidiaries. The senior executives participating in the Current Stock Ownership Scheme are Fang Hongbo, Wang Jianguo, Guan Jinwei, Gu Yanmin, Bai Lin, Zhao Lei, Zhong Zheng, Fu Yongjun, Zhang Xiaoyi, Li Guolin, Wang Jinliang, Zhao Wenxin, and Gao Shu. The total shareholding proportion of senior executives participating in the Current Stock Ownership Scheme is 18.96%.

Details of the proportion of shares to be allocated to Directors and senior executives of the Company under the Current Stock Ownership Scheme are as follows:

<b>Name</b>	<b>Position</b>	<b>Proposed allocation ratio</b>
Fang Hongbo	Chairman, Executive Director, and Chief Executive Officer	7.70%
Wang Jianguo	Executive Director and Vice President	1.35%
Guan Jinwei	Executive Director and Vice President	1.46%
Gu Yanmin	Executive Director and Vice President	0.53%
Bai Lin	Vice President	0.99%
Zhao Lei	Vice President	2.80%
Zhong Zheng	Vice President, Chief Financial Officer and Finance Director	0.82%
Fu Yongjun	Vice President	0.98%
Zhang Xiaoyi	Vice President	0.61%
Li Guolin	Vice President	0.54%
Wang Jinliang	Vice President	0.37%
Zhao Wenxin	Vice President and Chief People's Officer	0.49%
Gao Shu	Board Secretary	0.32%
Other holders of the Stock Ownership Scheme	–	81.04%
<b>Total</b>	–	<b>100.00%</b>

The resolution, which was considered and approved by the Board on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

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## LETTER FROM THE BOARD

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### ***II. Implications under the Listing Rules***

The 2025 A Share Ownership Plan will be settled using the Company's A Share treasury shares, and no new Shares of the Company will be issued. As such, it is subject to the provisions of Rule 17.12 of the Listing Rules. The Company will comply with the applicable disclosure requirements under Chapter 17 of the Listing Rules in respect of the 2025 A Share Ownership Plan as and when appropriate.

#### **11. Proposed Adoption of the Administrative Measures for 2025 A Share Ownership Plan**

An ordinary resolution will be proposed at the AGM to consider and approve the Management Measures of Midea Group Co., Ltd. for the 2025 A Share Ownership Plan, the full text of which is set out in Appendix IV to this circular.

The resolution, which was considered and approved by the Board on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

#### **12. Proposed Authorization to the Board by the General Meeting to 2025 A Share Ownership Plan**

An ordinary resolution will be proposed at AGM to consider and approve the resolution of the general meeting to authorize the Board to deal with matters in relation to the 2025 A Share Ownership Plan of the Company, details of which are set out in Appendix V to this circular.

The resolution, which was considered and approved by the Board on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

#### **13. Proposed Adoption of the (H Share) Share Award Scheme**

The Company proposes to, subject to obtaining approval from the Shareholders at the AGM by way of an ordinary resolution, adopt the (H Share) Share Award Scheme.

The (H Share) Share Award Scheme is proposed to be adopted for the following purposes, to (i) further develop the self-motivation and creativity of key talent and continually improve the Company's governance level and to attract, motivate, and retain core talent who have a significant impact on the Company's future development; and (ii) inspire a sense of mission and responsibility within the Company, advocate for a performance culture oriented towards creating value, establish and perfect a mechanism for sharing interests between workers and owners, align the interests of the Company, Shareholders, and employees, and ensure the realisation of the Company's development strategy and business objectives.

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## LETTER FROM THE BOARD

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The terms of the (H Share) Share Award Scheme complies with the requirements of Chapter 17 of the Listing Rules. The summary of the rules of the (H Share) Share Award Scheme is set out in “Appendix VI – Summary of Rules of the (H Share) Share Award Scheme” to this circular.

No Director has a material interest and is required to abstain from voting on the resolution to approve the proposed adoption of the (H Share) Share Award Scheme. None of the Shareholders is required to abstain from voting on such resolution at the AGM pursuant to the Listing Rules and/or the Articles of Association.

### **14. Provision of Guarantees for Controlled Subsidiaries in 2025**

An ordinary resolution will be proposed at AGM to consider and approve the resolution on the provision of guarantees for controlled subsidiaries in 2025, details of which are set out in Appendix VII to this circular.

The resolution, which was considered and approved by the Board on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

### **15. Provision of Guarantees for Asset Pool Business of Controlled Subsidiaries in 2025**

An ordinary resolution will be proposed at AGM to consider and approve the resolution on the provision of guarantees for asset pool business of controlled subsidiaries in 2025, details of which are set out in Appendix VIII to this circular.

The resolution, which was considered and approved by the Board on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

### **16. Launch of Foreign Exchange Derivatives Business in 2025**

An ordinary resolution will be proposed at AGM to consider and approve the resolution on conducting foreign exchange derivatives business in 2025, details of which are set out in Appendix IX to this circular.

The resolution, which was considered and approved by the Board on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

### **17. Re-appointment of Accounting Firms**

An ordinary resolution will be proposed at AGM to consider and approve (i) the re-appointment of PwC Zhong Tian as the Company’s domestic audit institution for the year 2025 and (ii) the re-appointment of PwC as the Company’s overseas audit institution for the year 2025 with the term of one year, which shall take effect from the date of consideration and approval at AGM.



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## LETTER FROM THE BOARD

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At the same time, a resolution will also be proposed at AGM to authorize the management of the Company to negotiate with PwC Zhong Tian and PwC to determine the relevant audit fees according to the Company's specific audit requirements and audit scope in 2025, and to sign the relevant agreements.

The resolution, which was considered and approved by the Board on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

### **18. Work Report of the Supervisory Committee of 2024**

An ordinary resolution will be proposed at AGM to consider and approve the work report of the Supervisory Committee of 2024, details of which are set out in Appendix X to this circular.

The resolution, which was considered and approved by the Supervisory Committee on 28 March 2025, is proposed to be considered and approved at AGM by way of an ordinary resolution.

### **19. Proposed Amendments to the Articles of Association**

A special resolution will be proposed at the AGM to consider and approve the proposed amendments to the Articles of Association.

Reference is made to the Company's announcement dated 29 April 2025 regarding the proposed amendments to the Articles of Association. In order to comply with the requirements of the latest amended *Guidelines for Articles of Association of Listed Companies* (《上市公司章程指引》) and other relevant laws and regulations, and in line with the Company's business development needs and changes in registered capital, the Board proposed to make corresponding amendments to certain provisions of the Articles of Association. Full details of the proposed amendments are set out in Appendix XI to this circular. Except for the proposed amendments specified in Appendix XI to this circular, all other provisions of the Articles of Association remain unchanged.

The proposed amendments to the Articles of Association shall only take effect upon approval by Shareholders by way of a special resolution at the AGM.

### **20. Proposed Amendments to the *Rules of Procedure of the Shareholders' General Meeting***

An ordinary resolution will be presented at the AGM to consider and approve proposed amendments to the *Rules of Procedure of the Shareholders' General Meeting*.

In line with the requirements specified in the latest revised laws and regulations, including the *Guidelines for Articles of Association of Listed Companies* (《上市公司章程指引》) and the *Rules of Procedure for Shareholders' Meetings of Listed Companies* (《上市公

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## LETTER FROM THE BOARD

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司股東會規則》), and to accommodate the Company's business development needs, the Company proposes to amend the *Rules of Procedure of the Shareholders' General Meeting* (《股東大會議事規則》). Details of the proposed amendments to *Rules of Procedure of the Shareholders' General Meeting* are presented in Appendix XII of this circular. Except for the proposed amendments presented in Appendix XII of this circular, all other provisions of the original *Rules of Procedure of the Shareholders' General Meeting* (《股東大會議事規則》) will remain unchanged.

This proposal was considered and approved by the Board of Directors on 29 April 2025, and is now submitted to the AGM for consideration and approval as an ordinary resolution.

### **21. Proposed Amendments to the *Rules of Procedure of the Board of Directors***

An ordinary resolution will be presented at the AGM to consider and approve proposed amendments to the *Rules of Procedure of the Board of Directors*.

In line with the requirements specified in the latest revised laws and regulations, including the *Guidelines for Articles of Association of Listed Companies*, and to accommodate the Company's business development needs, the Company proposes to amend the *Rules of Procedure of the Board of Directors*. Details of the proposed amendments to *Rules of Procedure of the Board of Directors* are presented in Appendix XIII of this circular. Except for the proposed amendments presented in Appendix XIII of this circular, all other provisions of the original *Rules of Procedure of the Board of Directors* (《董事會議事規則》) will remain unchanged.

This proposal was considered and approved by the Board of Directors on 29 April 2025, and is now submitted to the AGM for consideration and approval as an ordinary resolution.

### **22. Proposed Amendments to the *Work System of Independent Directors***

An ordinary resolution will be presented at the AGM to consider and approve proposed amendments to the *Work System of Independent Directors*.

In line with the requirements specified in the latest revised laws and regulations, including the *Guidelines for Articles of Association of Listed Companies* and the *Management Measures for Independent Directors in Listed Companies*, and to accommodate the Company's business development needs, the Company proposes to amend the *Work System of Independent Directors*. Details of the proposed amendments to *Work System of Independent Directors* are presented in Appendix XIV of this circular. Except for the proposed amendments presented in Appendix XIV of this circular, all other provisions of the original *Work System of Independent Directors* will remain unchanged.

This proposal was considered and approved by the Board of Directors on 29 April 2025, and is now submitted to the AGM for consideration and approval as an ordinary resolution.

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## LETTER FROM THE BOARD

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### **23. Proposed Amendments to the *Management System of Related-Party Transactions***

An ordinary resolution will be presented at the AGM to consider and approve proposed amendments to the *Management System of Related-Party Transactions*.

In line with the requirements specified in the latest revised laws and regulations, including the *Guidelines for Articles of Association of Listed Companies* and the *Management Measures for Independent Directors in Listed Companies*, and to accommodate the Company's business development needs, the Company proposes to amend the *Management System of Related-Party Transactions*. Details of the proposed amendments to *Management System of Related-Party Transactions* are presented in Appendix XV of this circular. Except for the proposed amendments presented in Appendix XV of this circular, all other provisions of the original *Management System of Related-Party Transactions* will remain unchanged.

This proposal was considered and approved by the Board of Directors on 29 April 2025, and is now submitted to the AGM for consideration and approval as an ordinary resolution.

### **24. Proposed Amendments to the *Management Measures for Remuneration of Directors, Supervisors and Senior Management***

An ordinary resolution will be presented at the AGM to consider and approve proposed amendments to the *Management Measures for Remuneration of Directors, Supervisors and Senior Management*.

In line with the requirements specified in the latest revised laws and regulations, including the *Guidelines for Articles of Association of Listed Companies* and the *Management Measures for Independent Directors in Listed Companies*, and to accommodate the Company's business development needs, the Company proposes to amend the *Management Measures for Remuneration of Directors, Supervisors and Senior Management*. Details of the proposed amendments to the *Management Measures for Remuneration of Directors, Supervisors and Senior Management* are presented in Appendix XVI of this circular. Except for the proposed amendments presented in Appendix XVI of this circular, all other provisions of the original *Management Measures for Remuneration of Directors, Supervisors and Senior Management* will remain unchanged.

This proposal was considered and approved by the Board of Directors on 29 April 2025, and is now submitted to the AGM for consideration and approval as an ordinary resolution.

### **25. Proposed Amendments to the *Management Measures for Proceeds***

An ordinary resolution will be presented at the AGM to consider and approve proposed amendments to the *Management Measures for Proceeds*.

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## LETTER FROM THE BOARD

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In line with the requirements specified in the latest revised laws and regulations, including the *Guidelines for Articles of Association of Listed Companies*, and to accommodate the Company's business development needs, the Company proposes to amend the *Management Measures for Proceeds*. Details of the proposed amendments to the *Management Measures for Proceeds* are presented in Appendix XVII of this circular. Except for the proposed amendments presented in Appendix XVII of this circular, all other provisions of the original *Management Measures for Proceeds* will remain unchanged.

This proposal was considered and approved by the Board of Directors on 29 April 2025, and is now submitted to the AGM for consideration and approval as an ordinary resolution.

### **26. Proposed Amendments to the System of Making Decisions on External Guarantees**

An ordinary resolution will be presented at the AGM to consider and approve proposed amendments to the *System of Making Decisions on External Guarantees*.

In line with the requirements specified in the latest revised laws and regulations, including the *Guidelines for Articles of Association of Listed Companies* and the *Management Measures for Independent Directors in Listed Companies*, and to accommodate the Company's business development needs, the Company proposes to amend the *System of Making Decisions on External Guarantees*. Details of the proposed amendments to the *System of Making Decisions on External Guarantees* are presented in Appendix XVIII of this circular. Except for the proposed amendments presented in Appendix XVIII of this circular, all other provisions of the original *System of Making Decisions on External Guarantees* will remain unchanged.

This proposal was considered and approved by the Board of Directors on 29 April 2025, and is now submitted to the AGM for consideration and approval as an ordinary resolution.

### **27. Spin-off of Annto for Overseas Listing**

Reference is made to the announcement of the Company dated 29 April 2025. The Company intends to spin off Annto for listing on the Main Board of the Hong Kong Stock Exchange. The Spin-off has been considered and approved at the eighth meeting of the fifth session of the Board held on 29 April 2025. The relevant resolutions will be proposed at the AGM for consideration and approval by way of a special resolution respectively.

The following are the contents of the proposals in relation to the Spin-off:

#### **(I) Compliance of the Spin-off with the Relevant Laws and Regulations**

A special resolution will be proposed at the AGM to approve the compliance of the Spin-off with the relevant laws and regulations. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

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## LETTER FROM THE BOARD

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In accordance with the provisions of the Company Law, the PRC Securities Law and the Spin-off Rules, as well as other relevant laws, regulations, and regulatory documents, the Board, after careful self-examination and discussion based on the actual situation and relevant matters of the Company, is of the view that the Spin-off complies with the relevant laws and regulations.

### **(II) Plan of Annto for Initial Public Offering of H Shares and its Listing on the Main Board of the Hong Kong Stock Exchange**

A special resolution will be proposed at the AGM to approve the plan of Annto for the initial public offering and listing of its H shares on the Main Board of the Hong Kong Stock Exchange. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

The preliminary issuance plan for the Spin-off is as follows:

1. Place of listing: The Main Board of the Hong Kong Stock Exchange.
2. Types of shares to be issued: The shares to be issued by Annto are overseas-listed foreign-invested shares (H shares) listed on the Main Board of the Hong Kong Stock Exchange, all of which are ordinary shares.
3. Par value of shares: Par value is denominated in RMB, and subscribed for in foreign currency, with a par value of RMB1.00 per share.
4. Target subscribers: Shares under the issuance are intended to be offered globally to institutional investors, enterprises, and natural persons outside of China (for the purposes of this plan, including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Taiwan Region, and other countries), qualified domestic institutional investors, and other investors in compliance with the regulatory requirements.
5. Time of issuance: Annto will choose the appropriate timing and issuance window to complete the issuance and listing within the validity period of the resolution of the general meeting. The specific date of issuance will be determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto, taking into account the domestic and international capital market conditions, the progress of obtaining approval from and filing with the domestic and overseas regulatory authorities, and other relevant circumstances.
6. Method of issuance: Annto will issue new shares by way of Hong Kong public offering and international offering. Based on international practices and the conditions of the capital market, international offering may be conducted by way of (including but not limited to) (1) offerings conducted outside the United States under Regulation S under the U.S. Securities Act and its amendments; or (2)

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## LETTER FROM THE BOARD

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offerings made to qualified institutional buyers in the United States under Rule 144A (or other exemptions) of the U.S. Securities Act and its amendments. The specific method of issuance will be determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto in accordance with legal requirements, subject to approvals from or filing with the regulatory authorities, and based on market conditions.

7. Size of issuance: The initial size of the issuance of Annto shall not exceed 20% of the enlarged total share capital immediately after the issuance (prior to the exercise of the over-allotment option), and the overall coordinator(s) (for and on behalf of international underwriter(s)) shall be granted an over-allotment option not exceeding 15% of the aforementioned initial issuance size of H shares. The final issuance ratio and the number of shares to be issued shall be determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto in accordance with legal requirements, subject to approval from or filing with the regulatory authorities, and based on market conditions.
8. Pricing method: The issue price will be jointly negotiated and determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto, along with the overall coordinator(s) (for itself/themselves and on behalf of the underwriter(s)), after due consideration of, among others, the interests of existing shareholders of Annto, the acceptance of investors, and the risks of issuance, in accordance with international practices, taking into account the domestic and overseas capital market conditions at the time of issuance, the general valuation level of the industry in which Annto operates, and the subscription situations in the market, and based on the results of the roadshow and book-building process.
9. Principles of offering:

The number of shares allocated to subscribers in the Hong Kong public offering will be determined based on the number of valid applications received from subscribers. The allocation benchmark may vary according to the number of shares validly applied for by subscribers in the Hong Kong public offering, but it shall be strictly allocated in accordance with the proportions specified (or waived) by the Listing Rules. Where appropriate, the allotment of shares may also be made by drawing of lots, whereby some subscribers may be allotted more shares than other subscribers who have applied for the same number of shares, while subscribers whose applications are not successful may not be allotted any shares. The allocation ratio of the Hong Kong public offering portion to the international offering will be subject to a “clawback” mechanism in accordance with the oversubscription multiples under the Listing Rules and relevant waiver as may be granted by the Hong Kong Stock Exchange.

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## LETTER FROM THE BOARD

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The proportion to be taken up by the international offering depends on the proportion of the Hong Kong public offering (after clawback). The targeted investors and the offer size of the international offering will be determined based on accumulated bids, with due consideration of various factors, including but not limited to: the overall oversubscription multiples, the quality of the investors, the importance of the investors and their performance in past transactions, the timing of the investors' orders, the size of the orders, the sensitivity of the price, the level of participation in the pre-roadshows, and the anticipation of such investors' after-market behavior. Priority will be given to the cornerstone investor(s), if any, in the allocation of the international offering in accordance with the relevant agreements with the cornerstone investor(s).

The announcement regarding the issuance does not constitute an offer to sell the shares and Annto does not induce any person to make an offer to purchase the shares in any country or jurisdiction where the offer or sale of the shares of Annto is not permitted. Annto may not sell the shares or accept an offer to purchase the shares (other than to/from the cornerstone investor(s), if any) until the prospectus is published officially.

10. Conversion to a company limited by shares offered and listed overseas: Annto will be converted to a company limited by shares offered and listed overseas in accordance with the requirements of the laws and regulations and the regulatory authorities, and will issue H shares on the terms and conditions set out in the H share prospectus and be listed on the Main Board of the Hong Kong Stock Exchange.
11. Other matters related to the issuance: Matters such as strategic placement, use of proceeds, and underwriting methods involved in the issuance will be further confirmed and adjusted by Annto based on the implementation situation of the plan for the issuance and listing, market conditions, policy adjustments, and the opinions of regulatory authorities.
12. Application for conversion of domestic unlisted shares into H shares: Subject to the compliance with the regulatory policies and requirements of the CSRC and the relevant regulatory authorities of the jurisdiction where the Company is listed, the Company intends to apply, before the Spin-off or after the Spin-off, to convert all or part of the domestic unlisted shares issued prior to the Spin-off into H shares to be listed and traded on the Main Board of the Hong Kong Stock Exchange, and to file with the CSRC.
13. Validity period of the proposal: The validity period of this proposal shall be 24 months from the date on which it is considered and approved at the AGM. If Annto has obtained the approval or filing documents from the relevant regulatory authorities for the issuance and listing within the validity period, the validity period of the resolution shall be automatically extended to the later of the completion date of the issuance and listing or the date of exercising the over-allotment option (if any).



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## LETTER FROM THE BOARD

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### (III) Proposal on the Spin-off

A special resolution will be proposed at the AGM to approve the proposal on the Spin-off. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

To implement the Spin-off, the Company has prepared the “Proposal of Midea Group Co., Ltd. on the Spin-off of its Subsidiary Annto Supply Chain Technology Co., Ltd. for Listing on the Main Board of The Stock Exchange of Hong Kong Limited” in accordance with the relevant provisions of the PRC Securities Law, the Spin-off Rules, and other laws, regulations, and regulatory documents. For details, please refer to the “Proposal of Midea Group Co., Ltd. on the Spin-off of its Subsidiary Annto Supply Chain Technology Co., Ltd. for Listing on the Main Board of The Stock Exchange of Hong Kong Limited” dated 29 April 2025 of the Company published on the website of the Shenzhen Stock Exchange, as well as the overseas regulatory announcement published on the website of the Hong Kong Stock Exchange on the same day.

### (IV) Compliance of the Spin-off with the Spin-off Rules

A special resolution will be proposed at the AGM to approve the compliance of the Spin-off with the Spin-off Rules. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

After prudent assessment, the Spin-off is in compliance with the relevant requirements of the Spin-off Rules for a listed company spinning off its subsidiary for overseas listing, details of which are as follows:

#### ***1. The listed company satisfies the spin-off conditions stipulated in Article 3 of the Spin-off Rules***

##### *(1) Shares of the listed company have been listed in the PRC for over three years*

The Company was listed on the main board of the Shenzhen Stock Exchange on 18 September 2013 through a share swap merger with GD Midea Holding Co., Ltd. (廣東美的電器股份有限公司), and has been listed domestically for over three years. Therefore, the Company is in compliance with the provisions of item (I) of Article 3 of the Spin-off Rules.

##### *(2) The listed company has recorded profits for the last three fiscal years in a row*

According to the reports issued by PwC Zhong Tian, namely PwC Zhong Tian Shen Zi (2023) No. 10017 (普華永道中天審字(2023)第10017號), PwC Zhong Tian Shen Zi (2024) No. 10017 (普華永道中天審字(2024)第10017號), and PwC Zhong Tian Shen Zi (2025) No. 10014 (普華永道中天審字(2025)第10014號), pursuant to the PRC accounting standards, the net profit attributable to the shareholders of the Company for 2022, 2023, and 2024 (calculated at the lower value before or after deducting non-recurring profit or loss) was RMB28.608 billion, RMB32.975 billion, and RMB35.741 billion, respectively. The Company has reported net profits for the last three consecutive fiscal years. Therefore, the Company is in compliance with the item (II) of Article 3 of the Spin-off Rules.



## LETTER FROM THE BOARD

- (3) *the cumulative net profit attributable to the shareholders of the listed company, after deducting its share of net profit in the subsidiary to be spun off according to its equity interest held for the last three fiscal years, shall not be less than RMB600 million (the net profit shall be calculated at the lower of the value before and after deducting non-recurring profit or loss).*

Based on the Company's audited financial statements for the last three years and Annto's unaudited financial data, the Company's net profit attributable to shareholders of the parent company after deducting the Company's share of the net profit in Annto according to its equity interest held for the last three fiscal years is as follows:

*Unit: RMB'0,000*

Item	Formula	Year 2024	Year 2023	Year 2022	Total
<b>I. The Company's Net Profit Attributable to Shareholders of the Listed Company</b>					
The Company's net profit attributable to shareholders of the parent company		3,853,723.70	3,371,993.50	2,955,350.70	10,181,067.90
The Company's net profit attributable to shareholders of the parent company (after deducting non-recurring profit or loss)	A	3,574,141.80	3,297,490.80	2,860,797.30	9,732,429.90
<b>II. Annto's Net Profit Attributable to Shareholders of the Parent Company</b>					
Annto's net profit attributable to shareholders of the parent company		38,032.73	28,795.42	21,513.46	88,341.61
Annto's net profit attributable to shareholders of the parent company (after deducting non-recurring profit or loss)	B	32,999.26	28,275.43	19,331.11	80,605.80
<b>III. The Company's Equity Interest in Annto (Note)</b>					
Percentage of Interest	C	73.85%	73.85%	75.61%	
<b>IV. Annto's Net Profit Attributable to the Company According to Its Equity Interest Held</b>					
Net profit attributable to shareholders of the parent company		28,087.17	21,265.42	16,266.33	65,618.92
Net profit attributable to shareholders of the parent company (after deducting non-recurring profit or loss)	D (D=B*C)	24,369.95	20,881.41	14,616.25	59,867.61
<b>V. The Company's Net Profit Attributable to Shareholders of the Parent Company after Deducting the Company's Share of Net Profit in Annto According to Its Equity Interest Held</b>					
Net profit attributable to shareholders of the parent company		3,825,636.53	3,350,728.08	2,939,084.37	10,115,448.98
Net profit attributable to shareholders of the parent company (after deducting non-recurring profit or loss)	E (E=A-D)	3,549,771.85	3,276,609.39	2,846,181.06	9,672,562.29
The cumulative net profit attributable to shareholders of the parent company, after deducting the Company's share of net profit in Annto according to its equity interest held for the last three fiscal years (the net profit shall be calculated at the lower of the value before and after deducting non-recurring profit or loss)				The lower of the cumulative amount for the three years calculated in E	9,672,562.29

*Note:* The Company's interests in Annto's equity interest is calculated based on the shareholding percentage at the end of each year.

## LETTER FROM THE BOARD

In summary, the Company has achieved continuous profitability in the last three fiscal years, and the cumulative net profit attributable to the shareholders of the parent company, after deducting its attributable net profit in Annto according to its equity interest, is not less than RMB600 million (the net profit is calculated at the lower of the value before or after deducting non-recurring profit or loss). Therefore, the Company is in compliance with the item (III) of Article 3 of the Spin-off Rules.

- (4) *The net profit of the subsidiary to be spun off attributable to the listed company according to its equity interest held as shown in its consolidated statements for the most recent fiscal year shall not exceed 50% of the net profit attributable to the shareholders of the listed company; and the net assets of the subsidiary to be spun off attributable to the listed company according to its equity interest as shown in its consolidated statements for the most recent fiscal year shall not exceed 30% of the net assets attributable to the shareholders of the listed company*

According to the audit report (PwC Zhong Tian Shen Zi (2025) No. 10014 (普華永道中天審字(2025)第10014號)) issued by PwC Zhong Tian for the Company, and the unaudited financial data of Annto, the net profit attributable to shareholders of the parent company, the net profit attributable to shareholders of the parent company after deducting non-recurring profit or loss, and the net assets attributable to shareholders of the parent company of the Company and Annto for 2024 are as follows:

*Unit: RMB'0,000*

Item	Formula	Net Profit Attributable to the Shareholders of the Parent Company for 2024	Net Profit Attributable to Shareholders of the Parent Company After Deducting Non- recurring Profit or Loss for 2024	Net Assets Attributable to Shareholders of the Parent Company as at the End of 2024
The Company	A	3,853,723.70	3,574,141.80	21,675,005.70
Annto	B	38,032.73	32,999.26	167,298.80
The Company's interests in Annto ( <i>Note</i> )	C	73.85%		
The Company's interests in Annto's net profit or net assets according to its equity interest held	D=B*C	28,087.17	24,369.95	123,550.16
Percentage	E=D/A	0.73%	0.68%	0.57%

*Note:* The Company's interests in Annto is calculated based on the equity interest as at 31 December 2024.

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## LETTER FROM THE BOARD

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In summary, in the consolidated financial statements of the Company for the most recent fiscal year (2024), the Company's share of net profit in Annto according to its equity interest held does not exceed 50% of the net profit attributable to the Shareholder of the parent company. In the consolidated financial statements of the Company for the most recent fiscal year (2024), the net assets of Annto attributable to the Company according to its equity interest held does not exceed 30% of the net assets attributable to the Shareholder of the parent company. Therefore, the Company is in compliance with the item (IV) of Article 3 of the Spin-off Rules.

**2. *The listed company does not fall into any of the circumstances prohibited for Spin-off by Article 4 of the Spin-off Rules***

*(1) Funds and assets are embezzled by the controlling Shareholder, de facto controllers and their related parties, or the interests of the listed company are severely harmed by the controlling Shareholder, de facto controllers and their related parties*

The funds or assets of the Company are not embezzled by the controlling Shareholder, de facto controller and their related parties, and the interests of the Company are not severely harmed by the controlling Shareholder, de facto controller and their related parties.

*(2) The listed company, its controlling Shareholder or de facto controllers have been subject to administrative penalties imposed by the CSRC within the last 36 months*

None of the Company, its controlling Shareholder or de facto controller has been subject to administrative penalties imposed by the CSRC in the last 36 months.

*(3) The listed company, its controlling Shareholder or de facto controllers have been publicly reprimanded by any stock exchange within the last 12 months*

None of the Company, its controlling Shareholder or de facto controller has been publicly reprimanded by any stock exchange in the last 12 months.

*(4) The listed company has received an audit report with qualified, adverse or unexpressed opinions from a certified public accountant on its financial accounting report for the most recent year or period*

PwC Zhong Tian audited the Company's financial accounting report for 2024 and issued a standard unqualified audit report (PwC Zhong Tian Shen Zi (2025) No. 10014 (普華永道中天審字(2025)第10014號)). The Company has not had any audit reports issued by certified public accountants containing qualified, adverse or unexpressed opinions on its financial accounting reports for the most recent year or period.

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## LETTER FROM THE BOARD

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- (5) *The aggregate shares of the subsidiary to be spun off held by the directors and senior management of the listed company and their related parties exceed 10% of the total share capital of the subsidiary before the Spin-off and listing, except for the shares indirectly held by directors and senior management and their related parties through the listed company*

As of the Latest Practicable Date, in addition to Annto's shares indirectly held through the Company, the current directors and senior management of the Company and their related parties held a total equity interest of 4.87% in Annto, which does not exceed 10% of the total share capital prior to Annto's Spin-off and listing.

In summary, the Company does not fall into any of the circumstances prohibited for Spin-off by Article 4 of the Spin-off Rules.

**3. *The subsidiary of the listed company does not fall into any of the circumstances prohibited for Spin-off by Article 5 of the Spin-off Rules***

- (1) *The principal business or assets are funded by or invested with the proceeds of the listed company's share issuance and capital raised within the last three fiscal years, except where the aggregate amount of proceeds used by the subsidiary in the last three fiscal years does not exceed 10% of the subsidiary's net assets*

In the last three fiscal years, the Company's issuance of shares includes the public offering of H Shares in 2024, where H Shares refer to the shares issued by the Company and listed on the Main Board of the Hong Kong Stock Exchange. The proceeds from the public offering of H Shares by the Company in 2024 were primarily be allocated to: (1) worldwide research and development efforts, accounting for approximately 20%, mainly including relevant efforts in "research generation", "reserve generation", and "development generation"; (2) upgrading intelligent manufacturing system and supply chain management<sup>1</sup>, accounting for approximately 35%, mainly including expanding manufacturing capacity overseas, and enhancing the level of digitalization and intelligence of the Company's manufacturing infrastructure and supply chain; (3) enhancing distribution channels and sales networks around the world and increasing overseas sales under the Company's own brands, accounting for approximately 35%, mainly including building and strengthening the Company's brand and product portfolio in overseas markets, as well as expanding and upgrading the sales network around the world; and (4) working capital and general corporate purposes, accounting for approximately 10%.

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<sup>1</sup> The specific content of the supply chain management upgrade is that the Group will continue to promote the integrated supply chain (ISC) management system to more suppliers and enrich the categories of centrally procured raw materials in order to further improve supply efficiency and reduce procurement costs.

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## LETTER FROM THE BOARD

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The principal business or assets of Annto are not funded by or invested with the proceeds of the Company's share issuance and capital raised within the last three fiscal years.

- (2) *The principal business or assets are acquired by the listed company through major asset restructuring in the last three fiscal years*

The Company has not undergone any major asset restructuring in the last three fiscal years, and the principal business or assets of Annto are not acquired by the Company through major asset restructuring in the last three fiscal years.

- (3) *The principal business or assets are the principal business or assets of the listed company at the time of its initial public offering and listing*

Annto is mainly engaged in integrated supply chain logistics business, and the principal business or assets of Annto are not the principal business or assets of the Company at the time of its listing on the main board of the Shenzhen Stock Exchange.

- (4) *The subsidiary to be spun off is mainly engaged in financial business*

Annto is committed to providing customers with integrated and intelligent supply chain solutions, and offers supply chain solutions for the manufacturing industry from raw materials to finished products, as well as consumer supply chain solutions that encompass online and offline omnichannel inventory management and integrated delivery and installation services. It does not engage in supply chain finance business and is not a company engaged in financial services.

- (5) *The aggregate shares of the subsidiary to be spun off held by the directors and senior management of the subsidiary and their related parties exceed 30% of the total share capital of the subsidiary before the Spin-off and listing, except for the indirect shareholding by directors and senior management and their related parties through the listed company*

As of the Latest Practicable Date, the directors and senior management of Annto and their related parties held 7.60% of the share capital of Annto (excluding the equity interest indirectly held through the Company). The total share capital held by them does not exceed 30% of the total share capital of Annto prior to the Spin-off.

In summary, Annto does not fall into any of the circumstances prohibited for Spin-off by Article 5 of the Spin-off Rules.

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## LETTER FROM THE BOARD

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### 4. *Matters that the listed company shall fully disclose and explain as stipulated in Article 6 of the Spin-off Rules*

- (1) *The Spin-off is beneficial to the listed company to highlight its principal business and enhance its independence*

The Group is a globally leading technology group covering businesses in smart home, new energy and industrial technology, smart building technology, robotics and automation, healthcare, and smart logistics. Annto is a business segment of the smart logistics business under the Group's commercial and industrial solutions, serving as the only external platform for supply chain management (logistics) business, which is distinctly separate from the principal businesses of the Company and other enterprises controlled by the Company. The Spin-off is beneficial for both parties to focus on their respective market areas and highlight their core businesses, further enhancing the independence.

- (2) *After the Spin-off, both the listed company and the subsidiary to be spun off would be in compliance with the regulatory requirements in relation to competition within the same industry and related-party transactions of the CSRC and the stock exchange; and in the case of Spin-off for overseas listing, there is no competition within the same industry between the listed company and the subsidiary to be spun off*

- (i) Competition within the same industry

The Group is a globally leading technology group covering businesses in smart home, new energy and industrial technology, smart building technology, robotics and automation, healthcare, and smart logistics, and has established a business matrix that focuses on both To Consumer (ToC) and To Business (ToB) development, thereby providing consumers with various smart home products and services, as well as offering diversified commercial and industrial solutions to corporate clients.

Annto is an innovative business incubated by the Group during the transformation of its business model. It is capable of offering supply chain solutions for the manufacturing industry from raw materials to finished products, as well as consumer supply chain solutions that encompass online and offline omnichannel inventory management and integrated delivery and installation services, and is the Group's only external platform for supply chain management (logistics) business. There are substantial differences between the Company and its subsidiaries (excluding the entities and assets to be spun off) and Annto in terms of principal business model, the scope of services provided, the content of services provided, etc., details of which are as follows:

Hainan Midea International Logistics Technology Co., Ltd. (海南美的國際物流科技有限公司), Foshan Midea Customs Declaration Co., Ltd. (佛山市美的報關有限公司), and Guangdong Meizhi Lianda Logistics Supply Chain Co., Ltd. (廣東美智聯達物流供應鏈有限公司), all of which are subsidiaries of the Group, are the

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## LETTER FROM THE BOARD

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Group's international logistics procurement department, fulfilling in a unified way the international logistics needs of the Company's various divisions. As of the Latest Practicable Date, these entities did not provide logistics related services to any third parties outside the Group and realized revenue, and only offered intermediary services related to international logistics within the Company, including customs declaration agency, logistics services procurement agency (which may procure from relevant logistics enterprises including Annto in accordance with the market-oriented principle), settlement services, etc. Therefore, there are substantial differences between such entities and Annto in principal business model, the scope of services provided and content of services provided, and therefore their businesses do not constitute substantial competition within the same industry.

Ningbo Meimei Jiayuan Electric Service Co., Ltd. (寧波美美家園電器服務有限公司) (“**Meimei Jiayuan**”), a subsidiary of the Company, is involved in the installation business and repairment of home appliance products. As of the Latest Practicable Date, Meimei Jiayuan only provided installation and repairment services for the products of the Group and did not provide such services to external parties. The installation and repairment services involved in delivery and installation business of Annto are exclusively for products other than those of the Group, and there is a clear delineation between the boundaries of the two businesses, which do not constitute substantial competition within the same industry.

To avoid future competition within the same industry and protect the interests of minority investors, each of the Company, Midea Zhilian (Shanghai) Supply Chain Technology Co., Ltd. (美的智聯(上海)供應鏈科技有限公司) (“**Midea Zhilian**”), and Annto has issued a “Letter of Undertaking to Avoid Competition Within the Same Industry”.

Accordingly, after the Spin-off, there would be no substantial competition within the same industry between the Company and Annto, the subsidiary to be spun off by the Company. The Spin-off are in compliance with the requirements of the CSRC and the stock exchange in relation to competition within the same industry, as well as the provisions of item (2) of Article 6 of the Spin-off Rules.

### (ii) Related-party transactions

Upon the completion of the Spin-off, the Company will still maintain control over Annto, and Annto will still be a subsidiary within the scope of the Company's consolidated statements, and related-party transactions of the Company will not change significantly as a result of the Spin-off.

In respect of Annto, the Company will still be the indirect controlling shareholder of Annto after the Spin-off, and relevant transactions between Annto and the Company and its related parties will continue to be counted as part of Annto's annual amount of related party transactions. Over the years, Annto, as one of the few suppliers in the market that are capable to respond to the Company's



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## LETTER FROM THE BOARD

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service needs in a fast and high-quality manner, has been providing stable and high-standard supply chain management (logistics) services to the Company, and has formed a long-term and stable cooperative relationship with the Company with a high degree of synergies. Such related-party transactions between Annto and the Company and its related parties are incurred from actual production and operational needs with reasonable commercial background, and are conducive to enhancing the synergistic development of the Company's internal operations. Moreover, the aforementioned transactions are priced fairly in accordance with market principles, and there are no related-party transactions that materially affect the independence or are obviously unfair.

After the completion of the Spin-off, the Company and Annto will ensure the compliance, reasonableness, necessity, and fairness of related-party transactions, and maintain the independence of the Company and Annto. The Company and Annto will not use related-party transactions to adjust financial indicators, thereby harming the interests of the Company and its Shareholders (especially Minority Shareholders), as well as the interests of Annto and its shareholders (especially Minority Shareholders).

To reduce and regulate the related-party transactions after the completion of the Spin-off, each of the Company, Midea Zhilian, and Annto has issued a "Letter of Undertaking on Reducing and Regulating Related-Party Transactions".

Accordingly, after the Spin-off, both the Company and Annto, the subsidiary to be spun off by the Company, are in compliance with the requirements of the CSRC and the stock exchange in relation to related-party transactions, as well as the provisions of item (2) of Article 6 of the Spin-off Rules.

- (3) *The listed company and the subsidiary to be spun off shall be independent in terms of assets, finance, and organizations*

As of the Latest Practicable Date, each of the Group and Annto possesses independent and integral operating assets with clear ownership; has established their independent financial department and financial management system, and independently register, account for, and manage all of their own assets. The organizational structure of Annto is independent from its controlling shareholders, actual controller, and other related parties. Each of the Group and Annto has sound functional department and internal management organization, which exercise their powers independently, with no instances of confusion between the organizations of Annto and the Group. The Group neither embezzles or controls the assets of Annto or interferes with Annto in managing its assets, nor is there any institutional confusion between the Company and Annto. After the Spin-off, the Group and Annto would maintain independence in assets, finance, and organizations.



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## LETTER FROM THE BOARD

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- (4) *There is no overlap in senior management and financial personnel between the listed company and the subsidiary to be spun off*

As of the Latest Practicable Date, Annto had independent senior management and financial personnel, and there were no instances of overlapping positions with the senior management and financial personnel of the Group. After the Spin-off, the Company and Annto would continue to maintain the independence of senior management and financial personnel, avoiding overlaps.

- (5) *There is no other serious deficiency in independence*

As of the Latest Practicable Date, the Group and Annto were completely independent in terms of assets, each of which maintained independence in finance, organizations, personnel, and businesses, and possessed a complete business system and the ability to operate independently in the market. There is no other significant deficiency in independence.

In summary, the Spin-off and listing of Annto on the Main Board of the Hong Kong Stock Exchange complies with the relevant requirements of the Spin-off Rules and is feasible.

**(V) The Spin-off is beneficial for safeguarding the legitimate rights and interests of Shareholder and creditors**

A special resolution will be proposed at the AGM to approve that the Spin-off is beneficial for safeguarding the legitimate rights and interests of Shareholder and creditors. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

After the Spin-off, from the perspective of value discovery, it will help fully release the intrinsic value of Annto. The value of equity interest held by the Company in Annto is expected to increase further, and liquidity will also significantly improve; from the perspective of performance enhancement, the development of Annto will be accelerated, and its business performance will be simultaneously reflected in the overall performance of the Company, thereby enhancing the Company's profitability and financial stability; and from the perspective of structural optimization, it will help Annto further broaden its financing channels, improve the Company's overall financing efficiency, and reduce the overall asset-liability ratio, thus enhancing the Company's comprehensive strength.

Therefore, the Spin-off will have a positive impact on the interests of the Shareholders of the Company (especially Minority Shareholders), creditors, and other stakeholders, and the Spin-off will be beneficial for safeguarding the legitimate rights and interests of the Shareholder and creditors of the Company.

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## LETTER FROM THE BOARD

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### **(VI) The Company maintains its independence and status as a going concern**

A special resolution will be proposed at the AGM to approve the Company's independence and status as a going concern. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

According to the requirements of the Spin-off Rules and other laws and regulations, the Company, after careful consideration of its actual situation and relevant matters of the Company and Annto, is of the view that upon completion of the Spin-off, the Company will be able to maintain its independence and continue as a going concern, details of which are as follows:

The Spin-off complies with the relevant requirements of the Spin-off Rules. The Company and Annto have independent and complete assets, maintaining independence in finance, organizations, personnel, and businesses, each of which possesses a complete business system and the ability to operate independently in the market, and has no other serious deficiency in independence.

Currently, various businesses of the Company are developing well, and Annto maintains a high degree of operational independence from other business segments of the Company. The Spin-off will not have a substantial impact on the ongoing operations of the Company's other business segments. Upon the completion of the Spin-off, Annto will remain a subsidiary within the scope of the Company's consolidated financial statements, and the financial position and profitability of Annto will continue to be reflected in the Company's consolidated statements. In the short term, there is possibility that the Company's share of net profit in Annto according to its equity interest will be diluted, however, in the medium-to-long term, the financing ability of Annto will be promoted and the scale of operation, the ability of innovation and profitability will be rapidly enhanced, which will in turn help enhance the overall profitability of the Company in the future and promote the growth of the Company's value in the long term.

In summary, after the Spin-off, the Company will be able to maintain its independence and status as a going concern.

### **(VII) Annto has standardized operation capability**

A special resolution will be proposed at the AGM to approve the standardized operation capability of Annto. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

In accordance with the requirements of the Spin-off Rules and other laws and regulations, the Company, after careful consideration of the actual situation and relevant matters of Annto, is of the view that upon completion of the Spin-off, Annto will possess the corresponding standardized operation capability, details of which are as follows:

Annto, as a joint stock limited company, operates strictly in accordance with the Company Law, the Articles of Association of Annto Supply Chain Technology Co., Ltd. (the "**Articles of Annto**"), and various internal management regimes. It has established organizational structures such as the general meetings, board of directors, supervisory committee, and

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## LETTER FROM THE BOARD

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management organizations, and has formulated internal management regimes, including the Articles of Annto, Rules of Procedure for General Meetings, Rules of Procedure for Board of Directors, and Rules of Procedure for Supervisory Committee, in accordance with the requirements of the Company Law and other laws, regulations, and regulatory documents, thus possessing the corresponding standardized operation capability. For the purpose of the Spin-off, Annto will operate in accordance with the requirements of the Company Law, the Listing Rules and other relevant laws and regulations.

### **(VIII) The explanation on the completeness and compliance of the legal procedures for the Spin-off and the validity of the legal documents submitted**

A special resolution will be proposed at the AGM to approve the explanation on the completeness and compliance of the legal procedures for the Spin-off and the validity of legal documents submitted. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

The Company has performed the necessary legal procedures at current stage regarding the matters related to the Spin-off in accordance with the relevant requirements of the Company Law, the PRC Securities Law, the Spin-off Rules, and the Articles of Association. Such legal procedures are complete, legitimate, and valid. The Company has completed the legal procedures for the Spin-off in accordance with the relevant laws, regulations, regulatory documents, and the Articles of Association.

Regarding the relevant legal documents to be submitted for the Spin-off, the Company will strictly perform its legal responsibilities. The Company warrants the truthfulness, accuracy, completeness and timeliness of the application documents for the Spin-off and the relevant information and documents to be provided by the Company in the future, and that there are no false records, misleading statements or material omissions, and that the Company will bear the corresponding legal liabilities in respect of the same.

### **(IX) Analysis of the objectives, commercial rationale, necessity and feasibility of the Spin-off**

A special resolution will be proposed at the AGM to approve the analysis of the objectives, commercial rationale, necessity and feasibility of the Spin-off. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

#### ***1. The commercial rationale and necessity of the Spin-off***

##### ***(1) Further focus on the principal business and compressing the management radius***

The Group is a globally leading technology group covering businesses in smart home, new energy and industrial technology, smart building technology, robotics and automation, healthcare, and smart logistics. Annto is the smart logistics business segment of the Company, and such operational management model of supply chain business is

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## LETTER FROM THE BOARD

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unique, which is distinctly different from the principal businesses of other subsidiaries of the Group. As a diversified enterprise, the Group can further streamline its business management structure through the Spin-off, and compress the management radius to achieve a focus on business along with balanced development across different sectors.

*(2) Promote the long-term development of Annto business and enhance its competitiveness*

The logistics industry exhibits significant economies of scale. On one hand, the increase in transportation volume brought about by economies of scale can help spread fixed costs, reduce unit transportation costs, and improve overall profitability. On the other hand, as the logistics transportation network, including service points, warehouses, and transportation routes, continues to improve, Annto can achieve centralized control and utilize intelligent capabilities for analysis, optimization, and layout, thereby rationally allocating transport capacity and enhancing resource utilization efficiency.

The market-oriented financing tools and equity-settled acquisition platform to an independent listed company are important ways for Annto to expand its scale and further create economies of scale. By leveraging the listing platform, Annto will be able to better layout its warehouses and digital network construction, comprehensively enhance its transportation capacity, improve its ability to serve external customers, seize external growth opportunities, expand its corporate scale, and better serve the high-quality development of the economy.

In addition, through the Spin-off, Annto can establish a more flexible and compact organizational structure and management system tailored to the characteristics and development needs of its specific industry, as well as create an incentive mechanism that aligns with its development features to attract and retain outstanding talent, thereby fully stimulating Annto's innovation momentum.

*(3) Unleash the valuation potential of innovative business segment*

The Company has numerous business segments, and the valuation methods vary with business segments. The Spin-off will enhance the clarity and financial transparency of Annto, facilitating professional analysis by the capital markets, thus promoting the full unleashing of its intrinsic value, and achieving reasonable valuation and pricing. Shareholders of the Company can continue to benefit from the future growth of Annto, achieving the maximization of overall Shareholder interests.

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## LETTER FROM THE BOARD

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*(4) Promote internationalization strategy and expand overseas markets*

As an international financial center and business hub, Hong Kong presents excellent international business opportunities. Taking this Spin-off as an opportunity, Annto can strengthen its ties with international customers, attract global talents and potential overseas partners; make use of Hong Kong's international financial platform to strengthen its ties with global investors and partners, obtain more financial support and market resources, and proactively expand its globalization layout, thus further boosting its overseas business expansion as well as its internationalization process.

**2. Feasibility of the Spin-off**

For details on the feasibility of the Spin-off, please refer to the “Compliance of the Spin-off with the Spin-off Rules” above.

**(X) Assured entitlement in the Spin-off is only provided to the H Share Shareholders**

A special resolution will be proposed at the AGM to approve the provision of quotas assured entitlement in the Spin-off exclusively to the H Share Shareholders, and to authorize the Board and the persons authorized by the Board to determine and adjust the specific matters such as the number and proportion of the placing to be made to the H Share Shareholders based on market conditions prior to the Spin-off, in accordance with relevant regulatory requirements, including the Practice Note 15. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

Regarding the Spin-off, in accordance with the Practice Note 15, the Company shall have due regard to the interests of its existing Shareholder by providing them with an assured entitlement to the new shares issued by Annto.

Due to the current legal and policy obstacles in providing the assured entitlement to the new shares to be issued by Annto to the existing A Shareholder of the Company, in order to comply with the requirements of Practice Note 15, the Company will only provide such assured entitlement to the H Share Shareholders for the Spin-off.

If this proposal is approved by the Shareholders at the AGM, the Company will provide an assured entitlement for the Spin-off only to H Share Shareholders; and if this proposal is not approved by the Shareholders at the AGM, the Company will not provide assured entitlement for the Spin-off to any Shareholders.

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## LETTER FROM THE BOARD

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**(XI) It is proposed that the AGM authorizes the Board and its authorized persons to deal with all matters related to the Spin-off**

A special resolution will be proposed at the AGM to approve that the AGM authorizes the Board and its authorized persons to deal with all matters related to the Spin-off. Such resolution is also subject to the approval of at least two-thirds of the voting rights held by the Minority Shareholders present at the AGM.

To ensure the smooth progress of matters related to the Spin-off, the Board proposes to seek authorization from the AGM for the Board and its authorized persons to deal with all matters related to the Spin-off, including but not limited to:

1. to authorize the Board and its authorized persons to fully exercise, on behalf of the Company, the shareholders' rights in Annto, to make resolutions regarding all matters that should be resolved by the general meeting of the Company in relation to the Spin-off (including but not limited to applications and filing materials submitted to the Hong Kong Stock Exchange and the CSRC for listing purposes), except for matters that must be resolved by the general meeting as stipulated by laws and regulations, and to execute relevant resolutions for issuance and listing, listing application documents, declarations, commitments, etc.
2. to authorize the Board and its authorized persons to amend, adjust, and supplement the relevant matters and related plans and proposals in relation to the Spin-off depending upon specific circumstances.
3. to authorize the Board and its authorized persons to decide whether to convert all or part (including specific proportions and quantities) of the domestic unlisted shares held by the Company in Annto into overseas listed shares (H shares) and make them available for trading on the Main Board of the Hong Kong Stock Exchange, and to formulate a specific full circulation plan before or after the Spin-off. In the case where the filing of such applications has been completed with the CSRC, Annto is authorized to deal with the relevant matters in relation to the conversion of such domestic unlisted shares into overseas listed shares and their listing and trading on the Hong Kong Stock Exchange.
4. to authorize the Board and its authorized persons to fully deal with all matters related to the Spin-off, including submitting relevant applications to the CSRC, stock exchanges (including the Hong Kong Stock Exchange), and other relevant authorities, and to make adjustments and changes to all matters related to the Spin-off as required by the securities regulatory authorities.
5. to authorize the Board and its authorized persons to decide on other specific matters related to the Spin-off, including but not limited to engaging relevant intermediaries, executing, submitting, and receiving necessary agreements and legal documents, and conducting relevant information disclosures in accordance with applicable regulatory rules.

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## LETTER FROM THE BOARD

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The validity period of the aforementioned authorization shall be 24 months from the date on which this resolution is considered and approved at the AGM. If the validity period of the resolution expires and Annto has obtained the relevant approvals or filing documents from the regulatory authorities for the issuance and listing within that validity period, the validity period of the resolution shall be automatically extended until the later of the completion date of the issuance and listing or the date of exercising the over-allotment option (if any).

### **28. Repurchase and Cancellation of Certain Restricted A Shares**

The Company proposes to repurchase and cancel the Restricted A Shares granted to certain participants (the “**Repurchase Participants**”) in accordance with the rules of the respective Restricted A Share Incentive Schemes (the “**Repurchase and Cancellation**”). None of the Repurchase Participants is a connected person of the Company.

#### ***I. Particulars of the Repurchase and Cancellation***

##### ***(I) Reasons for and Quantity of the Repurchase and Cancellation***

##### **(1) Repurchase and Cancellation of certain Restricted Shares under the 2021 Restricted Share Incentive Scheme**

Pursuant to the provisions of the 2021 Restricted Share Incentive Scheme:

- four Repurchase Participants were no longer qualified as Repurchase Participants under the scheme due to their resignation from the Company. A total number of 87,667 Restricted Shares that have been granted to the aforesaid four Repurchase Participants but have not yet been released from lock-up shall be repurchased and cancelled by the Company; and
- one Repurchase Participant failed to meet the personal performance goals for the year 2024. A total number of 24,000 Restricted Shares that have been granted to the aforesaid Repurchase Participant but have not yet been released from lock-up shall be repurchased and cancelled by the Company.

Accordingly, the Board has considered and decided to repurchase and cancel a total number of 111,667 Restricted Shares that have been granted to the above five Repurchase Participants of the 2021 Restricted Share Incentive Scheme but have not yet been released from lock-up.

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## LETTER FROM THE BOARD

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(2) Repurchase and Cancellation of certain Restricted Shares under the 2022 Restricted Share Incentive Scheme

Pursuant to the provisions of the 2022 Restricted Share Incentive Scheme:

- five Repurchase Participants were no longer qualified as Repurchase Participants under the scheme due to their resignation from the Company. A total number of 214,750 Restricted Shares that have been granted to the aforesaid five Repurchase Participants but have not yet been released from lock-up shall be repurchased and cancelled by the Company;
- three Repurchase Participants failed to meet the personal performance goals for the year 2024. A total number of 52,333 Restricted Shares that have been granted to the aforesaid three Repurchase Participants but have not yet been released from lock-up shall be repurchased and cancelled by the Company; and
- one Repurchase Participant's job duties were adjusted. A total number of 4,250 Restricted Shares that have been granted to the aforesaid Repurchase Participant but have not yet been released from lock-up shall be repurchased and cancelled by the Company.

Accordingly, the Board has considered and decided to repurchase and cancel a total number of 271,333 Restricted Shares that have been granted to the above nine Repurchase Participants of the 2022 Restricted Share Incentive Scheme but have not yet been released from lock-up.

(3) Repurchase and Cancellation of certain Restricted Shares under the 2023 Restricted Share Incentive Scheme

Pursuant to the provisions of the 2023 Restricted Share Incentive Scheme:

- 11 Repurchase Participants were no longer qualified as Repurchase Participants under the scheme due to their resignation from the Company. A total number of 303,875 Restricted Shares that have been granted to the aforesaid 11 Repurchase Participants but have not yet been released from lock-up shall be repurchased and cancelled by the Company; and



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## LETTER FROM THE BOARD

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- six Repurchase Participants failed to meet the personal performance goals for the year 2024. A total number of 87,000 Restricted Shares that have been granted to the aforesaid six Repurchase Participants but have not yet been released from lock-up shall be repurchased and cancelled by the Company.

Accordingly, the Board has considered and decided to repurchase and cancel a total number of 390,875 Restricted Shares that have been granted to the above 17 Repurchase Participants of the 2023 Restricted Share Incentive Scheme but have not yet been released from lock-up.

### *(II) Number and Price of Restricted Shares under the Repurchase and Cancellation*

The Company proposes to repurchase and cancel 773,875 Restricted Shares as a whole, including:

- (1) 111,667 under the 2021 Restricted Share Incentive Scheme, for a repurchase price of RMB32.75 per Share;
- (2) 271,333 under the 2022 Restricted Share Incentive Scheme, for a repurchase price of RMB20.97 per Share; and
- (3) 390,875 under the 2023 Restricted Share Incentive Scheme, for a repurchase price of RMB22.89 per Share.

The above repurchase prices are determined based on the provisions of the Restricted Share Incentive Schemes. Pursuant to relevant provisions of the Restricted Share Incentive Schemes, where the Company repurchases and cancels the Restricted Shares in accordance with the schemes, the repurchase price shall equal to the grant price of such Shares, as adjusted with the following formula:

- i. Conversion of capital reserve funds into share capital, distribution of stock bonus and share splits:  $P = P_0 / (1 + n)$ , among which, P represents the adjusted repurchase price per Restricted Share,  $P_0$  represents the grant price per Restricted Share, n represents the ratio per Share of converting capital reserve funds into share capital, distributing stock bonus and share splits;
- ii. Share allotment:  $P = P_0 \times (P_1 + P_2 \times n) / [P_1 \times (1 + n)]$ , among which, P represents the adjusted repurchase price per Restricted Share,  $P_0$  represents the grant price per Restricted Share,  $P_1$  represents the closing price on the share registration date,  $P_2$  represents the allotment price, n represents proportion of allotment;

## LETTER FROM THE BOARD

- iii. Share reduction:  $P=P_0/n$ , among which, P represents the adjusted repurchase price per Restricted Share,  $P_0$  represents the grant price per Restricted Share, n represents the reduction ratio per Share; and
- iv. Dividend distribution:  $P=P_0-V$ , among which, P represents the adjusted repurchase price per Restricted Share,  $P_0$  represents the grant price per Restricted Share, V represents the dividend amount per Share; after adjustment for dividends, P must still be more than 1.

### ***II. Total Amount and Source of Funds for the Repurchase***

A total amount of RMB18,294,076.01 will be used to effect the Repurchase and Cancellation, all of which are from the Company's self-owned funds.

### ***III. Changes in Share Capital after completion of the Repurchase and Cancellation***

Upon completion of the procedures of the Repurchase and Cancellation, the Company's total number of Shares will be reduced from 7,663,912,833 to 7,663,138,958. The Share capital of the Company before and after the Repurchase and Cancellation (if implemented) will be as follows:

Class of Shares	Before the Repurchase and Cancellation		Increase/ decrease in number of Shares	After the Repurchase and Cancellation	
	Number of Shares	Percentage of total Share capital (%)		Number of Shares	Percentage of total Share capital (%)
Shares subject to selling restrictions (A Shares)	112,627,837	1.47	-773,875	111,853,962	1.46
Shares not subject to selling restrictions (A Shares)	6,900,436,496	90.04	0	6,900,436,496	90.05
H Shares	650,848,500	8.49	0	650,848,500	8.49
Total	<u>7,663,912,833</u>	<u>100.00</u>	<u>-773,875</u>	<u>7,663,138,958</u>	<u>100.00</u>

*Notes:*

- The shareholding structure information on "Before the Repurchase and Cancellation" in the above table is based on the information as at Latest Practicable Date.
- The percentage figures in the table are rounded up to two decimal places, and any discrepancy between the sum of the sub-items and the total figure is due to rounding.
- Specific changes in share capital shall be subject to the "Issuer's Share Capital Structure Table" issued by China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

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## LETTER FROM THE BOARD

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The Repurchase and Cancellation (if implemented) will not result in any change in the controlling shareholder of the Company. The Company's shareholding structure will remain in compliance with relevant requirements under the listing rules of the Shenzhen Stock Exchange and Hong Kong Stock Exchange.

#### ***IV. Impact of the Repurchase and Cancellation on the Operating Results of the Company***

The Repurchase and Cancellation will not have any material impact on the operating results and financial conditions of the Company.

#### ***V. Summary of the Supervisory Committee's Opinion***

Upon verification, the Supervisory Committee is of the view that the Repurchase and Cancellation of certain restricted Shares complies with the rules and requirements of the Administrative Measures on Incentive Scheme of Listed Companies, the 2021 Restricted Share Incentive Scheme (Draft), the 2022 Restricted Share Incentive Scheme (Draft) and the 2023 Restricted Share Incentive Scheme (Draft). The Supervisory Committee has verified the number of restricted Shares to be repurchased and cancelled and the list of Repurchase Participants, and is of the opinion that the procedures performed by the Board for the Repurchase and Cancellation are in compliance with relevant regulations. The Supervisory Committee agrees to the Repurchase and Cancellation of certain Restricted Shares. The Repurchase and Cancellation will not affect the diligence and dedication of the Company's management team, and is in line with the actual situation of the Company and the actual needs of the Company's business development.

#### ***VI. Summary of the Legal Opinion***

Beijing Jia Yuan Law Offices is of the opinion that:

- i. The necessary authorization and approval at the current stage in respect of the Repurchase and Cancellation have been obtained, and the Repurchase and Cancellation is still subject to the consideration and approval at the general meeting.
- ii. Matters relating to the Repurchase and Cancellation are in compliance with the relevant provisions of the Administrative Measures on Incentive Scheme of Listed Companies, the Articles of Association and the Company's relevant Restricted Share Incentive Schemes.

This resolution was considered and approved at the Board meeting on 29 April 2025, and is hereby submitted to the AGM for consideration and approval by way of special resolutions.

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## LETTER FROM THE BOARD

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### 29. Proposed Issuance of Ultra-Short-Term Financing Bonds and Medium-Term Notes

To further broaden the Company's financing channels, optimize its financing structure, and enhance liquidity management, and in accordance with the *Administrative Rules on Debt Financing Instruments for Non-Financial Enterprises on the Interbank Bond Market* (《銀行間債券市場非金融企業債務融資工具管理辦法》), the Company proposes to apply for the registration and issuance of ultra short-term financing bonds ("USFBs") and medium-term notes ("MTNs").

#### I. Proposed Registration and Issuance of USFBs and MTNs

The specific plan is as follows:

- (1) **Issuer:** Midea Group Co., Ltd.
- (2) **Size of Registration:** The total registered amount shall not exceed RMB10 billion for USFBs and not exceed RMB10 billion for MTNs.
- (3) **Term of Issuance:** Within the validity period of the registered quota for the USFBs and MTNs, the tenor of each issuance will be determined based on market conditions, interest rate trends, and the Company's funding needs.
- (4) **Use of Proceeds:** The proceeds will be used to supplement working capital, repay bank loans, and for other purposes permitted under state laws, regulations, policies, and the requirements of the National Association of Financial Market Institutional Investors.
- (5) **Method of Issuance:** The securities will be publicly issued in the national interbank bond market by way of balance underwriting by underwriters. Within the validity period of the registered quota, the securities may be issued in one or multiple tranches, either in part or in full, at such times as deemed appropriate.
- (6) **Interest Rate:** The interest rate for each tranche will be determined based on the prevailing market conditions at the time of issuance and finalized through a book-building process.
- (7) **Target Subscribers:** Institutional investors qualified to participate in the interbank bond market.
- (8) **Validity of the Resolution:** The resolution shall be valid from the date of approval by the annual general meeting until the expiration date of the registration certificate for the USFBs and MTNs.

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## LETTER FROM THE BOARD

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### *II. Authorization for the Issuance of USFBs and MTNs*

To better seize market opportunities and improve financing efficiency in connection with the issuance of the USFBs and MTNs, the Board proposes that the annual general meeting authorize the Chairman of the Board to, within the scope of authorization granted by the shareholders' meeting, exercise full discretion in determining matters relating to the issuance of the debt financing instruments, including but not limited to:

- (1) to determine specific timing, amount, number of tranches, tenor, interest rate, use of proceeds, and other matters related to the application and issuance of the USFBs and MTNs;
- (2) to engage lead underwriters and other intermediaries, and executing all necessary documents, including but not limited to offering application documents, prospectuses, underwriting agreements, and other disclosure materials required under applicable regulatory rules;
- (3) to handle all necessary procedures, including but not limited to those relating to registration, issuance, and trading and circulation of the instruments;
- (4) to make appropriate adjustments to the specific issuance plan of the USFBs and MTNs in response to changes in regulatory policies or market conditions in accordance with the opinions of the regulatory authorities, except where re-approval by the Board or shareholders' meeting is required under relevant laws, regulations, or the Articles of Association; and
- (5) to handle any other matters necessary in connection with the issuance of the USFBs and MTNs.

The authorization set forth above shall be valid from the date of approval at the AGM until the completion of all relevant authorized matters.

The issuance of USFBs and MTNs has been considered and approved by the Board on 29 April 2025, subject to approval at the AGM by way of an ordinary resolution, and to approval for issuance registration by the National Association of Financial Market Institutional Investors.

**The registration and issuance of the USFBs and MTNs are subject to uncertainties. Investors are advised to make prudent investment decisions and be mindful of investment risks.**

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## LETTER FROM THE BOARD

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### III. NOTICE OF THE AGM

The AGM will be held at Meeting Room B401, Midea Headquarters Building, No. 6 Midea Avenue, Shunde District, Foshan, Guangdong Province on Friday, 30 May 2025 at 2:30 p.m. The notice convening the AGM is set out on pages 217 to 225 of this circular. The above documents and the form of proxy for the 2024 AGM are published on the website of the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.midea.com.cn](http://www.midea.com.cn)).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting in respect of, the special resolutions to be proposed at the AGM.

Shareholders who intend to appoint a proxy to attend the AGM are required to complete and return the form of proxy to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event, not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

### IV. CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of the H Shares will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the AGM will be Friday, 30 May 2025.

In order to be entitled to attend and vote at the AGM, holders of H Shares whose transfers of Shares have not been registered shall lodge the transfer instruments together with the relevant share certificates 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 Monday, 26 May 2025.

### V. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the resolution set out in the AGM Notice will be taken by poll. The poll results will be announced by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### VI. RECOMMENDATION

The Board considers that all resolutions to be proposed at the AGM are in the best interest of the Company and its Shareholders. Therefore, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### VII. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### VIII. DOCUMENTS ON DISPLAY

Copies of the (H Share) Share Award Scheme will be published on the websites of the Hong Kong Stock Exchange and the Company for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

### IX. OTHER INFORMATION

You are kindly requested to pay attention to other information as set out in Appendix I to XVIII to this circular.

Yours faithfully,  
By order of the Board  
**Midea Group Co., Ltd.**  
**Mr. Fang Hongbo**  
*Chairman, Executive Director and  
Chief Executive Officer*

**Midea Group Co., Ltd.****Shareholders' Return Plan for the Next Three Years (2025-2027)**

Midea Group Co., Ltd. (the “Company”) has distributed aggregate cash dividends exceeding RMB107 billion since its overall listing in 2013. The dividend payout ratios for 2021-2023 were 40.9%, 58.2%, and 61.6% respectively, demonstrating a continuous increase. The sixth meeting of the fifth session of the Board of the Company considered and approved the 2024 cash dividend plan which entailed a distribution of RMB35 per 10 Shares (tax inclusive) and the total cash dividend payout represented 69.3% of the net profit attributable to the parent company's owners in the 2024 consolidated financial statements. The resolution is yet to be considered and approved at the 2024 AGM of the Company.

The Company attaches great importance to the return of investors. Therefore, in order to ensure the continuity and stability of the profit distribution policy, improve and refine dividend decision-making and supervision mechanism, and guide investors to foster a long-term and rational investment mindset, the Company formulated the Shareholders' Return Plan for the Next Three Years (2025-2027) in accordance with regulations and requirements of the Notice Regarding Further Implementation of Relevant Issues Relating to Cash Dividends Distribution of Listed Companies and the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies issued by China Securities Regulatory Commission, Articles of Association and the relevant documents. The plan comprehensively considered key factors such as the Company's operating performance, cash flow, financial position, the status of business operations, and development prospects. The details were as follows:

**I. CONSIDERATIONS FOR SHAREHOLDERS' RETURN PLAN**

The Company is committed to long-term sustainable development. Taking full account of the market environment and industry characteristics where the Company operates, as well as factors such as the Company's future development strategy, cash flow status, social funding cost, and external financing environment, the Company intends to establish a continuous, stable, and scientific return plan and mechanism for investors and to distribute profits systematically, so as to ensure rationality, continuity, and stability of the profit distribution policy.

**II. PRINCIPLES FOR SHAREHOLDERS' RETURN PLAN**

The Company shall formulate a shareholders' return plan for each period and adjust such plans in the event of significant changes in the external operating environment or the Company's operational conditions, in accordance with applicable laws, administrative regulations, departmental rules, and the Company's Articles of Association, while fully soliciting opinions from Independent Directors and Minority Shareholders.



The Company shall comprehensively consider the reasonable investment returns of investors and the needs of sustainable development. Without impacting on the Company's continuous operational capabilities, the Company shall implement a scientific and rational shareholder returns plan while ensuring the continuity and stability of its profit distribution policy.

### **III. SHAREHOLDERS' RETURN PLAN FOR 2025-2027**

#### **(i) Principles for profit distribution**

The Company adopts consistent and stable profit distribution policies, distributing dividends in the form of cash or a combination of cash and shares, with priority given to cash dividends for profit distribution. The Company executes the profit distribution plan, provided that the following rules are complied with:

1. The profit distribution of the Company should emphasize investors' reasonable investment return but should not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations. The Board and Shareholders' meetings of the Company should take Independent Directors and public investors' opinions into full account during the decision-making and verification process of profit distribution policies;
2. In the next three years (2025-2027), the Company will distribute cash dividends twice a year upon meeting the relevant conditions, among which, in accordance with regulatory rules, the cash dividend methods may be cash dividends, or distribution of dividends at a cash consideration in order to repurchase shares through tender offers or centralized bidding, as well as other methods permitted by regulatory rules.
3. On the basis of annual cash dividends, and taking into account the Company's profitability, operational plans, funding needs, and capital structure, the Board proposes a share repurchase plan aimed at reducing registered capital;
4. Upon the occurrence of any illegal appropriation of the Company's funds by Shareholders, the Company shall deduct the cash dividends to be paid to such Shareholders to make up for the funds appropriated by such Shareholders.

#### **(ii) Procedures for profit distribution**

The Company's management and the Board should propose reasonable dividend recommendations and plans based on the Company's profitability, funding needs, and shareholders' return plan. The recommendations and plans shall be submitted to Shareholders' meetings for review and consideration after being considered and approved by the Board.

**(iii) Means of profit distribution**

The Company may distribute profit by means of cash or a combination of cash and Shares. If the Company satisfies the conditions for cash dividends, it shall distribute cash dividends for profit distribution.

**(iv) Conditions for cash dividends**

1. The Company's distributable profit for the year (i.e. profit after tax of the Company after making up losses and setting aside reserves) shall be positive and the implementation of cash dividends will not affect the Company's future sustainable operations under sufficient cash flow;
2. The auditors have issued an audit report with standard unqualified opinions on the annual financial report of the Company;
3. The Company has no significant investment plan or significant cash expenditure or other matters (except for projects of fundraising). A significant investment plan or significant cash expenditure means that the cumulative expenditure of the Company's proposed external investment, acquisition of assets or purchase of equipment within the next twelve months reaches or exceeds 25% of the Company's latest audited net assets.

**(v) Ratio and interval of cash dividends**

When the Company meets the conditions for cash dividends, it shall distribute dividends. The profit distributed in cash shall not be less than 30% of the average annual distributable profit realized in the latest three years. When distributing profits, the proportion of cash dividends in such distribution shall be no less than 60%.

If the Company repurchases its shares in cash by way of an offer or centralized bidding, it shall be regarded as equivalent to cash dividends of the Company and shall be included in the calculation of the relevant percentage of cash dividends.

**(vi) Conditions for distribution of share dividends**

The Company's operation is in good condition, and on the premise of ensuring that the Company's size of share capital and equity structure remain reasonable, the Company may propose a share dividend distribution plan.

**IV. THE PERIOD FOR FORMULATING THE SHAREHOLDERS' RETURN PLAN  
AND DECISION-MAKING MECHANISM**

The Company shall review the future shareholders' return plan at least once every three years and revise the plan timely and reasonably after taking into account the market conditions and policy changes, ensuring its content complies with the relevant laws and regulations and the profit distribution policies as set out in the Articles of Association. The shareholders' return plan shall be proposed by the Board based on factors such as the Company's profitability, business development plan and shareholders' return, and in accordance with the Articles of Association, and must obtain the consent of more than half of all Directors of the Board before its submission to the Shareholders' general meeting for consideration. The three-year shareholders' return plan must be approved by votes representing more than two-thirds of the voting rights held by Shareholders (including their proxies) attending the Shareholders' general meeting. If there is no material change in the external environment or the Company's own operation when the three-year plan expires, the plan may be extended for a term of three years upon consideration and approval by the Board.

**V. OTHER MATTERS ABOUT THE PLAN**

1. The plan and its amendments shall become effective upon the consideration and approval of the Shareholders' General Meeting of the Company.
2. Any outstanding matters shall be implemented in accordance with the provisions of the relevant laws, regulations, regulatory documents and the Articles of Association.
3. The plan shall be interpreted by the Board.

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## **APPENDIX II      EXPLANATORY STATEMENT ON REPURCHASE OF A SHARES**

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This appendix serves as an explanatory statement, as required by the Listing Rules, to enable Shareholders to make an informed decision on whether to vote for or against the A Shares repurchase plan.

### **I. SHARE CAPITAL AND THE NUMBER OF A SHARES PROPOSED TO BE REPURCHASED**

As at the Latest Practicable Date, the total number of issued Shares of the Company is 7,663,912,833 Shares (including 7,013,064,333 A Shares and 650,848,500 H Shares).

The class of repurchased Shares shall be A Shares issued by the Company. Subject to the price of repurchased Shares not exceeding RMB100 per Share, and based on the upper limit of the repurchase amount of RMB10 billion, it is estimated that not less than 100,000,000 Shares will be repurchased, representing approximately 1.31% of the current total issued Share capital of the Company; based on the lower limit of the repurchase amount of RMB5 billion, it is estimated that the number of Shares to be repurchased is not less than 50,000,000 shares, representing approximately 0.65% of the current total issued Share capital of the Company. The exact number of Shares to be repurchased shall be determined by the actual number of Shares repurchased by the end of the repurchase period.

The repurchase period shall be 12 months from the date on which the AGM considered and approved the repurchase plan.

### **II. REASON FOR REPURCHASE**

With our strong confidence in the future development prospects of the Company and the high recognition of the Company's value, after considering the Company's operating conditions, development prospects of primary business, financial conditions and future profitability and other factors, the Company intends to repurchase its A Shares, for the purpose of canceling and reducing its registered capital in accordance with laws and subsequent implementation of its share incentive schemes and/or employee stock ownership schemes, to enhance investors' confidence, increase shareholders returns, improve the Company's governance structure and establish the long-term incentive and disciplinary mechanism of management's stock ownership plan, so as to ensure the implementation of our long term strategies.

### **III. FUNDING OF REPURCHASES**

The total repurchased amount shall not exceed RMB10 billion and not less than RMB5 billion, the source of capital is from the Company's owned funds and/or special loan for share repurchase provided by Bank of China Limited, Shunde Branch. Such amounts are legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC.

**IV. IMPACT ON WORKING CAPITAL**

The Directors are of the view that full repurchase of A Shares at any time during the repurchase period will not have material adverse impact on the working capital or the gearing ratio of the Company (as compared with those disclosed in the audited consolidated accounts as set out in the annual report of the Company for the year ended 31 December 2024).

**V. STATUS OF REPURCHASED A SHARES**

The listing status of all A Shares repurchased by the Company will be cancelled, or the Company may hold the repurchased A Shares as Treasury Shares to the extent permitted under the Listing Rules and applicable laws and regulations. Pursuant to the PRC laws, if the Company intends to cancel the repurchased A Shares, the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the A Shares so cancelled.

**VI. A SHARE PRICE**

The highest and lowest prices at which the A Shares have traded on the Shenzhen Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>(RMB)</i>	<b>Lowest</b> <i>(RMB)</i>
<b>2024</b>		
April	71.33	64.10
May	72.99	64.55
June	66.50	62.80
July	65.38	58.90
August	66.65	59.24
September	76.90	59.70
October	83.67	71.10
November	74.89	69.35
December	76.66	69.23
<b>2025</b>		
January	79.00	72.28
February	73.86	68.70
March	80.50	69.81
April (up to the Latest Practicable Date)	78.78	66.02

**VII. GENERAL**

The Directors will, where applicable, exercise the power of the Company to conduct A Shares repurchase in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

To the best knowledge of the Directors, neither the explanatory statement nor the proposed share repurchase has any unusual features.

**VIII. DISCLOSURE OF INTERESTS**

To the best knowledge of the Directors having made all reasonable enquiries, none of the Directors or their respective close associates has any present intention to sell to the Company any of the A Shares in the Company if the A Shares repurchase plan is approved at the AGM.

As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any A Shares nor has any of them undertaken not to sell any of the securities held by him/her/it to the Company in the event that the A Shares repurchase plan is approved.

**IX. IMPLICATIONS UNDER THE TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases due to the Company exercising its powers to repurchase securities pursuant to the A Shares repurchase plan, such increase will be treated as an acquisition for the purposes of Rule 26 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the Directors are not aware of any consequence under the Takeovers Code and any similar applicable laws which may arise as a result of any repurchase of Shares under the A Shares repurchase plan.

**X.    SECURITIES REPURCHASE BY THE COMPANY**

The Company had not purchased any H Shares on the Hong Kong Stock Exchange or otherwise during the six months immediately preceding the Latest Practicable Date. However, in accordance with the rules of certain Restricted Share Incentive Schemes of the Company, it repurchased and cancelled 1,843,398 restricted A Shares granted to certain participants under such schemes, details of which are as follows:

On 13 December 2024, pursuant to the rules of the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes, the Company repurchased and cancelled the restricted A Shares granted to certain participants under such schemes for a total number of 1,843,398 shares and the total price paid amounted to RMB40,644,141.56. The repurchase prices under the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes are RMB11.96 per Share, RMB15.46 per Share, RMB32.75 per Share, RMB20.97 per Share and RMB22.89 per Share, respectively.

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## **APPENDIX III EXPLANATORY STATEMENT ON REPURCHASE OF H SHARES**

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This appendix serves as an explanatory statement, as required by the Listing Rules, to enable the Shareholders to make an informed decision on whether to vote for or against the grant of the H Shares Repurchase Mandate.

### **I. THE LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES**

The Listing Rules permit companies whose primary listing is on the Hong Kong Stock Exchange to repurchase their securities on the Hong Kong Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is authorized by the Articles of Association to repurchase its own securities.

### **II. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares issued by the Company was 7,663,912,833 (including 7,013,064,333 A Shares and 650,848,500 H Shares). Subject to the adoption of the proposed resolution for the grant of the H Shares Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the Company will be allowed under the H Shares Repurchase Mandate to repurchase a maximum of 65,084,850 H Shares, being up to 10% of the total H Shares in issue (excluding Treasury Shares) as at the date of adoption the relevant resolution.

### **III. REASONS FOR REPURCHASE**

The Directors believe that the H Shares Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the H Shares Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchase will benefit the Company and its Shareholders.

### **IV. EXERCISE OF THE H SHARES REPURCHASE MANDATE**

Subject to the adoption of the special resolution(s) in relation to the grant of the H Shares Repurchase Mandate to the Board proposed at the AGM, the Board will be granted the H Shares Repurchase Mandate. Such H Shares Repurchase Mandate, if approved, will lapse at the earlier of: (a) the conclusion of the next annual general meeting of the Company following the adoption of the relevant special resolution(s) at the AGM, or (b) the date on which the authority conferred by the relevant special resolution(s) is revoked or varied by a special resolution of the Shareholders at a general meeting. In addition, the exercise of the H Shares Repurchase Mandate shall be subject to the approval of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC (if applicable).

### **V. FUNDING OF REPURCHASES**

In repurchasing its H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC,



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## APPENDIX III EXPLANATORY STATEMENT ON REPURCHASE OF H SHARES

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including but not limited to surplus funds and undistributed profits of the Company. The Company may not repurchase securities on the Hong Kong Stock Exchange for a consideration other than cash or through settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange as amended from time to time.

### VI. IMPACT ON WORKING CAPITAL

The Directors are of the view that full repurchase of H Shares at any time during the proposed repurchase period will not have material adverse impact on the working capital or the gearing ratio of the Company (as compared with those disclosed in the audited consolidated accounts as set out in the annual report of the Company for the year ended 31 December 2024).

### VII. STATUS OF REPURCHASED H SHARES

The listing status of all H Shares repurchased by the Company will be cancelled, or the Company may hold the repurchased H Shares as Treasury Shares to the extent permitted under the Listing Rules and applicable laws and regulations. Under the PRC laws, if the Company intends to cancel the repurchased H Shares, the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

### VIII. H SHARE PRICE

The highest and lowest prices at which the H Shares have traded on the Hong Kong Stock Exchange during each of the previous twelve months<sup>1</sup> preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2024</b>		
September	82.15	58.00
October	101.00	70.40
November	75.35	67.10
December	79.90	69.10
<b>2025</b>		
January	81.15	72.80
February	76.60	69.80
March	81.95	70.60
April (up to the Latest Practicable Date)	80.00	63.20

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<sup>1</sup> Trading in the H Shares on the Main Board of the Hong Kong Stock Exchange commenced in September 2024.

**IX. GENERAL**

The Directors will, where applicable, exercise the power of the Company to make purchases pursuant to the H Shares Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

To the best of the knowledge of the Directors, neither the explanatory statement nor the proposed share repurchase has any unusual features.

**X. DISCLOSURE OF INTERESTS**

To the best of knowledge of the Directors having made all reasonable enquiries, none of the Directors or their respective close associates have any present intention to sell to the Company any of the H Shares in the Company if the H Shares Repurchase Mandate is approved at the AGM.

As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any H Shares nor has such core connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the H Shares Repurchase Mandate is granted.

**XI. IMPLICATIONS UNDER THE TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases due to the Company exercising its powers to repurchase securities pursuant to the H Shares Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 26 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the Directors are not aware of any consequence under the Takeovers Code and any similar applicable laws which may arise as a result of any repurchase of Shares under the H Shares Repurchase Mandate.

**XII. SECURITIES REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any H Shares on the Hong Kong Stock Exchange or otherwise during the six months immediately preceding the Latest Practicable Date. However, in accordance with the rules of certain Restricted Share Incentive Schemes of the Company, it repurchased and cancelled 1,843,398 restricted A Shares granted to certain participants under such schemes, details of which are as follows:

On 13 December 2024, pursuant to the rules of the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes, the Company repurchased and cancelled the restricted A Shares granted to certain participants under such schemes for a total number of 1,843,398 shares and the total price paid amounted to RMB40,644,141.56. The repurchase prices under the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes are RMB11.96 per Share, RMB15.46 per Share, RMB32.75 per Share, RMB20.97 per Share and RMB22.89 per Share, respectively.

## Midea Group Co., Ltd.

## Administrative Measures for 2025 A Share Ownership Plan

In order to regulate the implementation of 2025 A Share Ownership Plan (hereinafter referred to as the “**Current Stock Ownership Scheme**”) of Midea Group Co., Ltd. (hereinafter referred to as “**Midea Group**” or the “**Company**”), the Administrative Measures for 2025 Stock A Share Ownership Plan of Midea Group Co., Ltd. are hereby formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (hereinafter referred to as the “**Securities Law**”), the Guiding Opinions on the Implementation of Pilot Program of the Employee Stock Ownership Plan by Listed Companies (關於上市公司實施員工持股計劃試點的指導意見) (hereinafter referred to as the “**Guiding Opinions**”) issued by China Securities Regulatory Commission, the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 – Standardized Operation of the Companies Listed on the Main Board* (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》) (hereinafter referred to as the “**Self-regulatory Guidelines No. 1**”) and other relevant laws, administrative regulations, rules, regulatory documents and the Articles of Association of Midea Group Co., Ltd.

## CHAPTER I FORMULATION OF THE 2025 A SHARE OWNERSHIP PLAN

## Article 1 Basic Principles of the 2025 A Share Ownership Plan

## (1) Principle of Compliance with Laws and Regulations

To implement the 2025 A Share Ownership Plan, the Company will perform relevant procedures in strict compliance with laws and administrative regulations, and disclose information in a true, accurate, complete and timely manner. No person may use the 2025 A Share Ownership Plan to engage in securities frauds such as insider trading, manipulation of securities market, etc.

## (2) Principle of Voluntary Participation

The Company’s implementation of the 2025 A Share Ownership Plan follows the principle of independent decision-making and voluntary participation. The Company does not force participation in the 2025 A Share Ownership Plan by way of apportionment or forced distribution.

**(3) Principle of Long-term Service**

The underlying Shares held under the 2025 A Share Ownership Plan will be vested over three periods by taking into account the assessment results during the vesting assessment period. Such mechanism helps to encourage the long-term service of core management and core technical staff, motivate the long-term performance achievement, and promote the sustainable development of the Company.

**(4) Principle of Sharing Benefits**

The vesting of the 2025 A Share Ownership Plan to the holders will be linked to the Company's key performance indicators and long-term strategic goals, which helps to strengthen the Company's common vision and closely aligns the long-term interests of the Company's core management and core technical staff with those of its Shareholders.

**(5) Principle of Bearing One's Own Risks**

The Participants in the 2025 A Share Ownership Plan will be responsible for their own gains or losses, bear their own risks, and will have equal rights and interests with other investors.

**Article 2 Participants in the 2025 A Share Ownership Plan and the Eligibility Criteria****(1) Legal Basis for Determining the Participants**

The Company determines the list of Participants in the 2025 A Share Ownership Plan in accordance with the relevant provisions under the Company Law, the Securities Law, the Guiding Opinions, the Self-regulatory Guidelines No. 1 and other relevant laws, regulations, regulatory documents as well as the Articles of Association, and by taking into account the actual situation.

**(2) Eligibility Criteria for the Participants**

1. All holders shall work in the Company or any of its subsidiaries, have signed labor contracts with the Company or any of its subsidiaries and received remuneration. The Participants take part in the 2025 A Share Ownership Plan by following the principles of voluntariness, compliance with laws and regulations and bearing risks on their own, and there is no forced participation by way of, amongst others, apportionment and forced distribution.

2. By focusing on our four fundamental strategies of “technology leadership, direct-to-clients, digitalization & intelligence driven, and global impact”, efforts are made to deepen transformation and enhance productivity and efficiency, as a result, our corporate profitability and operational quality witness continuous improvement. As core management and core technical staff are crucial to the implementation of the strategies and improvement of performance of the Company, the Participants in the 2025 A Share Ownership Plan shall satisfy one of the following criteria:

- (1) to be a senior management of the Company;
- (2) to be the president of the Company’s subordinate units;
- (3) to be a core management or core technical staff who has significant influence on the operational results and long-term strategic goals of the Company.

**(3) Scope of Holders of the 2025 A Share Ownership Plan**

The total number of Participants in the 2025 A Share Ownership Plan is 601, of which 13 are senior executives and 588 are presidents, core management and core technical staff from subordinate units. Senior executives participating the 2025 A Share Ownership Plan are Fang Hongbo, Wang Jianguo, Guan Jinwei, Gu Yanmin, Bai Lin, Zhao Lei, Zhong Zheng, Fu Yongjun, Zhang Xiaoyi, Li Guolin, Wang Jinliang, Zhao Wenxin and Gao Shu. The final amount and proportion of underlying Shares to be vested to each of holders shall be subject to the satisfaction of unit performance target and the assessment result of such holder during the vesting assessment period. A separate announcement will be published by the Company then.

**(4) Verification of the Participants**

The lawyer engaged by the Company issues its legal opinion with respect to whether the 2025 A Share Ownership Plan and the qualifications of the holders are in compliance with relevant laws, regulations, regulatory documents, the Articles of Association and other regulations.

- (5) None of the Shareholders or de facto controller holding more than 5% of shares has participated the 2025 A Share Ownership Plan.

**Article 3 Funding and Shares Used for the 2025 A Share Ownership Plan****(1) Funding**

1. The 2025 A Share Ownership Plan is funded by the Company's special incentive fund, employees' legal remuneration or other funds as permitted by laws and administrative regulations. The aggregate value of the 2025 A Share Ownership Plan is RMB1,331,105,055, representing approximately 3.45% of the Company's 2024 audited consolidated net profit attributable to parent.
2. The 2025 A Share Ownership Plan neither involves financial assistance from the Company to Participants or guarantees for their loans, nor leveraged funds.
3. The 2025 A Share Ownership Plan does not involve arrangements for third parties to provide incentives, subsidies, guarantees, etc. for employees to participate in the 2025 A Share Ownership Plan.

**(2) Shares Used for the 2025 A Share Ownership Plan**

The shares used for the 2025 A Share Ownership Plan are those in the securities account designated for repurchase by Midea Group. Details of the Company's repurchase are as follows:

1. At the sixth meeting of the fourth session of the Board of Directors held on 10 March 2022, the Company reviewed and approved the Proposal on the Plan to Repurchase Part of the Public Shares (hereinafter referred to as “**2022 Repurchase Plan**”), agreeing that the Company may use its own funds to repurchase part of its Shares by centralized bidding for the purpose of implementing its share incentive plan and/or the 2025 A Share Ownership Plan, with a repurchase price of no more than RMB70 per Share and a repurchase amount of no more than RMB5.0 billion and no less than RMB2.5 billion. In accordance with the Announcement on the Result of Share Repurchase and Share Movement (《關於回購公司股份結果暨股份變動公告》) disclosed by the Company on 13 March 2023, the Company has repurchased, at an average repurchase price of RMB54.30 per Share, 48,558,888 Shares for a total consideration of RMB2,636,704,772.26 (excluding transaction fee).

**Article 4 Term, Lock-up Period and Management Model of the 2025 A Share Ownership Plan****(I) Term of the 2025 A Share Ownership Plan**

1. The term of the 2025 A Share Ownership Plan is five years, commencing from the date when the 2025 A Share Ownership Plan is reviewed and approved at the general meeting of the Company and the Company announces the transfer of the Underlying

Shares to the name of the 2025 A Share Ownership Plan. The 2025 A Share Ownership Plan will be automatically terminated upon the expiry of the term and may be extended after being reviewed and approved by the Board of Directors as proposed by the Management Committee of the 2025 A Share Ownership Plan.

2. If the Shares held under the 2025 A Share Ownership Plan cannot be fully realized prior to the expiry of the term due to the suspension of trading in the Company's Shares, blackout periods or other circumstances, the term may be extended after being reviewed and approved by the Board of Directors as proposed by the Management Committee.

**(II) Lock-up period of the 2025 A Share Ownership Plan**

1. The statutory lock-up period of the Underlying Shares shall be 24 months, commencing from the date when the Company announces the completion of the transfer of the Underlying Shares. After the expiration of the lock-up period, the 2025 A Share Ownership Plan will strictly comply with market trading rules and the regulations of the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange (SZSE) on the prohibition of trading during information-related sensitive periods.
2. All relevant entities of the 2025 A Share Ownership Plan must strictly abide by the market trading rules and the regulations prohibiting the trading of shares during the information-related sensitive period. No party may use the 2025 A Share Ownership Plan to engage in security frauds such as insider trading and market manipulation.

The aforementioned sensitive period refers to:

- (1) within 15 days prior to the Company's announcement of annual report and interim report, in case of the date of announcing the annual report and interim report is postponed due to special reasons, the period shall be counted from 15 days before the original scheduled announcement date to 1 day before the announcement.
- (2) within 5 days prior to the announcement of the Company's quarterly report, earnings forecast and earnings alert;
- (3) from the date of occurrence of a major event that may have a significant impact on the trading price of the Company's shares and derivatives, or the date it enters the decision-making process, to the date of disclosure in accordance with law;
- (4) other periods as stipulated by the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange (SZSE).

3. Explanation on the reasonableness of the lock-up period of the 2025 A Share Ownership Plan

The principle for setting the lock-up period for the 2025 A Share Ownership Plan is that incentives and constraints should be equal. On the basis of compliance with the law, setting the lock-up period can sufficiently motivate employees while imposing corresponding restrictions on them, thereby aligning more effectively the interests of the holders with those of the Company and the Company's shareholders, achieving the objectives of the 2025 A Share Ownership Plan, and promoting further development of the Company.

### **(III) Management model of the 2025 A Share Ownership Plan**

The 2025 A Share Ownership Plan is managed by the Company itself. The 2025 A Share Ownership Plan is managed by the Company itself upon establishment. The Management Committee of the 2025 A Share Ownership Plan is set up to exercise the rights of shareholders on behalf of the holders of the 2025 A Share Ownership Plan and to manage the 2025 A Share Ownership Plan on a daily basis, so as to effectively safeguard the legitimate rights and interests of the holders of the 2025 A Share Ownership Plan.

## **CHAPTER II MANAGEMENT OF THE 2025 A SHARE OWNERSHIP PLAN**

### **Article 5 Decisions of the Board, Supervisory Committee and Shareholders' meeting of the Company on the Implementation of the 2025 A Share Ownership Plan**

- (I) The Shareholders' meeting is the highest authority of the Company and is responsible for reviewing and approving the implementation of the 2025 A Share Ownership Plan.
- (II) The Board of the Company will, after fully soliciting the opinions of the employees through the Employee Representative Meeting and other organizations, be responsible for drafting and amending the 2025 A Share Ownership Plan, submitting the same to the Shareholders' meeting for approval, and handling other matters relating to the 2025 A Share Ownership Plan as authorized by the Shareholders' meeting.
- (III) The supervisory committee of the Company will issue opinions on whether the 2025 A Share Ownership Plan is conducive to the sustainable development of the listed company, whether it will harm the interests of the listed company and all shareholders, and whether there is forced participation in the 2025 A Share Ownership Plan by way of, amongst others, apportionment or forced distribution.



**Article 6 Holders' Meeting**

The Holders' Meeting is the internal management authority of the 2025 A Share Ownership Plan and is comprised of all Holders. All Holders have the right to attend the Holders' Meeting and exercise their voting rights based on the shares they hold under the 2025 A Share Ownership Plan. Holders may attend and vote at the Holders' Meeting in person or by proxy. All travel expenses, accommodation expenses, and other related costs incurred by the Holders and their proxies in attending the Holders' Meeting shall be borne by the Holders themselves.

The Holders' Meeting will exercise the following powers:

- (1) to elect and replace members of the Management Committee of the 2025 A Share Ownership Plan;
- (2) to review major substantive adjustments to the 2025 A Share Ownership Plan;
- (3) other powers that may be exercised by the Holders' Meeting of the 2025 A Share Ownership Plan in accordance with laws, regulations or the provisions of the China Securities Regulatory Commission.

**Article 7 Convening of the Holders' Meeting, Matters to be Considered and Voting Procedures****(1) Convening of the Holders' Meeting**

1. The Holders' Meeting will be convened and presided over by the chairman of the Management Committee. Where the chairman of the Management Committee is unable to perform his/her duties, he/she will designate a member of the Management Committee to convene and preside over the meeting.
2. To convene a Holders' Meeting, the Management Committee shall give written notice of the meeting to all Holders three days in advance by direct delivery, mail, facsimile, email or other means.
3. The written notice of the meeting shall at least include the following information:
  - (1) the time and venue of the meeting;
  - (2) the manner in which the meeting will be convened;
  - (3) the matters to be considered in the meeting (meeting proposals);

- (4) the convener and presider of the meeting, and the proposer of an extraordinary meeting and his/her written proposals;
  - (5) the materials necessary for voting at the meeting;
  - (6) the requirement that Holders shall attend in person or appoint another Holder to attend on their behalf;
  - (7) contact person and contact information;
  - (8) the issuance date of the notice.
4. Voting procedures of the Holders' Meeting
- (1) After each proposal has been thoroughly discussed, the presider shall, at an appropriate time, request the attendees to vote on the proposal. The presider may also elect to request the attendees to vote after all proposals have been discussed, and the voting shall be conducted by written ballot.
  - (2) The Holders are entitled to one vote for each share of the 2025 A Share Ownership Plan they hold.
  - (3) The Holders' voting intention includes "in favor", "against" or "abstain", from which the Holders shall choose one. Failure to make a selection or selecting two or more options simultaneously shall be deemed as abstention. Holders who leave the meeting venue without returning and thus fail to make a selection shall be deemed as abstention from voting.
  - (4) Each proposal shall be deemed as passed and valid resolution shall be deemed adopted if the valid votes cast in favor of such proposal by the Holders or their proxies represent more than half of the shares of the 2025 A Share Ownership Plan.

## **Article 8 Rights and Obligations of Holders**

### **(I) Rights of Holders**

- 1. to attend or appoint his/her proxy to attend the Holders' Meeting, and exercising the corresponding voting rights;
- 2. to enjoy the rights and interests of the 2025 A Share Ownership Plan in accordance with his/her shares under the 2025 A Share Ownership Plan;
- 3. Other rights as prescribed by laws, administrative regulations, and departmental rules and regulations.

**(II) Obligations of Holders**

1. During the term of the 2025 A Share Ownership Plan, the shares held by the Holders under the 2025 A Share Ownership Plan may not be used as collateral, pledge, guaranty or used to repay debts. Except as provided in the 2025 A Share Ownership Plan, the Holders may not arbitrarily transfer their shares in the 2025 A Share Ownership Plan, nor may they apply to withdraw from the 2025 A Share Ownership Plan at will;
2. to abide by the 2025 A Share Ownership Plan and fulfill all commitments made in connection with participation in the 2025 A Share Ownership Plan;
3. to assume the contingent risks of the 2025 A Share Ownership Plan in proportion to their shares in the 2025 A Share Ownership Plan;
4. to bear, in proportion to their shares in the 2025 A Share Ownership Plan, the statutory stock transaction taxes and fees in connection with the disposal of shares after the unlocking conditions are met, and also bear on their own the taxes imposed by national and other relevant laws and regulations arising from their participation in the 2025 A Share Ownership Plan and the disposal of the shares after the unlocking conditions are met;
5. Other obligations as prescribed by laws, administrative regulations and departmental rules.

**Article 9 Management Committee of the 2025 A Share Ownership Plan**

1. A Management Committee will be set up for the 2025 A Share Ownership Plan, which will be responsible for, and serve as the daily supervisory and management body of the 2025 A Share Ownership Plan.
2. The Management Committee is composed of three members, including one chairman. All members of the Management Committee will be elected by the Holders' Meeting. The chairman of the Management Committee will be elected by the majority vote of all the members of the Management Committee. The term of office of members of the Management Committee will be the same as the term of the 2025 A Share Ownership Plan.
3. Except for matters that shall be reviewed by the Holders' Meeting, all other matters shall be reviewed by the Management Committee, specifically:
  - (1) to review and determine the eligibility, scope, number and quota of Participants in accordance with the 2025 A Share Ownership Plan;

- (2) to formulate and revise the administrative measures for the 2025 A Share Ownership Plan;
  - (3) to determine the interest (shares) of the Participants based on the Company's appraisal results;
  - (4) to handle matters related to the sale and distribution of the Underlying shares upon the expiration of the vesting lock-up period of the 2025 A Share Ownership Plan;
  - (5) to attend Shareholders' meeting and exercise shareholders' rights on behalf of the 2025 A Share Ownership Plan, including but not limited to exercising voting rights, proposal rights, and dividend rights;
  - (6) the funding methods and amount, and other matters relating to the funding, of the 2025 A Share Ownership Plan;
  - (7) Other day-to-day operational management activities.
4. Members of the Management Committee shall abide by laws and administrative regulations, safeguard the legitimate rights and interests of the Holders of the 2025 A Share Ownership Plan, ensure the safety of the assets of the 2025 A Share Ownership Plan and fulfill the following fiduciary duties to the 2025 A Share Ownership Plan:
- (1) No one shall take advantage of their positions and powers to accept bribes or other illegal income, nor shall they embezzle the assets of the 2025 A Share Ownership Plan;
  - (2) They may not misappropriate the funds of the 2025 A Share Ownership Plan;
  - (3) Without the consent of the Management Committee, no one shall open an account in their own name or in the name of any other individual to deposit the assets or funds of the 2025 A Share Ownership Plan;
  - (4) Without the consent of the Holders' Meeting, no funds of the 2025 A Share Ownership Plan may be lent to others, nor any property under the 2025 A Share Ownership Plan may be used to provide guarantee for others;
  - (5) No one may use their positions and powers to harm the interests of the 2025 A Share Ownership Plan.

If a member of the Management Committee breaches his/her fiduciary duties and causes losses to the 2025 A Share Ownership Plan, he/she shall bear the liability for compensation.

5. The chairman of the Management Committee will exercise the following functions and powers:
  - (1) to preside over the Holders' Meeting and to convene and preside over meetings of the Management Committee;
  - (2) to supervise and inspect the implementation of resolutions made at the Holders' Meeting and by the Management Committee;
  - (3) other functions and powers as authorized by the Management Committee.
6. The Management Committee meeting will be held on an ad hoc basis, and such meeting will be convened by the chairman of the Management Committee, with written notice of the meeting given to all members of the Management Committee three days prior to the meeting. Where all members of the Management Committee unanimously agree on the matters to be voted on, such Management Committee meeting may be held and the voting may be conducted by correspondence.
7. Holders representing over 10% of the shares of the 2025 A Share Ownership Plan, or more than one third of the members of the Management Committee may propose to convene an extraordinary Management Committee meeting. The chairman of the Management Committee shall convene and preside over the Management Committee meeting within 5 days of receiving the proposal.
8. The Management Committee shall serve a notice of the extraordinary Management Committee meeting by email, telephone, facsimile or personal delivery 2 days prior to the meeting.
9. The notice of the Management Committee meeting shall include the following information:
  - (1) Date and venue of the meeting;
  - (2) Duration of the meeting;
  - (3) Purpose and agenda;
  - (4) Date of issuance of the notice.

10. A Management Committee meeting can only be held when more than half of the members of the Management Committee are present. Resolutions of the Management Committee shall be adopted by a majority vote of all members of the Management Committee. Voting on resolutions of the Management Committee shall be conducted on a one-member, one-vote basis.
11. Voting on resolutions of the Management Committee shall be conducted by way of open ballot. Provided that members of the Management Committee can fully express their opinions, the Management Committee meeting can be held and resolutions can be adopted by means of facsimile or email and such resolutions shall be signed by members of the Management Committee attending the meeting.
12. Members of the Management Committee shall attend the Management Committee meetings in person. If a Management Committee member is unable to attend the meeting in person, he/she can authorize in writing another member of the Management Committee to attend as his/her proxy. The proxy form, which shall be signed or sealed by the authorizing party, shall specify the name of the proxy, the matters to be handled on his/her behalf, the scope of authorization, and validity period. The member of the Management Committee attending the meeting as proxy shall exercise his/her rights as a member of the Management Committee within the scope of authorization. If a Management Committee member does not attend the meeting, nor authorizes another member as his/her proxy, he/she will be deemed to abstain from voting at the meetings.
13. The Management Committee shall prepare minutes for the decisions made at the meeting, and the members of the Management Committee present at the meeting shall fix their signature on such minutes.
14. Minutes of the Management Committee meeting shall include the following information:
  - (1) Time, venue and name of the convener of the meeting;
  - (2) Attendance of the members of the Management Committee;
  - (3) Agenda of the meeting;
  - (4) Key points of the remarks made by members of the Management Committee;
  - (5) the manner in which the voting is conducted for each resolution and the voting results (the voting results shall set out the number of votes cast in favor, against or abstained).

Resolutions and minutes of the Management Committee meeting shall be filed with the Board of Directors for record purposes.

**Article 10 How to Participate in the 2025 A Share Ownership Plan While the Company Is Raising Funds**

If, during the term of the 2025 A Share Ownership Plan, the Company raises funds by way of allotment, secondary public offering, convertible bonds or other means, the Management Committee of the 2025 A Share Ownership Plan shall discuss whether to participate in such fund raising and solutions for financing, and the same shall be submitted to the Holders' Meeting of the 2025 A Share Ownership Plan for consideration.

**CHAPTER III MEASURES RELATING TO THE MODIFICATION, TERMINATION,  
AND DISPOSAL OF EQUITY INTERESTS UNDER THE  
2025 A SHARE OWNERSHIP PLAN**

**Article 11 Distribution and Disposal of Equity Interests under the 2025 A Share Ownership Plan**

**(I) Vesting of Equity Interests during the Term of the 2025 A Share Ownership Plan**

The equity interests in the underlying shares shall be vested in the holders in three tranches, subject to the Company's performance and the achievement of the unit performance targets during the vesting assessment period, as well as the assessment results of the holders. The specific vesting ratio shall be determined based on the individual performance assessments of the holders. Provided that the holders meet all performance assessment requirements during the vesting assessment period, the proportion of the equity interests in the underlying shares to be vested in the holders in each period shall be as follows: 40% equity interests in the underlying shares shall be vested in the first period, and 30% equity interests shall be vested in both the second and third periods. The equity interests in the underlying shares vested in the holders will become marketable as of the vesting date. The Management Committee will dispose of the underlying shares corresponding to the vested equity interests on a centralized basis, and the proceeds will be distributed to the holders in proportion to their vested equity interests in the underlying shares.

If the number of underlying shares to be vested with the holder on the basis of the achievement of the unit performance targets and the results of the holder's assessment during the vesting assessment period is less than the number of underlying shares assigned to him/her, the excess portion of the underlying shares and any corresponding dividends (if any) shall be forfeited without compensation by the Management Committee of the 2025 A Share Ownership Plan. Such forfeited shares shall be sold at an appropriate time before the expiration of the 2025 A Share Ownership Plan, and the proceeds from such sale shall be returned to the Company.

The Company's performance assessment indicators under the 2025 A Share Ownership Plan are as follows: the weighted average return on net assets (ROE) during the vesting assessment period shall be no less than 18% for 2025, 2026, and 2027, and no less than 17.5% for 2028 (the foregoing indicators take into account the impact of capital operations that have been disclosed as of the date hereof, but exclude the impact of mergers, acquisitions, and other capital operations occurring during the assessment years). The number of underlying shares to be vested in each holder shall be determined based on the assessment results of the holder's workplace and the individual performance of such holder during the vesting assessment period. The assessment indicators for the holder's workplace combine both responsibility-based indicators and long-term strategic indicators.

If the Company meets the performance assessment indicators for each vesting assessment period under the 2025 A Share Ownership Plan, the holder receives an individual performance rating of B or above and the holder's workplace receives an annual comprehensive rating of "Excellent" during such period, the holder can be entitled to 100% of the equity interests in the underlying shares vested in his/her name under the 2025 A Share Ownership Plan in accordance with the foregoing rules. If the annual comprehensive rating of the holder's workplace during the vesting assessment period is "Good," the holder can be entitled to 90% of the equity interests in the underlying shares vested in his/her name under the 2025 A Share Ownership Plan for that period, and the remaining 10% will be retained by the Company. If the annual comprehensive rating of the holder's workplace during the vesting assessment period is "Qualified," the holder can be entitled to 80% of the equity interests in the underlying shares vested in his/her name under the 2025 A Share Ownership Plan for that period, and the remaining 20% will be retained by the Company. If the annual comprehensive rating of the holder's workplace during the vesting assessment period is "Poor," the holder shall no longer be entitled to any equity interests in the underlying shares vested in his/her name under the 2025 A Share Ownership Plan for that period.

If the holder's individual performance rating during the vesting assessment period is below rating B, the holder shall no longer be entitled to any equity interests in the underlying shares vested in his/her name under the 2025 A Share Ownership Plan for that period.

If the Company fails to meet the performance assessment indicators for each vesting assessment period, all equity interests in the underlying shares under the 2025 A Share Ownership Plan for that period shall vest in the Company, and no holder shall be entitled to any such equity interests.

## **(II) Distribution of Equity Interests during the Term of the 2025 A Share Ownership Plan**

1. Upon completing the vesting of equity interests in the underlying shares in accordance with the rules set out under the 2025 A Share Ownership Plan, the Management Committee shall dispose of the underlying shares on a centralized basis, and the proceeds shall be distributed to the holder based on the equity interests



vested in such holder. If there are any remaining undistributed underlying shares and corresponding dividends (if any), they will also be sold in a unified manner, and the proceeds shall belong to the Company.

2. The financial, accounting, and tax matters related to the Company's implementation of the 2025 A Share Ownership Plan shall be handled in accordance with relevant laws, regulations, and normative documents. The individual income tax arising from the holder's participation in the 2025 A Share Ownership Plan shall be deducted from the proceeds from the sale of the shares, and the remaining income after tax shall be distributed to the holder.
3. The holder and the Management Committee must strictly comply with the market transaction rules and abide by the regulations of the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange regarding the prohibition of buying and selling stocks during information-related sensitive periods.

### **(III) Disposal of Equity Interests under the 2025 A Share Ownership Plan**

1. During the term of the 2025 A Share Ownership Plan, except as otherwise provided in the 2025 A Share Ownership Plan, the shares held by the holder under the 2025 A Share Ownership Plan may not be transferred, withdrawn, pledged, mortgaged, used as collateral, or for debt repayment.
2. The dividend income derived from the underlying shares under the 2025 A Share Ownership Plan shall belong to the holder and shall be distributed in accordance with the equity interests in the underlying shares vested in such holder pursuant to the 2025 A Share Ownership Plan.
3. During the term of the 2025 A Share Ownership Plan, except as otherwise stipulated, the holder may not request the distribution of equity interests under the 2025 A Share Ownership Plan.
4. During the lock-up period, if the Company increases share capital by using capital reserve or distributes stock dividends, the newly acquired shares will also be locked up and may not be sold on the secondary market or transferred in any other manner. The unlocking date for such shares shall be the same as that of the underlying shares.

**(IV) Change and Termination of the Holder**

1. During the term of the 2025 A Share Ownership Plan, if the holder experiences any of the following circumstances, the Management Committee will, without compensation, reclaim all of the holder's equity interests in the underlying shares (whether or not such equity interests have been vested in the holder, or whether or not such equity interests have been redeemed by the holder) and shall have the right to allocate such equity interests to other holders.
  - (1) Violating the "company red lines."
  - (2) Resigning before the completion of vesting, and being found during the departure audit process to have committed serious violations.
  - (3) Seriously violating the Company's internal management systems or engaging in other acts deemed by the Management Committee to harm the Company's interests.
2. If the holder resigns and, after resignation, is found to have violated non-compete restrictions and caused significant losses to the Company due to violation of the "company red lines" or serious work-related issues, the Company has the right to require the holder to return all the equity interests in the underlying shares that have been vested under the 2025 A Share Ownership Plan.
3. During the term of the 2025 A Share Ownership Plan, if a holder resigns from his/her position and thereby ceases to meet the eligibility criteria for participation in the 2025 A Share Ownership Plan, any unvested equity interests in the underlying shares under the 2025 A Share Ownership Plan shall be repossessed by the Management Committee without compensation (the vested equity interests in the underlying shares shall remain with the holder). All such repossessed equity interests shall belong to the Company.
4. During the term of the 2025 A Share Ownership Plan, if a holder is reassigned or demoted, the Company shall recalculate the holder's entitlement based on the standards applicable to the new position, and the equity interests corresponding to any reduced entitlement shall be repossessed by the Company.
5. During the term of the 2025 A Share Ownership Plan, if a holder retires normally in accordance with relevant policies and with the Company's approval and has not engaged in any investment or employment in businesses similar to that of the Company prior to vesting, a prorated portion of the equity interests in the underlying shares may vest based on the holder's period of service. The remaining unvested equity interests in the underlying shares shall be repossessed by the Management Committee without compensation and shall be entirely owned by the Company.

6. During the term of the 2025 A Share Ownership Plan, if a holder resigns due to a critical illness, loses the ability to work due to work-related matters, or dies in the course of duty, the Management Committee shall determine how to dispose the holder's equity interests in the underlying shares under the 2025 A Share Ownership Plan. Upon the expiration of the lock-up period, all vested underlying shares shall be sold in full, and the proceeds shall be distributed to the holder or the holder's lawful heirs.
7. Other than those specified above, if, during the term of the 2025 A Share Ownership Plan, there are any unvested equity interests in the underlying shares of the 2025 A Share Ownership Plan as a result of other circumstances, such unvested equity interests shall be forfeited by the Management Committee without compensation or may be reallocated by the Management Committee to other holders.

**(V) Method Regarding the Disposal of Shares upon the Expiry of the 2025 A Share Ownership Plan**

After the lock-up period of the 2025 A Share Ownership Plan expires, if all accounts under the 2025 A Share Ownership Plan are in cash, the 2025 A Share Ownership Plan may be terminated early.

The term of the 2025 A Share Ownership Plan may be extended upon approval by the Board of Directors after being proposed by the Management Committee.

If the 2025 A Share Ownership Plan is not extended upon expiration, liquidation shall be completed within 30 working days upon the expiry of the term, and the Management Committee will distribute the proceeds in proportion to the underlying shares vested in the holder.

**CHAPTER IV SPECIFIC MATTERS AUTHORIZED BY THE  
SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS**

**Article 12 The shareholders' meeting authorizes the Board of Directors to handle matters related to the 2025 A Share Ownership Plan, including but not limited to the following:**

1. to handle changes and termination of the 2025 A Share Ownership Plan;
2. to decide the withdrawal ratio of the special fund for the 2025 A Share Ownership Plan;
3. to decide the extension of the term of the 2025 A Share Ownership Plan;
4. to manage all matters relating to the lock-up and unlocking of stocks purchased under the 2025 A Share Ownership Plan;

5. to handle other necessary matters for the 2025 A Share Ownership Plan, other than those rights that shall be exercised by the Shareholders' meeting as explicitly provided for in relevant documents;
6. to decide on changes to the custodian of the 2025 A Share Ownership Plan;
7. After the 2025 A Share Ownership Plan has been approved by the shareholders' meeting, if relevant laws, regulations, or policies change during the implementation year, the Board of Directors is authorized to make corresponding adjustments to the 2025 A Share Ownership Plan in accordance with the newly issued laws, regulations, and policies.

#### **CHAPTER V SUPPLEMENTARY PROVISIONS**

**Article 13** The approval of the 2025 A Share Ownership Plan by the Board of Directors and the shareholders' meeting shall not be construed as granting any holder the right to continue employment with the Company or its subsidiaries, nor shall it constitute any commitment by the Company or its subsidiaries regarding the term of employment. The employment relationship between the Company or its subsidiaries and the holder shall remain governed by the employment contract executed between the Company or its subsidiaries and the holder.

**Article 14** Taxes arising out of the holder's participation in the 2025 A Share Ownership Plan shall be paid in accordance with the relevant provisions of national tax laws and regulations and shall be borne by the holder.

**Article 15** The 2025 A Share Ownership Plan shall become effective as of the date of approval by the shareholders' meeting.

**Article 16** The right to interpret the 2025 A Share Ownership Plan shall be vested in the Board of Directors.

**Proposal to the General Meeting to Authorize the Board of Directors to Handle  
Matters Relating to the 2025 A Share Ownership Plan of Midea Group Co., Ltd.**

To ensure the implementation of the A Share Ownership Plan, the Board of Directors proposes that the shareholders' meeting authorize the Board to handle relevant specific matters, including but not limited to the following:

- (1) to handle changes and termination of the A Share Ownership Plan;
- (2) to decide the withdrawal ratio of the special fund for the A Share Ownership Plan;
- (3) to decide the extension of the term of the A Share Ownership Plan;
- (4) to manage all matters relating to the lock-up and unlocking of stocks purchased under the A Share Ownership Plan;
- (5) to handle other necessary matters for the A Share Ownership Plan, other than those rights that shall be exercised by the Shareholders' meeting as explicitly provided for in relevant documents;
- (6) After the 2025 A Share Ownership Plan has been approved by the shareholders' meeting, if relevant laws, regulations, or policies change during the implementation year, the Board of Directors is authorized to make corresponding adjustments to the 2025 A Share Ownership Plan in accordance with the newly issued laws, regulations, and policies.

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## APPENDIX VI SUMMARY OF RULES OF THE (H SHARE) SHARE AWARD SCHEME

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The following is a summary of the principal terms of the (H Share) Share Award Scheme, under which restricted share units may be granted. The terms of the (H Share) Share Award Scheme will be governed by Chapter 17 of the Listing Rules.

### (A) PURPOSE OF THE (H SHARE) SHARE AWARD SCHEME

The purpose of the (H Share) Share Award Scheme is to (i) further develop the self-motivation and creativity of key talent and continually improve the Company's governance level and to attract, motivate, and retain core talent who have a significant impact on the Company's future development; and (ii) inspire a sense of mission and responsibility within the Company, advocate for a performance culture oriented towards creating value, establish and perfect a mechanism for sharing interests between workers and owners, align the interests of the Company, Shareholders, and employees, and ensure the realisation of the Company's development strategy and business objectives..

### (B) ELIGIBLE PARTICIPANTS

Participants of the (H Share) Share Award Scheme include any individual who is an employee or director (including executive and non-executive directors) of the Group (the “**Participants**”).

In determining the eligibility of Participants, the Board will take into consideration matters including, but not limited to, (i) the Group's overall business objectives, development plans and compensation strategy; (ii) the scope of the Participant's responsibilities and their contribution or expected contribution to the Group's broader business and strategy; (iii) the Participant's personal performance and future development potential.

### (C) ADMINISTRATION OF THE (H SHARE) SHARE AWARD SCHEME

The (H Share) Share Award Scheme shall be subject to the administration of the Board. The Board's decision as to all matters arising in relation to the (H Share) Share Award Scheme and its interpretation and effect shall be final and binding on all parties.

The Company may appoint a professional trustee (the “**Trustee**”) to assist with the administration and vesting of awards granted pursuant to the (H Share) Share Award Scheme (the “**Awards**”). The Company may to the extent permitted by applicable laws and the Listing Rules: (a) allot and issue New Shares to the Trustee to be held by the Trustee for specific grantees pending the vesting of the Awards granted and which will be used to satisfy the Awards upon vesting; and/or (b) direct and procure the Trustee to acquire H Shares already in issue on- or off-market (the “**Existing Shares**”) to satisfy the Awards upon vesting, provided that the Trustee shall abstain from voting in respect of such Existing Shares unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such a direction is given. The Company shall, to the extent permitted by applicable laws, provide sufficient funds to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration and vesting of Awards.

**(D) CONDITION OF THE (H SHARE) SHARE AWARD SCHEME**

The (H Share) Share Award Scheme shall take effect subject to the passing of the resolution by the Shareholders to approve and adopt the (H Share) Share Award Scheme and to authorise the Board or the Remuneration and Evaluation Committee to grant Awards pursuant to the (H Share) Share Award Scheme and to allot and issue or otherwise deal with H Shares in connection with the (H Share) Share Award Scheme (the “**Condition**”).

**(E) TERM OF THE (H SHARE) SHARE AWARD SCHEME**

The (H Share) Share Award Scheme will be valid and effective for the period commencing on the date on which all the Condition has been satisfied and expiring on the tenth anniversary thereof, or such earlier date as the (H Share) Share Award Scheme is terminated (the “**Term**”), after which no further Awards shall be offered or granted but the provisions of the (H Share) Share Award Scheme will remain in full force and effect in all other respects and Awards granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

**(F) AWARDS**

On and subject to the terms of the (H Share) Share Award Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound) at any time during the Term to make a grant of Award to any Participant, as the Board may in its absolute discretion select. An Award shall be in the form of restricted share units, which give that Participant a contingent right to receive H Shares upon vesting.

**(G) MAXIMUM NUMBER OF NEW SHARES TO BE GRANTED**

The scheme mandate limit (the “**Scheme Mandate Limit**”) refers to the total number of New Shares which may be allotted and issued under the (H Share) Share Award Scheme and share schemes of the Company which are governed by Chapter 17 of the Listing Rules (the “**Other Share Schemes**”), being 10,000,000 H Shares, representing approximately 0.13 per cent. of the total number of Shares in issue (excluding Treasury Shares) and approximately 1.54 per cent. of the total number of H Shares in issue as of the Latest Practicable Date.

The Company does not currently have Other Share Schemes.

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## APPENDIX VI SUMMARY OF RULES OF THE (H SHARE) SHARE AWARD SCHEME

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The maximum aggregate number of New Shares which may be allotted and issued or transferred by the Company under the (H Share) Share Award Scheme shall be calculated in accordance with the following formula:

$$X = A - B - C$$

where:

X = the maximum aggregate number of New Shares which may be allotted and issued or transferred by the Company under the (H Share) Share Award Scheme;

A = the Scheme Mandate Limit (being 10,000,000 H Shares);

B = the maximum aggregate number of New Shares that may be allotted and issued or transferred upon the vesting of Awards already granted under the (H Share) Share Award Scheme; and

C = the maximum aggregate number of New Shares that may be allotted and issued or transferred upon the vesting or exercise of any share grants already granted under Other Share Schemes.

H Shares in respect of (i) Awards which have lapsed or have been encashed in accordance with the terms of the (H Share) Share Award Scheme and (ii) share grants that have lapsed or have been encashed under Other Share Schemes will not be counted for the purpose of determining the maximum aggregate number of New Shares which may be allotted and issued or transferred by the Company under the (H Share) Share Award Scheme.

The Scheme Mandate Limit may be renewed (a) every three years subject to prior Shareholders' approval; or (b) within a three-year period with the relevant persons specified in the Listing Rules abstaining from voting on the relevant resolution, with the approval of the Shareholders in general meeting, and in each case, in accordance with the requirements of the Listing Rules.

The total number of New Shares which may be allotted and issued under the (H Share) Share Award Scheme and under Other Share Schemes following the date of approval of the renewed limit (the "**New Approval Date**") under the limit as renewed must not exceed 10 per cent. of the relevant class of Shares in issue (excluding Treasury Shares) as at the New Approval Date. H Shares in respect of which Awards are granted pursuant to the (H Share) Share Award Scheme and Other Share Schemes (including those outstanding, lapsed or vested, exercised or encashed) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of New Shares which may be allotted and issued or transferred following the New Approval Date. For the avoidance of doubt, (a) Shares issued prior to the New Approval Date pursuant to the vesting of Awards will be counted for the purpose of determining the number of Shares in issue as at the New Approval Date and (b) Treasury Shares (if any) shall be excluded from the number of Shares in issue for the purpose of determining the Scheme Mandate Limit.



**(H) GRANT OF AWARDS**

A grant shall be made to a Participant by a notice (the “**Notice of Grant**”) specifying the terms on which the Award is to be granted, including but not limited to the number of H Shares underlying the Award, the grant date and the vesting date, the relevant performance conditions or other conditions that must be satisfied in order for the Award to vest in whole or in part and any other terms which the Company has determined shall apply to the Award.

The Board may not grant any Award after inside information has come to its knowledge until such time (and including) the Business Day after such information has ceased to constitute inside information. In particular, the Board may not grant any Award during the period commencing 30 days immediately before the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of actual publication of the results announcement.

Where a grant is made to a Director or to any Participant who, because of his office or employment in the Group or any member of the Group, is likely to be in possession of unpublished price-sensitive information in relation to the Shares, no grant may be made on any day on which the financial results of the Company are published and during the period of:

- (a) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**(I) GRANT OF AWARDS TO CONNECTED PERSONS AND INDIVIDUALS**

Any grant to a Participant who is a Director, chief executive of the Company or a substantial shareholder (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Award in question).

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## APPENDIX VI SUMMARY OF RULES OF THE (H SHARE) SHARE AWARD SCHEME

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In any 12-month period, the maximum number of New Shares allotted and issued or transferred (and to be allotted and issued or transferred) upon:

- (a) the vesting of all Awards granted under the (H Share) Share Award Scheme; and
- (b) the vesting or exercise of all share grants made under Other Share Schemes,

(excluding any Awards and share grants under Other Share Schemes which have lapsed or have been encashed) to any individual Participant shall not exceed 1 per cent. of the Shares in issue. Where any further grant over New Shares to a Participant under the (H Share) Share Award Scheme would result in the breach of this limit, such grant must be separately approved by Shareholders in general meeting in accordance with the Listing Rules.

Where any Award granted to a Participant who is a Director (excluding independent non-executive Directors) or chief executive of the Company or any of their respective associates would result in the New Shares allotted and issued or transferred (and to be allotted and issued or transferred) upon:

- (a) the vesting of all Awards granted under the (H Share) Share Award Scheme; and
- (b) the vesting of all share grants (excluding share options) under Other Share Schemes,

(excluding any Awards and share grants (other than share options) under Other Share Schemes which have lapsed or have been encashed) to such person in the 12-month period up to and including the grant date representing in aggregate over 0.1 per cent. of the Shares in issue, such further grant over New Shares under the (H Share) Share Award Scheme shall be subject to prior approval by the Shareholders in general meeting in accordance with the Listing Rules.

Where any Award granted to a Participant who is a substantial shareholder or an independent non-executive Director or any of their respective associates would result in the New Shares allotted and issued or transferred (and to be allotted and issued or transferred) upon the:

- (a) vesting of all Awards granted under the (H Share) Share Award Scheme; and
- (b) vesting or exercise of all share grants under Other Share Schemes,

(excluding any Awards and share grants under Other Share Schemes which have lapsed or have been encashed) to such Participant in the 12-month period up to and including the grant date representing in aggregate over 0.1 per cent. of the Shares in issue, such further grant of Awards over New Shares under the (H Share) Share Award Scheme shall be subject to prior approval by the Shareholders in general meeting in accordance with the Listing Rules.

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## **APPENDIX VI SUMMARY OF RULES OF THE (H SHARE) SHARE AWARD SCHEME**

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For the avoidance of doubt, the limitations set out above shall apply to Awards and share grants over New Shares only and do not apply to Awards and share grants over Existing Shares. Treasury Shares (if any) shall be excluded from the number of Shares in issue for the purpose of determining any of the above limitations.

### **(J) VESTING OF AWARDS**

Subject to the terms of the (H Share) Share Award Scheme, Awards which have vested shall be satisfied within a reasonable period the Company's absolute discretion by:

- (a) the Company allotting and issuing the relevant number of H Shares or transferring the relevant number of Treasury Shares to the grantee credited as fully paid; and
- (b) the Company directing and procuring the Trustee to transfer to the grantee the relevant number of Existing Shares;
- (c) the Company paying or procuring the payment of a cash payment; or
- (d) a combination of the above,

together with a sum equivalent to the total amount of dividends and distributions (if any) accrued during the vesting period on the relevant number of H Shares which have vested. Such dividends and distributions (if any) may be held on trust by the Trustee during the vesting period, as applicable.

Notwithstanding the foregoing, if the Company, the Trustee or any grantee would or might be prohibited by the Listing Rules or by any other applicable laws, regulations or rules (including any dealing code of the Company) from dealing in the Shares on the vesting date or within the period specified above, the date on which the Award shall vest or the relevant Shares under such Award shall be allotted and issued or transferred (as the case may be) to the grantee shall occur as soon as possible after the date when such dealing is permitted.

### **(K) VESTING PERIOD**

The vesting period for Awards may not be shorter than 12 months unless otherwise determined by the Remuneration and Evaluation Committee where the grant of Awards:

- (a) is made to grantees to replace the share awards they forfeited when leaving the previous employer;
- (b) is made to grantees whose employment is terminated due to death, disability or upon the occurrence of any out of control event, where the vesting of the Awards may accelerate based on the discretion of the Board (or the Remuneration and Evaluation Committee, as the case may be);

- (c) has performance-based vesting conditions in lieu of time-based vesting conditions;
- (d) which would been made earlier but for administrative and compliance reasons and are made in a subsequent batch, in order to put the grantees in the same position as they would have been in had the grant of Awards been made earlier; and
- (e) with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months.

**(L) PERFORMANCE CONDITIONS**

The Board may in its sole and absolute discretion make, in individual cases, the vesting of an Award conditional on the achievement of objective performance conditions which shall be documented in the Notice of Grant. The performance conditions may include a combination of key performance indicators, such as:

- (a) the business performance and financial performance of the Group, including but not limited to revenue, weighted average return on equity, net profit, net growth, earnings per Share, return on equity, market capitalisation and inventory turnover);
- (b) the performance of the business unit or product line in which the grantee works;
- (c) the individual performance of the grantee based on the annual performance assessment results.

The Board may, at its sole discretion, vary, waive or amend any such performance condition or may impose entirely different performance conditions to those specified in the Notice of Grant, to the extent permitted under applicable law and the Listing Rules. If any of the performance conditions are not satisfied in whole or in part, the Award shall lapse automatically in respect of such proportion of underlying H Shares as have not vested with effect from the date on which the conditions are not satisfied.

**(M) RIGHTS ATTACHING TO THE AWARDS AND THE UNDERLYING H SHARES**

Upon vesting, a grantee shall be eligible to receive the dividends and distributions (if any) paid during the vesting period on the relevant number of H Shares which have vested. Subject to the foregoing, a grantee shall have no other rights in respect of any H Shares underlying the Awards granted until such H Shares have been transferred to the grantee, including but not limited to voting rights in respect of such H Shares subject to an Award. The H Shares to be allotted and issued or transferred upon the vesting of Awards shall be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on the liquidation or winding-up of the Company) as, the existing fully paid H Shares in issue on the date on which those H Shares

are allotted and issued or transferred pursuant to the vesting of Awards and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which H Shares are allotted and issued, or transferred.

**(N) TRANSFERABILITY OF AWARDS**

An Award shall be personal to the grantee and shall not be assignable or transferable by the grantee and the grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the Award (save that, for the avoidance of doubt, where permitted by applicable laws and regulations (including the Listing Rules) and subject to the approval of the Hong Kong Stock Exchange, the grantee may transfer Awards to a vehicle (such as a trust or a private company) for the sole benefit of such grantee and any family members of such grantee that would continue to meet the purpose of the (H Share) Share Award Scheme, provided the terms of grant of such Award will continue to bind any such transferee with reference to the grantee, where relevant.

The terms of the (H Share) Share Award Scheme and the Notice of Grant shall be binding upon the permitted assignees and transferees of the grantee.

**(O) LAPSE OF AWARDS**

Notwithstanding any other provisions of the (H Share) Share Award Scheme, an Award (or any part thereof) that has not vested shall lapse automatically on the earliest of:

- (a) the date of termination of the grantee's employment, service or engagement by the Company or a member of the Group;
- (b) the date on which the grantee: (i) becomes an officer, director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning more than a 5 per cent. interest in, any Competitor; or (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor;
- (c) subject to "(P) Corporate Events" below, the date on which the offer (or, as the case may be, revised offer) closes for acceptance;
- (d) subject to "(P) Corporate Events" below, the date on which the scheme of arrangement or similar arrangement becomes effective;
- (e) the date on which the compromise or arrangement referred to in "(P) Corporate Events" below becomes effective;
- (f) the date of the commencement of the winding-up of the Company;

- (g) the date on which the grantee (whether intentionally or otherwise) commits a breach of the terms on transferability under the (H Share) Share Award Scheme;
- (h) the date on which the grantee is declared bankrupt or enters into any arrangement or compromise with his creditors generally; and
- (i) in respect an Award which is subject to performance or other vesting condition(s), the date on which the condition(s) to vesting of the Award is not satisfied (save that the Award shall lapse only in respect of such proportion of underlying H Shares as have not vested because of the application of such performance or other vesting condition(s)).

If the grantee's employment, service or engagement with a member of the Group is terminated due to retirement, work-related death or disability prior to the vesting date of any Award, then notwithstanding any other terms on which the Award was granted, the Board may determine in its discretion whether such Award shall vest, the extent to which it shall vest and when such Award (or part thereof) shall vest. If no such determination is made, the Award shall lapse with effect from date on which the grantee's employment, service or engagement is terminated. To the extent that the Board determines that such Award shall not vest in respect of some or all of the underlying H Shares, such Award shall lapse automatically in respect of those H Shares with effect from such termination date. Any exercise of discretion by the Board shall be in accordance with Chapter 17 of the Listing Rules.

For the avoidance of doubt, if an Award lapses in whole or in part for any reason, any dividends and distributions accrued on the H Shares underlying such Award shall no longer be payable to the grantee.

#### **(P) CORPORATE EVENTS**

In the event:

- (a) a general offer (which does not include a takeover by way of scheme of arrangement) is made to all Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror as permitted under the Takeovers Code) by any person and such offer becomes or is declared unconditional prior to the vesting date of any Award, the Board may, in its discretion, determine that the H Shares underlying the Award (to the extent not already vested) shall vest in accordance with subparagraph (e) below. Any such decision by the Board shall be promptly notified to the grantees. Subject to the foregoing, the Award (to the extent not vested) will lapse automatically on the date on which such offer (or, as the case may be, revised offer) closes for acceptance;

- (b) a takeover or privatisation of the Company by way of scheme of arrangement or similar arrangement (including but not limited to a merger by absorption) is made by any person to all Shareholders and has been approved by the necessary number of Shareholders at the requisite meeting(s) prior to the vesting date of any Award, the Board may, in its discretion, determine that the H Shares underlying the Award (to the extent not already vested) shall vest in accordance with subparagraph (e) below. Any such decision by the Board shall be promptly notified to the grantees. Subject to the foregoing and to the scheme of arrangement or similar arrangement becoming effective, any Award (to the extent not vested) will lapse automatically on the date on which such scheme of arrangement or similar arrangement becomes effective;
- (c) a compromise or arrangement (other than a scheme of arrangement) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies prior to the vesting date of any Award, the Board shall give notice thereof to all grantees on the same day as it despatches to the Shareholders and/or its creditors a notice summoning the meeting to consider such a compromise or arrangement. The Board may, in its discretion and subject to applicable laws, determine that the H Shares underlying the Award (to the extent not already vested) shall vest in accordance with subparagraph (e) below, in which case, the Board shall endeavour to procure that the H Shares allotted and issued or transferred (as the case may be) upon the vesting of Awards in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such H Shares shall in all respects be subject to such compromise or arrangement;
- (d) a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the vesting date of any Award, the Company shall give notice thereof to all the grantees on the same day as it despatches to the Shareholders the notice convening the meeting. The Board may, in its discretion and subject to applicable laws, determine that the H Shares underlying the Award (to the extent not already vested) shall vest in accordance with subparagraph (e) below, in which case the Board shall endeavour to procure that the Shares allotted and issued or transferred (as the case may be) upon the vesting of Awards in such circumstances shall for the purposes of such winding-up form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such winding-up;
- (e) that any of the corporate events in subparagraphs (a) to (d) above occur, prior to the offer becoming or being declared unconditional or prior to the date of the relevant meeting(s) (as the case may be), the Board shall determine in its discretion in accordance with applicable law, the Takeovers Code and the Hong Kong Listing



Rules (i) whether any early vesting of Awards will occur; (ii) the number of H Shares underlying the Awards (if any) which shall vest; and (iii) the date on which any such vesting will occur shall be determined by the Board in its discretion by reference to factors which may include (a) the extent to which any performance or other conditions to vesting have been satisfied; and (b) the proportion of the vesting period that has expired, in each case as at the relevant event. The Company shall then notify the grantee of the date on which and the extent to which his Award will vest. If the Board determines that any Award shall vest in part only or shall not vest in its entirety, the balance or the whole of the Award (as the case may be) shall lapse.

For the avoidance of doubt, any exercise of discretion by the Board shall be in accordance with Chapter 17 of the Listing Rules.

#### **(Q) REORGANISATION OF CAPITAL STRUCTURE**

In the event of an alteration in the capital structure of the Company by way of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any member of the Group is a party or in connection with any share option, restricted share or other share schemes of the Company), such corresponding adjustments (if any) shall be made to:

- (a) the Scheme Mandate Limit in the case of a subdivision or consolidation of Shares;
- (b) the number and/or nominal value of H Shares underlying any Award which has not yet vested and/or been satisfied; and/or
- (c) the number and/or nominal value of H Shares underlying any Award which has not yet vested and/or been satisfied,

or any combination thereof, provided that:

- (a) any such adjustments give a grantee the same proportion of the share capital of the Company as that to which that grantee was previously entitled; and
- (b) notwithstanding this paragraph, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, the auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.



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## APPENDIX VI SUMMARY OF RULES OF THE (H SHARE) SHARE AWARD SCHEME

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Any such adjustments shall be made in compliance with the requirements under Rules 17.03(13) and 17.03B of the Listing Rules.

### **(R) MALUS AND CLAWBACK**

If circumstances occur which, in the reasonable opinion of the Board, justify a reduction to the Award, the Board may in its discretion at any time before the Award is vested determine that the number of H Shares in respect of which the Award is granted shall be reduced to such number (including to nil) as the Board considers appropriate in the circumstances.

If circumstances occur which, in the reasonable opinion of the Board, justify a reduction in respect of the H Shares been transferred, the Board may in its discretion determine (acting fairly and reasonably) that the grantee should repay to the Company (whether by redemption or repurchase of relevant H Shares, payment of cash proceeds or deductions from or set offs against any amounts owed to the grantee by the relevant member of the Group) an amount equal to the benefit (including any dividends and distributions), calculated on an after-tax basis, that the grantee received, provided that the Board may, at its discretion, determine that a lesser amount should be repaid. Each grantee shall be deemed to undertake, as a condition of participation in the (H Share) Share Award Scheme, to do all things necessary to complete the redemption or repurchase of relevant H Shares or pay cash in order to comply with this paragraph and to expressly authorise deductions from or set offs against any amounts owed to the grantee by the relevant member of the Group.

The circumstances in which the Board may consider that it is appropriate to exercise its discretion to adjust and/or clawback Awards, may, without limitation, include the following:

- (a) a material misstatement or restatement in the audited financial accounts of any member of the Group (other than as a result of a change in accounting practice);
- (b) the negligence, fraud or serious misconduct of a grantee which results in or is reasonably likely to result in:
  - (i) significant reputational damage to any member of the Group (or to a relevant business unit, product line or function of any member of the Group);
  - (ii) a material adverse effect on the financial position of any member of the Group (or to a relevant business unit, product line or function of any member of the Group);
  - (iii) a material adverse effect on the business opportunities and prospects for sustained performance or profitability of any member of the Group (or to a relevant business unit, product line or function of any member of the Group);

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**APPENDIX VI SUMMARY OF RULES OF THE (H SHARE) SHARE AWARD SCHEME**

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- (c) the grantee being employed or engaged by any member of the Group (or the relevant business unit, product line or function of any member of the Group) that suffers:
  - (i) significant reputational damage;
  - (ii) a material adverse effect on its financial position; or
  - (iii) a material adverse effect on its business opportunities and prospects for sustained performance or profitability; or
- (d) a breach of the Company's "red line" as defined under the "Management Measures for Accountability of Midea Group", "Measures for Cadre Management of Midea Group" or "Employee Code of Conduct of Midea Group";
- (e) a significant breach by the grantee of the Company's internal management system or other actions that harm the Company's interests; or
- (f) significant violations by the grantee are found during the departure audit.

**(S) ALTERATION OF THE (H SHARE) SHARE AWARD SCHEME**

Subject to the below, the Board may alter any of the terms of the (H Share) Share Award Scheme at any time, including but not limited to the method by which a Participant accepts the Award, and such other minor amendments to benefit the administration of the (H Share) Share Award Scheme, provided that such alterations comply with the requirements of applicable law and the Listing Rules, to the extent applicable.

Those specific provisions of the (H Share) Share Award Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of grantees or Participants, any alterations of the terms and conditions of the (H Share) Share Award Scheme of a material nature and changes to the authority of the Board in relation to any alteration of the terms of the (H Share) Share Award Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting.

Any changes to the terms of the Awards granted (save where the alterations take effect automatically under the existing terms of the (H Share) Share Award Scheme) shall be subject to approval of the Board, the Remuneration and Evaluation Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial Award was approved by the Board, the Remuneration and Evaluation Committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

After any alteration, the (H Share) Share Award Scheme so altered must comply with Chapter 17 of the Listing Rules.

**(T) CANCELLATION**

The Board may at any time cancel Awards previously granted but which have not yet vested. Where the Company cancels Awards and offers new Awards to the same grantee, the offer of such new Awards may only be made with available Awards to the extent not yet granted (excluding the cancelled Awards) within the limits prescribed by the Scheme Mandate Limit.

**(U) GENERAL**

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the (H Share) Share Award Scheme and in such event, no further Awards may be offered or granted but in all other respects the terms of the (H Share) Share Award Scheme shall remain in full force and effect in respect of Awards which are granted during the term and which remain unvested or which have vested but not yet been satisfied immediately prior to the termination of the (H Share) Share Award Scheme.

As of the Latest Practicable Date, no Award has been granted or agreed to be granted by the Company pursuant to the (H Share) Share Award Scheme.

The Board (including the independent non-executive Directors) is of the view that the provisions of the (H Share) Share Award Scheme, in particular those relating to eligibility, vesting period, performance conditions and clawback mechanism described above, align with the Company's compensation model as well as the purpose of the (H Share) Share Award Scheme by enabling the Board and the Remuneration and Evaluation Committee to operate and regulate the (H Share) Share Award Scheme effectively and efficiently.

## I. OVERVIEW OF THE GUARANTEE

The Company, based on the working capital requirements and business development needs of its controlled subsidiaries, intends to provide guarantees for such subsidiaries in 2025 in connection with their application for comprehensive credit facilities from financial institutions, application to materials and components suppliers for settlement of accounts payable, and other day-to-day business activities. The relevant information of the guaranteed subsidiaries and the proposed guarantee amounts are as follows:

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Midea Group Finance Co., Ltd.	100.00%	Foshan	2010.07.16	Zhong Zheng	RMB350,000	Financial services	110,000
GD Midea Air-Conditioning Equipment Co., Ltd.	80.00%	Foshan	2004.10.22	Wang Jianguo	RMB85,400	Air conditioning manufacturing	1,470,000
Guangzhou Hualing Refrigerating Equipment Co., Ltd.	100.00%	Guangzhou	2010.06.13	Zhao Lei	RMB64,000	Air conditioning manufacturing	70,000
Foshan Midea Carrier Air-Conditioning Equipment Co., Ltd.	60.00%	Foshan	2008.07.25	Wang Jianguo	RMB20,000	Air conditioning manufacturing	14,000
GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.	100.00%	Wuhu	2000.04.30	Zhao Lei	USD692.80	Air conditioning manufacturing	200,000
Wuhu Maty Air-Conditioning Equipment Co., Ltd.	100.00%	Wuhu	2010.04.29	Zhao Lei	RMB83,000	Air conditioning manufacturing	125,000
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	80.00%	Wuhan	2004.03.04	Wang Jianguo	USD800	Air conditioning manufacturing	130,000
Guangdong Midea Precision Molding Technology Co., Ltd.	100.00%	Foshan	1998.09.15	Zhao Lei	RMB2,000	Mold manufacturing	500
Handan Midea Air-Conditioning Equipment Co., Ltd.	100.00%	Handan	2008.05.15	Zhao Lei	RMB8,000	Air conditioning manufacturing	100,000
Chongqing Midea Air-Conditioning Equipment Co., Ltd.	100.00%	Chongqing	2011.05.03	Zhao Lei	RMB5,000	Air conditioning manufacturing	150,000
Midea Group Wuhan Heating & Ventilating Equipment Co., Ltd.	100.00%	Wuhan	2020.12.09	Zhao Lei	RMB50,000	Air conditioning manufacturing	15,000
Foshan Welling Washer Motor Manufacturing Co., Ltd.	100.00%	Foshan	1998.07.24	Li Huiwen	USD640	Motor manufacturing	8,000
Guangdong Welling Motor Manufacturing Co., Ltd.	100.00%	Foshan	1992.10.06	Qiu Xiangwei	USD5,256	Motor manufacturing	60,000
Welling (Wuhu) Motor Manufacturing Co., Ltd.	100.00%	Wuhu	2001.08.07	Li Huiwen	USD1,768	Motor manufacturing	1,700

**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Huaian Welling Motor Manufacturing Co., Ltd.	100.00%	Huai'an	2004.03.30	Li Huiwen	USD4,500	Motor production	3,000
Wuhu Welling Motor Sales Co., Ltd.	100.00%	Wuhu	2011.11.11	Fu Yongjun	RMB5,000	Motor sales	350,000
Hainan Welling Motor Sales Co., Ltd.	100.00%	Haikou	2021.01.12	Li Siyang	RMB500	Motor sales	5,000
Anhui Welling Auto Parts Co., Ltd.	100.00%	Hefei	2019.05.20	Qiu Xiangwei	RMB20,000	Auto parts manufacturing	3,000
Anqing Welling Auto Parts Co., Ltd.	100.00%	Anqing	2022.01.12	Chen Jintao	RMB20,000	R&D of auto parts	12,000
Guangdong Meizhi Compressor Co., Ltd.	100.00%	Foshan	1995.09.26	Qiu Xiangwei	USD5,527	Compressor manufacturing	100,000
Guangdong Meizhi Precision-Manufacturing Co., Ltd.	100.00%	Foshan	2004.05.10	Zhang Hao	USD774.0097	Compressor manufacturing	3,000
Anhui Meizhi Compressor Co., Ltd.	100.00%	Hefei	2008.02.28	Qiu Xiangwei	RMB32,500	Compressor manufacturing	3,500
Anhui Meizhi Precision Manufacturing Co., Ltd.	100.00%	Wuhu	2010.10.25	Zhang Hao	RMB84,210.5263	Compressor manufacturing	10,000
Zhejiang Meizhi Compressor Co., Ltd.	100.00%	Ningbo	2014.01.21	Qiu Xiangwei	RMB5,000	Compressor manufacturing	700,000
Guangdong Midea Environmental Technologies Co., Ltd.	100.00%	Foshan	2017.11.13	Zhang Hao	RMB5,000	Compressor manufacturing	3,500
Guangdong Midea Intelligent Technologies Co., Ltd.	100.00%	Foshan	2016.09.09	Qiu Xiangwei	RMB10,000	Industrial automation development and manufacturing	1,500
Dorna Technology Co., Ltd.	100.00%	Jiaxing	2006.05.16	Xia Yi	RMB5,000	Industrial automation development and manufacturing	3,000
Guangdong Jiya Precision Machinery Technology Co., Ltd.	100.00%	Foshan	2021.07.05	Zheng Shibao	RMB10,000	Mechanical parts and components processing	3,500
Servotronix Motion Technology Development (Shenzhen) Ltd.	100.00%	Shenzhen	2011.07.11	Xia Yi	USD120	Automation CNC systems	1,500
Wuhan TTium Motor Technology Co., Ltd.	55.00%	Wuhan	2016.8.11	Li Huiwen	RMB22,700,653	Electromechanical equipment manufacturing & sales	1,000

**APPENDIX VII**
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Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	100.00%	Foshan	2006.09.04	Cheng Lin	USD15,858	Home appliance manufacturing	420,000
Guangdong Witol Vacuum Electronic Manufacture Co., Ltd.	100.00%	Foshan	2001.07.06	Cheng Lin	USD2,500	Magnetron manufacturing	56,000
Jiangsu Midea Cleaning Appliances Co., Ltd.	99.58%	Suzhou	1994.06.30	Cheng Lin	RMB5,726.40	Home appliance manufacturing	35,000
Wuhu Midea Kitchen Appliances Manufacturing Co., Ltd.	100.00%	Wuhu	2011.01.28	Cheng Lin	RMB2,000	Home appliance manufacturing	180,000
GD Midea Heating & Ventilating Equipment Co., Ltd.	100.00%	Foshan	2005.09.26	Guan Jinwei	RMB50,000	Air conditioning manufacturing	700,000
Hefei Midea Heating & Ventilating Equipment Co., Ltd.	100.00%	Hefei	2010.10.09	Guan Jinwei	RMB106,000	Air conditioning manufacturing	175,000
Chongqing Midea General Refrigeration Equipment Co., Ltd.	100.00%	Chongqing	2004.08.04	Guan Jinwei	USD5,000	Air conditioning manufacturing	100,000
Meitong Energy Technology (Chongqing) Co., Ltd.	100.00%	Chongqing	2020.10.16	Luo Mingwen	RMB50,000	Engineering construction and installation	5,800
Guangdong KONG Intelligent Building Co., Ltd.	100.00%	Foshan	2020.08.31	Guan Jinwei	RMB50,000	Building intelligence design	3,000
Shanghai KONG Intelligent Building Co., Ltd.	100.00%	Shanghai	2020.11.17	Guan Jinwei	RMB50,000	Building intelligence development and design	3,000
Winone Elevator Company Limited	70.00%	Foshan	2002.02.08	Guan Jinwei	RMB20,200	Elevator manufacturing	100,000
Hubei Midea Building Technology Co., Ltd.	100.00%	Jinzhou	2021.11.03	Guan Jinwei	RMB100,000	Air conditioning equipment manufacturing	140,000
Guangdong Winone Elevator Engineering Co., Ltd.	70.00%	Foshan	2007.11.13	Li Kai	RMB1,000	Elevator installation and repair	1,500
Toshiba Elevator (Shenyang) Co., Ltd.	58.00%	Shenyang	1995.7.12	Guan Jinwei	USD1,500	Elevator manufacturing, sales, and installation	20,000
Toshiba Elevator (China) Co., Ltd.	58.00%	Shanghai	1994.1.18	Guan Jinwei	RMB20,240	Elevator manufacturing, sales, and installation	45,000

**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Ningbo Midea United Materials Supply Co. Ltd.	100.00%	Ningbo	2011.01.07	Zhou Shuqing	RMB48,000	Raw material sales	210,000
Shanghai Kaizhao Trading Co., Ltd.	100.00%	Shanghai	2020.8.26	Zhou Shuqing	RMB5,000	Metal material sales	5,000
Guangdong Midea Consumer Electric Manufacturing Co., Ltd.	100.00%	Foshan	1994.02.21	Xu Pingping	USD6,926	Home appliance manufacturing	30,000
Foshan Shunde Midea Electrical Heating Appliances Manufacturing Co., Ltd.	100.00%	Foshan	2006.02.24	Xu Pingping	USD4,200	Home appliance manufacturing	50,000
GD Midea Environment Appliances Mfg. Co., Ltd.	100.00%	Zhongshan	2003.10.22	Xu Pingping	RMB38,000	Home appliance manufacturing	20,000
Wuhu Midea Life Appliances Mfg Co., Ltd.	100.00%	Wuhu	2008.08.07	Xu Pingping	RMB6,000	Home appliance manufacturing	135,000
Foshan Midea Chungho Water Purification Equipment. Co., Ltd.	60.00%	Foshan	2007.03.06	Zhang Bin	USD1,300	Water purification equipment manufacturing	1,700
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	100.00%	Foshan	2000.01.18	Zhang Bin	USD4,600	Dishwasher manufacturing	70,000
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	100.00%	Wuhu	2008.08.07	Zhang Bin	RMB6,000	Home appliance manufacturing	250,000
Handan Midea Intelligent Kitchen Appliance Manufacturing Co., Ltd.	100.00%	Handan	2021.03.26	Zhang Bin	RMB3,000	Home appliance manufacturing	3,000
Wuhu Midea Smart Kitchen Appliance Manufacturing Co., Ltd.	100.00%	Wuhu	2021.02.05	Zhang Bin	RMB6,000	Home appliance manufacturing	3,000
Foshan Shunde Midea Water Dispenser Manufacturing Company Limited	100.00%	Foshan	2006.07.28	Zhang Bin	USD385	Home appliance manufacturing	6,500
Guangdong Midea Kitchen & Bath Appliances Mfg Co., Ltd.	100.00%	Foshan	2001.06.19	Zhang Bin	USD1,500	Kitchen & bath appliance manufacturing	120,000
Hubei Midea Laundry Appliance Co., Ltd.	100.00%	Jinzhou	2020.12.07	Xiao Yi	RMB10,000	Washing machine manufacturing	100,000
Hefei Midea Laundry Appliance Co., Ltd.	100.00%	Hefei	1996.03.28	Xiao Yi	USD13,552	Washing machine manufacturing	200,000
Wuxi Filin Electronics Co., Ltd.	100.00%	Wuxi	2003.04.14	Xiao Yi	USD362.4564	Washing machine manufacturing	5,000

**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Wuxi Little Swan Electric Co., Ltd.	100.00%	Wuxi	2019.05.31	Xiao Yi	RMB732,487,764	Washing machine manufacturing	250,000
Wuxi Meizhi Electrical Appliance Co., Ltd.	100.00%	Wuxi	2022.11.23	Xiao Yi	RMB10,000	Washing machine manufacturing	10,000
Hefei Midea Refrigerator Co., Ltd.	100.00%	Hefei	1996.09.01	Cao Zhijie	USD9,210.9873	Refrigerator manufacturing	320,000
Hefei Hualing Co., Ltd.	100.00%	Hefei	1993.06.30	Cao Zhijie	RMB9,120	Refrigerator manufacturing	150,000
Hubei Midea Refrigerator Co., Ltd.	100.00%	Jinzhou	1998.08.31	Cao Zhijie	RMB85,000	Refrigerator manufacturing	180,000
Guangzhou Midea Hualing Refrigerator Co., Ltd.	100.00%	Guangzhou	2010.06.12	Cao Zhijie	RMB56,000	Cooling equipment manufacturing	70,000
Toshiba Home Appliances Manufacturing (Nanhai) Co., Ltd.	80.10%	Foshan	2005.03.04	Kimura Katsu	USD2,648.3	Home appliance manufacturing	5,000
Midea Group E-Commerce Co., Ltd.	100.00%	Foshan	2016.05.12	Bo Lin	RMB5,000	Home appliance sales	15,500
Guangdong Midea Smart Link Technologies Co., Ltd.	100.00%	Foshan	2014.03.03	Jiang Chuanming	RMB10,000	Electrical product sales	6,800
KUKA Industries Automation (China) Co., Ltd.	95.00%	Kunshan	2011.05.24	Xu Guiyou	USD810	Robot design and manufacturing	20,000
KUKA Systems (China) CO., Ltd.	95.00%	Shanghai	2004.07.16	Xu Guiyou	EUR200	Robot system design	40,000
KUKA Robotics Manufacturing China Co., Ltd.	97.50%	Shanghai	2012.08.30	Peter Georg Mohnen	EUR620	Robot design and manufacturing	2,500
KUKA Robotics China Co., Ltd.	97.50%	Shanghai	2011.03.07	Peter Georg Mohnen	RMB1,800	Robot R&D and manufacturing	25,000
Shanghai Swisslog Healthcare Co., Ltd.	97.50%	Shanghai	2018.09.25	Xu Guiyou	RMB2,000	Medical technology	9,000
Guangdong Swisslog Technology Co., Ltd.	97.50%	Foshan	2019.08.22	Xu Guiyou	RMB500	Supply chain solutions	1,600
Swisslog (Shanghai) Co., Ltd.	97.50%	Shanghai	2004.07.12	Xu Guiyou	RMB12,000	Sales of medical automation equipment	6,000
Shanghai Swisslog Technology Co., Ltd.	97.28%	Shanghai	2019.03.26	Xu Guiyou	RMB10	Sales and transportation of automation equipment	25,000
Hunan Meikuris Medical Technology Co., Ltd.	100.00%	Foshan	2015.09.16	Xu Guiyou	RMB10,000	Robot manufacturing and sales	250



**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Guangdong Midea Electric Co., Ltd.	100.00%	Foshan	2017.03.03	Gu Yanmin	RMB100,000	General equipment manufacturing	5,000
Guangdong Midea Intelligent Robotics Co., Ltd.	100.00%	Foshan	2017.02.13	Gu Yanmin	RMB15,000	Robot manufacturing	250
Guangdong Midea-SIIX Electronics Co., Ltd.	75.00%	Foshan	2015.05.15	Dai Guangcheng	RMB5,000	Electronic components	10,000
Hefei Midea-SIIX Electronics Co., Ltd.	75.00%	Hefei	2017.10.20	Dai Guangcheng	RMB8,000	Electronic components	1,000
Guangdong Meichuangxi Technology Co., Ltd.	100.00%	Foshan	2015.07.01	Dai Guangcheng	RMB10,000	Computer software development	5,000
Foshan Meicloud Technology Co., Ltd.	69.57%	Foshan	2016.11.04	Jin Jiang	RMB10,000	Intelligent control system integration	500
Suzhou Meicloud Technology Co., Ltd.	69.57%	Suzhou	2021.09.18	Jin Jiang	RMB1,000	Intelligent control system integration	2,500
Midea Cloud Technology Co., Ltd.	69.57%	Foshan	2018.08.08	Jin Jiang	RMB267,244	Intelligent control system integration	4,500
Midea International Corporation Company Limited	100.00%	Hong Kong	2004.07.28	Zhong Zheng	USD2,380	Investment	2,002,260
Midea Investment Development Company Limited	100.00%	Hong Kong	2016.05.12	Zhong Zheng	USD5	Investment	328,500
Midea Electric Netherlands (I) B.V.	100.00%	Amsterdam, Holland	2017.03.15	–	EUR2.5	Investment and trade	2,400,000
<b>Total</b>							<b>12,747,360</b>

**APPENDIX VII****PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Midea International Corporation Company Limited, a subsidiary of the Company, intends to provide guarantees for its affiliated subsidiaries in 2025 to facilitate their applications for comprehensive credit facilities from financial institutions, including loans, bank acceptances, letters of guarantee, factoring, and other related financial services, in accordance with their working capital requirements and business development needs. The relevant information of the guaranteed subsidiaries and the proposed guarantee amounts are as follows:

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Toshiba Sales & Services Sdn. Bhd.	99.99%	Malaysia	2015.10.15	–	MYR 300	Logistics and transportation	3,548
Toshiba Lifestyle Products & Services Corporation	99.99%	Japan	1991.04.01	–	JPY 10,000	Manufacturing and sales of home appliances	120,089
Toshiba Lifestyle Electronics Trading Co., Ltd	99.99%	Japan	2006.11.17	–	JPY 5,000	Sales of home appliances	1,050
Toshiba Consumer Products (Thailand) Co.,Ltd.	99.99%	Thailand	1994.10.03	–	THB 112,000	Manufacturing and sales of refrigerators and washing machines	33,035
Thai Toshiba Electric Industries Co., Ltd.	53.39%	Thailand	1989.01.09	–	THB 19,820	Manufacturing and sales of home appliances	3,378
Control Component Co. Ltd.	95.55%	Thailand	1969.09.29	–	THB 5,000	Manufacturing and sales of electrical equipment components	1,659
Toshiba Thailand Co., Ltd.	52.78%	Thailand	1969/8/1	–	THB 500	Sales of home appliances	10,797
Toshiba Vietnam Consumer Products Co., Ltd.	99.99%	Vietnam	1969.08.01	–	VND 12,555,600	Import and export trade of electronic equipment	4,906
Toshiba Home Technology Corporation	99.99%	Japan	1981/7/1	–	JPY 300,000	Logistics and transportation	796
<b>Total</b>							<b>179,258</b>

## APPENDIX VII

## PROVISION OF GUARANTEES FOR CONTROLLED SUBSIDIARIES IN 2025

Midea Electric Trading (Singapore) Co.,Pte. Ltd., a subsidiary of the Company, intends to provide guarantees for its affiliated subsidiaries in 2025 to facilitate their applications for comprehensive credit facilities from financial institutions, including loans, bank acceptances, letters of guarantee, factoring, and other related financial services, in accordance with their working capital requirements and business development needs. The relevant information of the guaranteed subsidiaries and the proposed guarantee amounts are as follows:

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Midea America Corp.	100.00%	Miami, United States	2003.12.11	–	USD1	Sales of home appliances	40,000
Midea America (Canada) Corp.	100.00%	Toronto, Canada	2006.11.14	–	CAD 0.01	Wholesale and retail of home appliances	6,750
Midea Mexico, S. DE R.L. DE C.V.	100.00%	Mexico	2008.11.07	–	MXI 5,902.669	Sales of electrical appliances	16,875
Midea Emerging Technology Co., Ltd.	100.00%	United States	2017.05.31	–	USD0.0001	Sales of electrical appliances	5,000
Midea Electrical Manufacturing México, S. de R.L. de C.V.	100.00%	Mexico	2023.06.27	–	MXI 20	Manufacturing of home appliances	16,875
MG Land Mexico, S. DE R.L. DE C.V.	100.00%	Mexico	2023.08.25	–	USD2,000	Factory construction	89,500
Midea Industria E Comercio Do Brasil Ltda.	100.00%	Brazil	2021.09.16	–	BRL 316,675,758	Manufacturing and sales of home appliances	60,150
Midea Colombia Equipments SAS	100.00%	Colombia	2024.01.19	–	USD0.1	Sales of home appliances	8,000
Midea Peru S.A.C.	100.00%	Peru	2024.02.01	–	PEN 0.1	Sales of home appliances	5,000
Midea India Private Limited	100.00%	India	2017.03.01	–	INR 10	Sales of home appliances	27,375
Midea Electrics Netherlands B.V.	100.00%	Netherlands	2010.03.11	–	EUR 1.8	Sales of home appliances	800,000
Midea Climate Europe B.V.	100.00%	Netherlands	2024.10.07	–	EUR 1	Sales of HVAC equipment	616,000
PT Jaya Refrigeration Equipment	100.00%	Indonesia	2023.11.08	–	USD6,030	Sales of home appliances	18,980
<b>Total</b>							<b>1,710,505</b>

Midea Climate Europe B.V., a subsidiary of the Company, intends to provide guarantees for its affiliated subsidiaries in 2025 to facilitate their applications for comprehensive credit facilities from financial institutions, including loans, bank acceptances, letters of guarantee, factoring, and other related financial services, in accordance with their working capital requirements and business development needs. The relevant information of the guaranteed subsidiaries and the proposed guarantee amounts are as follows:

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Termovent Komerc d.o.o	100%	Serbia	1993/7/28	Стеван Мирнџ	RSD 6,408,354	Heating and ventilation services	15,400
<b>Total</b>							<b>15,400</b>

Annto, a subsidiary of the Company, intends to provide guarantees for its affiliated subsidiaries in 2025 to facilitate their applications for comprehensive credit facilities from financial institutions, including loans, bank acceptances, letters of guarantee, factoring, and other related financial services, in accordance with their working capital requirements and business development needs. The relevant information of the guaranteed subsidiaries and the proposed guarantee amounts are as follows:

Company name	Direct and indirect shareholding	Registered location	Establishment date	Legal representative	Registered capital (RMB0'000)	Principal business	Guarantee amount (RMB0'000)
Wuhu Annto Co., Ltd.	73.85%	Wuhu	2015.10.15	Liang Pengfei	RMB198,062,869	Logistics and transportation	80,000
Ningbo Annto Co., Ltd.	73.85%	Ningbo	2011.04.15	Wang Yang	RMB25,000	Logistics and transportation	30,000
Hainan Annto Supply Chain Management Co., Ltd.	73.85%	Haikou	2021.01.07	Liang Pengfei	RMB500	Logistics and transportation	20,000
<b>Total</b>							<b>130,000</b>

The scope of guarantees includes bank loans, letters of credit, bankers' acceptances, letters of guarantee, factoring, and other credit facilities; performance guarantees; trust loans, trust plans; bonds; asset securitization; equity fund financing; structured financing; asset management plans; special wealth management schemes; litigation property preservation, etc. The Company will provide joint and several liability guarantees within the approved credit limits of its controlled subsidiaries mentioned above, with the specific guarantee amount and term to be determined by the relevant contracts. In addition, the Company may designate its subsidiaries as the guarantors under specific guarantee agreements, and the amount and duration of each such guarantee shall be separately agreed upon in the relevant contracts.

In accordance with the relevant provisions of the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange and the Articles of Association, the Proposal on Providing Guarantees for Subordinate Holding Companies in 2025 has been approved by more than two-thirds of the directors at the sixth meeting of the fifth session of the Board of Directors of the Company.

The Company will provide guarantee facilities of up to RMB113.13838 billion for entities with an asset-liability ratio equal to or greater than 70%, and up to RMB34.68685 billion for entities with an asset-liability ratio of less than 70%. The term of the guarantees shall be 12 months from the date of approval by the general meeting.

The above matters are still subject to approval by the general meeting of the Company before implementation.

## II. BASIC INFORMATION OF THE GUARANTEED COMPANIES (AS OF THE END OF 2024/FOR THE YEAR 2024)

*Unit: RMB million*

Company name	Total assets	Total liabilities	Asset-liability ratio	Operating revenue	Total profit	Net profit
Midea Group Finance Co., Ltd.	62,443	55,011	88.1%	710	435	321
GD Midea Air-Conditioning Equipment Co., Ltd.	62,085	57,670	92.9%	55,499	89	186
Guangzhou Hualing Refrigerating Equipment Co., Ltd.	16,647	11,156	67.0%	14,333	2,087	1,797
Foshan Midea Carrier Air-Conditioning Equipment Co., Ltd.	1,138	546	48.0%	2,782	303	230
GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.	23,431	21,571	92.1%	21,230	616	454
Wuhu Maty Air-Conditioning Equipment Co., Ltd.	23,908	20,330	85.0%	15,520	2,233	1,904
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	6,946	5,236	75.4%	16,214	638	558
Guangdong Midea Precision Molding Technology Co., Ltd.	580	164	28.3%	258	31	26
Handan Midea Air-Conditioning Equipment Co., Ltd.	7,026	5,631	80.1%	15,490	1,242	1,069

**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Total assets	Total liabilities	Asset-liability ratio	Operating revenue	Total profit	Net profit
Chongqing Midea Air-Conditioning Equipment Co., Ltd.	23,578	22,213	94.2%	28,349	1,454	1,234
Midea Group Wuhan Heating & Ventilating Equipment Co., Ltd.	3,952	2,444	61.8%	8,393	1,549	1,325
Foshan Welling Washer Motor Manufacturing Co., Ltd.	2,576	696	27.0%	1,704	204	176
Guangdong Welling Motor Manufacturing Co., Ltd.	7,776	3,259	41.9%	6,292	522	464
Welling (Wuhu) Motor Manufacturing Co., Ltd.	2,717	904	33.3%	2,357	194	169
Huaian Welling Motor Manufacturing Co., Ltd.	2,954	1,440	48.8%	3,253	199	179
Wuhu Welling Motor Sales Co., Ltd.	4,813	4,699	97.6%	7,498	16	12
Hainan Welling Motor Sales Co., Ltd.	779	637	81.8%	1,725	95	81
Anhui Welling Auto Parts Co., Ltd.	1,947	2,281	117.1%	1,330	-54	-31
Anqing Welling Auto Parts Co., Ltd.	1,167	1,025	87.8%	492	-70	-40
Guangdong Meizhi Compressor Limited	9,456	6,455	68.3%	11,794	662	590
Guangdong Meizhi Precision-Manufacturing Co., Ltd.	3,397	2,761	81.3%	8,270	249	225
Anhui Meizhi Compressor Co., Ltd.	3,409	2,197	64.4%	5,981	351	314
Anhui Meizhi Precision Manufacturing Co., Ltd.	7,893	5,608	71.0%	11,976	1,130	979
Zhejiang Meizhi Compressor Co., Ltd.	20,875	18,931	90.7%	26,862	2,302	1,708
Guangdong Midea Environmental Technologies Co., Ltd.	484	446	92.2%	616	72	70
Guangdong Midea Intelligent Technologies Co., Ltd.	2,178	206	9.5%	520	2	6
Dorna Technology Co., Ltd.	150	135	89.7%	169	-36	-41
Guangdong Jiya Precision Machinery Technology Co., Ltd.	218	311	143.0%	14	-88	-67

**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Total assets	Total liabilities	Asset-liability ratio	Operating revenue	Total profit	Net profit
Servotronix Motion Technology Development (Shenzhen) Ltd.	781	829	106.1%	506	19	15
Wuhan TTium Motor Technology Co., Ltd.	143	82	57.3%	30	-46	-46
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	27,004	22,724	84.1%	17,273	2,322	2,016
Guangdong Witol Vacuum Electronic Manufacture Co., Ltd.	2,686	652	24.3%	1,649	371	318
Jiangsu Midea Cleaning Appliances Co., Ltd.	3,100	2,875	92.8%	3,379	38	34
Wuhu Midea Kitchen Appliances Manufacturing Co., Ltd.	2,024	2,252	111.3%	3,771	53	29
GD Midea Heating & Ventilating Equipment Co., Ltd.	21,581	18,416	85.3%	19,670	2,052	1,821
Hefei Midea Heating & Ventilating Equipment Co., Ltd.	6,560	2,903	44.2%	5,441	870	743
Chongqing Midea General Refrigeration Equipment Co., Ltd.	6,363	3,521	55.3%	5,042	817	696
Meitong Energy Technology (Chongqing) Co., Ltd.	229	109	47.6%	172	20	17
Guangdong KONG Intelligent Building Co., Ltd.	164	138	84.1%	184	27	20
Shanghai KONG Intelligent Building Co., Ltd.	267	153	57.2%	176	22	15
Winone Elevator Company Limited	1,560	1,341	86.0%	1,409	25	29
Hubei Midea Building Technology Co., Ltd.	3,920	2,029	51.8%	4,345	1,212	1,041
Guangdong Winone Elevator Engineering Co., Ltd.	34	50	145.6%	43	-11	-10
Toshiba Elevator (Shenyang) Co., Ltd.	246	66	26.9%	256	-13	-10
Toshiba Elevator (China) Co., Ltd.	947	873	92.2%	1,433	-117	-118

**APPENDIX VII****PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

<b>Company name</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Asset-liability ratio</b>	<b>Operating revenue</b>	<b>Total profit</b>	<b>Net profit</b>
Ningbo Midea United Materials Supply Co. Ltd.	7,754	6,391	82.4%	40,400	804	597
Shanghai Kaizhao Trading Co., Ltd.	881	768	87.1%	4,112	78	59
Guangdong Midea Consumer Electric Manufacturing Co., Ltd.	3,678	1,275	34.7%	2,138	46	46
Foshan Shunde Midea Electrical Heating Appliances Manufacturing Co., Ltd.	18,997	7,119	37.5%	7,590	1,319	1,149
GD Midea Environment Appliances Mfg. Co., Ltd.	10,564	7,936	75.1%	8,073	1,012	882
Wuhu Midea Life Appliances Mfg Co., Ltd.	4,951	4,843	97.8%	11,557	28	19
Foshan Midea Chungho Water Purification Equipment. Co., Ltd.	1,555	1,174	75.5%	1,838	56	52
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	16,324	9,674	59.3%	6,255	1,090	947
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	21,802	20,409	93.6%	15,656	1,305	1,125
Handan Midea Smart Kitchen Appliance Manufacturing Co., Ltd.	661	515	77.9%	1,089	125	98
Wuhu Midea Smart Kitchen Appliance Manufacturing Co., Ltd.	7,309	6,150	84.1%	5,031	1,220	1,048
Foshan Shunde Midea Water Dispenser Manufacturing Company Limited	3,728	3,517	94.3%	1,806	21	24
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	4,683	4,234	90.4%	1,445	103	137
Hubei Midea Laundry Appliance Co., Ltd.	3,077	1,945	63.2%	4,214	1,141	975
Hefei Midea Laundry Appliance Co., Ltd.	15,523	8,623	55.5%	14,488	846	727
Wuxi Filin Electronics Co., Ltd.	5,048	613	12.1%	1,480	711	614
Wuxi Little Swan Electric Co., Ltd.	27,375	19,915	72.7%	26,786	2,646	2,405



**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Total assets	Total liabilities	Asset-liability ratio	Operating revenue	Total profit	Net profit
Wuxi Meizhi Electrical Appliance Co., Ltd.	879	694	79.0%	1,348	91	84
Hefei Midea Refrigerator Co., Ltd.	18,758	19,387	103.4%	17,633	-203	-160
Hefei Hualing Co., Ltd.	12,990	7,905	60.9%	13,592	801	726
Hubei Midea Refrigerator Co., Ltd.	8,134	4,502	55.3%	12,099	1,537	1,312
Guangzhou Midea Hualing Refrigerator Co., Ltd.	5,208	3,549	68.1%	4,580	273	235
Toshiba Home Appliances Manufacturing (Nanhai) Co., Ltd.	3,150	1,475	46.8%	2,946	163	144
Midea Group E-Commerce Co., Ltd.	1,062	796	75.0%	3,542	10	4
Guangdong Midea Smart Link Technologies Co., Ltd.	281	357	126.9%	1,081	55	40
KUKA Industries Automation (China) Co., Ltd.	567	689	121.5%	371	-24	-24
KUKA Systems (China) CO., Ltd.	1,544	1,339	86.7%	2,125	73	73
KUKA Robotics Manufacturing China Co., Ltd.	3,864	38	1.0%	245	51	104
KUKA Robotics China Co., Ltd.	2,909	2,997	103.0%	3,737	-407	-458
Shanghai Swisslog Healthcare Co., Ltd.	286	182	63.7%	210	-0	5
Guangdong Swisslog Technology Co., Ltd.	32	24	75.5%	105	3	-0
Shanghai Swisslog Logistics Technology Co., Ltd.	72	61	83.9%	0	0	0
Shanghai Swisslog Technology Co., Ltd.	916	600	65.5%	623	-17	-11
Hunan Meikuris Medical Technology Co., Ltd.	10	1	9.2%	–	0	-0
Guangdong Midea Electric Co., Ltd.	36,994	14	0.0%	–	199	199
Guangdong Midea Intelligent Robotics Co., Ltd.	44	5	11.0%	2	2	2
Guangdong Midea-SIIX Electronics Co., Ltd.	913	813	89.1%	1,291	10	7

**APPENDIX VII**
**PROVISION OF GUARANTEES FOR  
CONTROLLED SUBSIDIARIES IN 2025**

Company name	Total assets	Total liabilities	Asset-liability ratio	Operating revenue	Total profit	Net profit
Hefei Midea-SIIX Electronics Co., Ltd.	519	409	78.7%	711	6	5
Guangdong Meichuangxi Technology Co., Ltd.	278	400	143.9%	557	-63	-63
Foshan Meicloud Technology Co., Ltd.	328	226	69.0%	199	-2	-2
Suzhou Meicloud Technology Co., Ltd.	3	3	97.5%	7	-2	-2
Meicloud Technology Co., Ltd.	670	690	103.0%	536	-16	-16
Midea International Corporation Company Limited	36,533	27,304	74.7%	8	1,916	1,885
Midea Investment Development Company Limited	3,385	3,382	99.9%	–	2	2
Midea Electric Netherlands (I) B.V.	31,887	33,070	103.7%	2	-706	-655
Toshiba Sales & Services Sdn. Bhd.	288	184	64.0%	622	33	24
Toshiba Lifestyle Products & Services Corporation	4,678	3,242	69.3%	7,831	286	240
Toshiba Lifestyle Electronics Trading Co., Ltd	146	96	66.0%	489	20	13
Toshiba Consumer Products (Thailand) Co., Ltd.	3,003	970	32.3%	4,134	445	421
Thai Toshiba Electric Industries Co., Ltd.	610	185	30.4%	985	30	28
Control Component Co. Ltd.	41	15	35.7%	68	0	0
Toshiba Thailand Co., Ltd.	399	374	93.8%	1,237	26	20
Toshiba Vietnam Consumer Products Co., Ltd.	708	536	75.7%	2,118	22	16
Toshiba Home Technology Corporation	639	390	61.0%	1,734	86	68
Midea America Corp.	5,524	3,446	62.4%	10,791	888	666
Midea America (Canada) Corp.	431	335	77.7%	1,097	17	9
Midea Mexico, S. DE R.L. DE C.V.	972	1,020	105.0%	1,802	33	-60
Midea Emerging Technology Co., Ltd.	32	103	321.8%	-2	116	120
Midea Electrical Manufacturing México, S. de R.L. de C.V.	6	13	211.9%	–	-7	-7
MG Land Mexico, S. DE R.L. DE C.V.	16	0	0.1%	–	20	20

Company name	Total assets	Total liabilities	Asset-liability ratio	Operating revenue	Total profit	Net profit
Midea Industria E Comercio Do Brasil Ltda.	769	258	33.6%	102	-78	-78
Midea Colombia Equipments SAS	83	85	102.4%	35	-4	-4
Midea Peru S.A.C.	75	80	107.2%	23	-5	-5
Midea India Private Limited	901	905	100.5%	620	13	13
Midea Electrics Netherlands B.V.	5,635	667	11.8%	4	-38	-43
Midea Climate Europe B.V.	–	–	–	–	–	–
PT Jaya Refrigeration Equipment	485	113	23.4%	53	-19	-19
Termovent Komerc d.o.o	362	324	89.6%	320	18	18
Wuhu Annto Co., Ltd.	4,919	4,508	91.6%	14,003	223	170
Ningbo Annto Co., Ltd.	1,068	797	74.6%	2,580	117	103
Hainan Annto Supply Chain Management Co., Ltd.	2,014	1,920	95.3%	4,144	83	72

*Note:* None of the other shareholders of the non-wholly owned subsidiaries listed in the table above are not related parties of the Company.

### III. KEY TERMS OF THE GUARANTEE AGREEMENTS

The principal terms of the guarantee agreements shall be jointly determined by the Company, its guaranteed holding subsidiaries, and financial institutions through negotiation. The Company will strictly review and approve the guarantee agreements to ensure effective risk control.

### IV. BOARD OPINION

The Company and its holding subsidiaries intend to provide guarantees for their respective subordinate holding subsidiaries based on their genuine funding requirements. This arrangement is conducive to facilitating the continued and stable development of the Company's core business operations, to enhance the capital turnover efficiency and optimise the financial structure of the guaranteed entities, and thereby to improve their operational efficiency and maintain stable profitability.

To control guarantee-related risks and ensure that Minority Shareholders of subordinate holding subsidiaries will jointly share the guarantee responsibility, the Company will, in principle, require other shareholders of the relevant non-wholly owned subsidiaries to provide counter-guarantees when guarantees are extended to such subsidiaries for bank credit facilities or other financial arrangements. Additionally, the Company will charge on such non-wholly owned subsidiaries guarantee fees based on the amount guaranteed. The guarantee fee rate will

be determined with reference to prevailing market rates charged by domestic banks. The requirement for counter-guarantees from other shareholders of a non-wholly owned subsidiary and the imposition of guarantee fees by the Company for providing guarantees to such subsidiary aligns with the principle of fairness.

At present, the Company has established a centralized fund settlement model, with the headquarters' fund-sharing centre assuming an increasingly important role. This enables real-time monitoring of fund flows and financial data of subordinate holding subsidiaries, ensuring the Company remains fully informed of their fund utilization and guarantee-related risks. This arrangement complies with relevant laws, regulations, normative documents, and the provisions of the Articles of Association, thereby safeguarding the security of the Company's overall fund operations and minimizing the risks associated with providing guarantees to subordinate holding subsidiaries.

#### **V. AGGREGATE EXTERNAL GUARANTEES AND OUTSTANDING OVERDUE GUARANTEES**

Following the provision of the guarantees contemplated herein, the aggregate guarantee amount provided by the Company and its holding subsidiaries will be totalled at RMB147,825.23 million, representing 68.20% of the audited net assets attributable to shareholders of the listed company as of the end of 2024. All such guarantees are provided to holding subsidiaries.

As of 31 December 2024, the outstanding balance of guarantees provided by the Company to its subordinate holding subsidiaries amounted to RMB73,646.66 million, accounting for 33.98% of the net assets attributable to the parent company as of 31 December 2024. Other than the aforementioned, neither the Company nor its subordinate holding subsidiaries have provided any other external guarantees, nor do they have any outstanding overdue guarantees.

**I. OVERVIEW OF GUARANTEE SITUATION**

To further support the needs of relevant controlled subsidiaries in conducting asset pool operations, the Company and some of its controlled subsidiaries intend to utilise financial assets held by them – such as certificates of deposit, deposits, commercial drafts, letters of credit, wealth management products, and accounts receivable – to provide guarantees for the financing activities of designated controlled subsidiaries, including acceptance and discounting of bank acceptance bills provided by partner banks. The total guarantee amount shall not exceed RMB28,871 million.

The maximum amounts of assets provided as security by the Company and its controlled subsidiaries are as follows:

<b>Guarantors (23 entities)</b>	<b>Asset limit provided (RMB0'000)</b>
Midea Group Co., Ltd.	2,740,000
GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.	250,000
GD Midea Air-Conditioning Equipment Co., Ltd.	250,000
Midea Group (Shanghai) Co. Ltd.	10,000
Chongqing Midea Air-Conditioning Equipment Co., Ltd.	100,000
Wuhu Welling Motor Sales Co., Ltd.	180,000
Zhejiang Meizhi Compressor Co., Ltd.	240,000
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	10,000
Wuhu Midea Kitchen Appliances Manufacturing Co., Ltd.	20,000
Hefei Midea Laundry Appliance Co., Ltd.	90,000
Wuxi Little Swan Electric Co., Ltd.	90,000
Hefei Midea Refrigerator Co., Ltd.	180,000
KUKA Robotics (Guangdong) Co., Ltd.	5,000
KUKA Robotics (Shanghai) Co., Ltd.	5,000
Guangzhou Kaizhao Commercial and Trading Co., Ltd.	40,000
Ningbo Midea United Materials Supply Co. Ltd.	300,000
Guangdong Midea Kitchen Electric Manufacturing Co., Ltd.	50,000
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	100,000
GD Midea Heating & Ventilating Equipment Co., Ltd.	250,000
Hefei Midea Heating & Ventilating Equipment Co., Ltd.	230,000
Chongqing Midea General Refrigeration Equipment Co., Ltd.	90,000
GD Midea Environment Appliances Mfg. Co., Ltd.	30,000
Wuhu Midea Life Appliances Mfg Co., Ltd.	80,000
<b>Total</b>	<b>5,340,000</b>

# APPENDIX VIII

## PROVISION OF GUARANTEES FOR ASSET POOL BUSINESS OF CONTROLLED SUBSIDIARIES IN 2025

The maximum amounts of assets provided as security by the subsidiaries of the Company's controlled subsidiary, Annto Supply Chain Technology Co., Ltd., are as follows:

Guarantors (3 entities)	Asset limit provided (RMB0'000)
Wuhu Annto Co., Ltd.	65,000
Ningbo Annto Co., Ltd.	45,000
Hainan Annto Supply Chain Management Co., Ltd.	45,000
<b>Total</b>	<b>155,000</b>

The maximum amounts of guarantees utilized by the Company's controlled subsidiaries using the asset pool is as follows:

Name of guaranteed entity	Direct and indirect shareholding proportion	Location of registration	Establishment date	Legal representative	Registered capital (RMB0'000)	Primary business	Guarantee amount (RMB0'000)
GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.	100%	Wuhu	2000.04.30	Zhao Lei	USD692.80	Air conditioning manufacturing	57,000
GD Midea Air-Conditioning Equipment Co., Ltd.	80%	Foshan	2004.10.22	Wang Jianguo	RMB85,400	Air conditioning manufacturing	640,000
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	80%	Wuhan	2004.03.04	Wang Jianguo	USD800	Air conditioning manufacturing	150,000
Chongqing Midea Air-Conditioning Equipment Co., Ltd.	100%	Chongqing	2011.05.03	Zhao Lei	RMB5,000	Air conditioning manufacturing	40,000
Anhui Welling Auto Parts Co., Ltd.	100%	Hefei	2019.05.20	Fu Yongjun	RMB20,000	Auto parts manufacturing	10,000
Wuhu Welling Motor Sales Co., Ltd.	100%	Wuhu	2011.11.11	Fu Yongjun	RMB5,000	Motor sales	215,000
Zhejiang Meizhi Compressor Co., Ltd.	100%	Ningbo	2014.01.21	Fu Yongjun	RMB5,000	Compressor manufacturing	250,000
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	100%	Foshan	2006.09.04	Ma Chibing	USD15,858	Home appliance manufacturing	150,000
Guangdong Witol Vacuum Electronic Manufacture Co., Ltd.	100%	Foshan	2001.07.06	Ma Chibing	USD2,500	Magnetron manufacturing	5,000
Jiangsu Midea Cleaning Appliances Co., Ltd.	100%	Suzhou	1994.06.30	Ma Chibing	RMB5,726.40	Home appliance manufacturing	45,000

**APPENDIX VIII**
**PROVISION OF GUARANTEES FOR  
ASSET POOL BUSINESS OF  
CONTROLLED SUBSIDIARIES IN 2025**

Name of guaranteed entity	Direct and indirect shareholding proportion	Location of registration	Establishment date	Legal representative	Registered capital (RMB0'000)	Primary business	Guarantee amount (RMB0'000)
Wuhu Midea Kitchen Appliances Manufacturing Co., Ltd.	100%	Wuhu	2011.01.28	Ma Chibing	RMB2,000	Home appliance manufacturing	18,100
Hefei Midea Laundry Appliance Co., Ltd.	100%	Hefei	1996.03.28	Xiao Yi	USD13,552	Washing machine manufacturing	55,000
Wuxi Little Swan Electric Co., Ltd.	100%	Wuxi	2019.05.31	Xiao Yi	RMB732,487,764	Washing machine manufacturing	150,000
Hefei Midea Refrigerator Co., Ltd.	100%	Hefei	1996.09.01	Cao Zhijie	USD9,210.9873	Refrigerator manufacturing	180,000
Guangdong Midea Intelligent Robotics Co., Ltd.	100%	Foshan	2017.02.13	Gu Yanmin	RMB15,000	Robot manufacturing	1,750
KUKA Industries Automation (China) Co., Ltd.	95%	Kunshan	2011.05.24	Xu Guiyou	USD810	Robot design and manufacturing	17,500
Shanghai Swisslog Healthcare Co., Ltd.	98%	Shanghai	2018.09.25	Xu Guiyou	RMB2,000	Medical technology	14,000
Hunan Meikuris Medical Technology Co., Ltd.	100%	Foshan	2015.09.16	Xu Guiyou	RMB10,000	Robot manufacturing and sales	1,750
Guangdong Midea Electric Co., Ltd.	100%	Foshan	2017.03.03	Gu Yanmin	RMB100,000	General equipment manufacturing	2,000
Ningbo Midea United Materials Supply Co. Ltd.	100%	Ningbo	2011.01.07	Zhou Shuqing	RMB48,000	Raw material sales	150,000
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	100%	Foshan	2000.01.18	Zhang Bin	USD4,600	Dishwasher manufacturing	50,000
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	100%	Wuhu	2008.08.07	Zhang Bin	RMB6,000	Home appliance manufacturing	40,000
Guangdong Midea Kitchen Electric Manufacturing Co., Ltd.	100%	Foshan	2001.06.19	Zhang Bin	USD1,500	Kitchen & bath appliance manufacturing	95,000
Guangdong Meichuangxi Technology Co., Ltd.	100%	Foshan	2015.07.01	Dai Guangcheng	RMB10,000	Computer software development	2,000
Midea Group E-Commerce Co., Ltd.	100%	Foshan	2016.05.12	Bo Lin	RMB5,000	Home appliance sales	25,000

**APPENDIX VIII**
**PROVISION OF GUARANTEES FOR  
ASSET POOL BUSINESS OF  
CONTROLLED SUBSIDIARIES IN 2025**

Name of guaranteed entity	Direct and indirect shareholding proportion	Location of registration	Establishment date	Legal representative	Registered capital (RMB0'000)	Primary business	Guarantee amount (RMB0'000)
Guangdong Midea Smart Link Technologies Co., Ltd.	100%	Foshan	2014.03.03	Jiang Chuanming	RMB10,000	Electrical product sales	5,000
GD Midea Heating & Ventilating Equipment Co., Ltd.	100%	Foshan	2005.09.26	Guan Jinwei	RMB50,000	Air conditioning manufacturing	70,000
Hefei Midea Heating & Ventilating Equipment Co., Ltd.	100%	Hefei	2010.10.09	Guan Jinwei	RMB106,000	Air conditioning manufacturing	50,000
Hubei Midea Building Technology Co., Ltd.	100%	Jinzhou	2021.11.03	Guan Jinwei	RMB100,000	Air conditioning equipment manufacturing	50,000
Winone Elevator Company Limited	70%	Foshan	2002.02.08	Guan Jinwei	RMB20,200	Elevator manufacturing	57,000
Chongqing Midea General Refrigeration Equipment Co., Ltd.	100%	Chongqing	2004.08.04	Guan Jinwei	USD5,000	Air conditioning manufacturing	20,000
Foshan Shunde Midea Electrical Heating Appliances Manufacturing Co., Ltd.	100%	Foshan	2006.02.24	Xu Pingping	USD4,200	Home appliance manufacturing	60,000
GD Midea Environment Appliances Mfg. Co., Ltd.	100%	Zhongshan	2003.10.22	Xu Pingping	RMB38,000	Home appliance manufacturing	60,000
<b>Total</b>							<b>2,736,100</b>



# APPENDIX VIII

# PROVISION OF GUARANTEES FOR ASSET POOL BUSINESS OF CONTROLLED SUBSIDIARIES IN 2025

The maximum amounts of guarantees utilized by the subsidiaries of the Company's controlled subsidiary, Annto Supply Chain Technology Co., Ltd., using the asset pool are as follows:

Name of guaranteed entity	Direct and indirect shareholding proportion	Location of registration	Establishment date	Legal representative	Registered capital (RMB0'000)	Primary business	Guarantee amount (RMB0'000)
Hainan Annto Logistics Supply Chain Management Co., Ltd.	73.85%	Hainan	2021.01.07	Liang Pengfei	RMB500	Road freight transportation	15,000
Ningbo Annto Logistics Co., Ltd.	73.85%	Ningbo	2015.10.15	Liang Pengfei	RMB2,000	Road freight transportation	45,000
Shenyang Annto Logistics Technology Co., Ltd.	73.85%	Shenyang	2011.01.17	Liang Pengfei	RMB4,000	Road freight transportation	2,000
Guiyang Annto Logistics Technology Co., Ltd.	73.85%	Guiyang	2011.02.24	Liang Pengfei	RMB2,000	Road freight transportation	2,000
Wuhan Annto Logistics Technology Co., Ltd.	73.85%	Wuhan	2009.06.05	Liang Pengfei	RMB2,000	Road freight transportation	2,000
Nanjing Meian Logistics Co., Ltd.	73.85%	Nanjing	2011.04.15	Liang Pengfei	RMB25,000	Road freight transportation	2,000
Shanghai Annto Logistics Supply Chain Technology Co., Ltd.	73.85%	Shanghai	2011.11.12	Liang Pengfei	RMB2,000	Road freight transportation	2,000
Jingzhou Meian Warehousing and Transportation Co., Ltd.	73.85%	Jinzhou	2011.06.07	Liang Pengfei	RMB2,000	Road freight transportation	2,000
Qihe Annto Logistics Technology Co., Ltd.	73.85%	Dezhou	2011.06.03	Liang Pengfei	RMB2,000	Road freight transportation	2,000
Hefei Annto Logistics Technology Co., Ltd.	73.85%	Hefei	2007.08.17	Liang Pengfei	RMB2,000	Road freight transportation	8,000
Tianjin Annto Logistics Technology Co., Ltd.	73.85%	Tianjin	2011.03.03	Liang Pengfei	RMB8,000	Road freight transportation	2,000
Xuzhou Annto Logistics Technology Co., Ltd.	73.85%	Xuzhou	2010.11.25	Liang Pengfei	RMB2,000	Road freight transportation	2,000
Zhengzhou Annto Logistics Technology Co., Ltd.	73.85%	Zhengzhou	2011.06.13	Liang Pengfei	RMB5,000	Road freight transportation	2,000
Chongqing Annto Logistics Technology Co., Ltd.	73.85%	Chongqing	2010.09.16	Liang Pengfei	RMB2,000	Road freight transportation	2,000
Wuhu Annto Co., Ltd.	73.85%	Wuhu	2010.12.07	Liang Pengfei	RMB198,062,869	Road freight transportation	61,000
<b>Total</b>							<b>151,000</b>

In accordance with the relevant provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Articles of Association, the Proposal on the Provision of Guarantees for Asset Pool Business of Controlled Subsidiaries in 2025 has been approved by more than two-thirds of the directors at the sixth meeting of the fifth session of the Board of the Company.

The Company will provide guarantee facilities of up to RMB25,576 million for entities with an asset-liability ratio equal to or greater than 70%, and up to RMB3,295 million for entities with an asset-liability ratio of less than 70%. The term of the guarantees shall be 12 months from the date of approval by the shareholders' meeting.

The above matters are still subject to approval by the shareholders' meeting of the Company before implementation.

## II. BASIC INFORMATION OF THE GUARANTEED COMPANIES (AS OF THE END OF 2024/FOR THE YEAR 2024)

*Unit: RMB million*

Company name	Total assets	Total liabilities	Asset-liability ratio	Operating revenue	Total profit	Net profit
GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.	23,431	21,571	92.1%	21,230	616	454
GD Midea Air-Conditioning Equipment Co., Ltd.	62,085	57,670	92.9%	55,499	89	186
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	6,946	5,236	75.4%	16,214	638	558
Chongqing Midea Air-Conditioning Equipment Co., Ltd.	23,578	22,213	94.2%	28,349	1,454	1,234
Anhui Welling Auto Parts Co., Ltd.	1,947	2,281	117.1%	1,330	-54	-31
Wuhu Welling Motor Sales Co., Ltd.	4,813	4,699	97.6%	7,498	16	12
Zhejiang Meizhi Compressor Co., Ltd.	20,875	18,931	90.7%	26,862	2,302	1,708

**APPENDIX VIII**
**PROVISION OF GUARANTEES FOR  
ASSET POOL BUSINESS OF  
CONTROLLED SUBSIDIARIES IN 2025**

<b>Company name</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Asset-liability ratio</b>	<b>Operating revenue</b>	<b>Total profit</b>	<b>Net profit</b>
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	27,004	22,724	84.1%	17,273	2,322	2,016
Guangdong Witol Vacuum Electronic Manufacture Co., Ltd.	2,686	652	24.3%	1,649	371	318
Jiangsu Midea Cleaning Appliances Co., Ltd.	3,100	2,875	92.8%	3,379	38	34
Wuhu Midea Kitchen Appliances Manufacturing Co., Ltd.	2,024	2,252	111.3%	3,771	53	29
Hefei Midea Laundry Appliance Co., Ltd.	15,523	8,623	55.5%	14,488	846	727
Wuxi Little Swan Electric Co., Ltd.	27,375	19,915	72.7%	26,786	2,646	2,405
Hefei Midea Refrigerator Co., Ltd.	18,758	19,387	103.4%	17,633	-203	-160
Guangdong Midea Intelligent Robotics Co., Ltd.	44	5	11.0%	2	2	2
Reis Robotics (Kunshan) Co., Ltd.	567	689	121.5%	371	-24	-24
Shanghai Swisslog Healthcare Co., Ltd.	286	182	63.7%	210	-0	5
Hunan Meikuris Medical Technology Co., Ltd.	10	1	9.2%	–	0	-0
Guangdong Midea Electric Co., Ltd.	36,994	14	0.0%	–	199	199
Ningbo Midea United Materials Supply Co. Ltd.	7,754	6,391	82.4%	40,400	804	597
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	16,324	9,674	59.3%	6,255	1,090	947
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	21,802	20,409	93.6%	15,656	1,305	1,125

**APPENDIX VIII****PROVISION OF GUARANTEES FOR  
ASSET POOL BUSINESS OF  
CONTROLLED SUBSIDIARIES IN 2025**

<b>Company name</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Asset-liability ratio</b>	<b>Operating revenue</b>	<b>Total profit</b>	<b>Net profit</b>
Guangdong Midea Kitchen Electric Manufacturing Co., Ltd.	4,683	4,234	90.4%	1,445	103	137
Guangdong Meichuangxi Technology Co., Ltd.	278	400	143.9%	557	-63	-63
Midea Group E-Commerce Co., Ltd.	1,062	796	75.0%	3,542	10	4
Guangdong Midea Smart Link Technologies Co., Ltd.	281	357	126.9%	1,081	55	40
GD Midea Heating & Ventilating Equipment Co., Ltd.	21,581	18,416	85.3%	19,670	2,052	1,821
Hefei Midea Heating & Ventilating Equipment Co., Ltd.	6,560	2,903	44.2%	5,441	870	743
Hubei Midea Building Technology Co., Ltd.	3,920	2,029	51.8%	4,345	1,212	1,041
Winone Elevator Company Limited	1,560	1,341	86.0%	1,409	25	29
Chongqing Midea General Refrigeration Equipment Co., Ltd.	6,363	3,521	55.3%	5,042	817	696
Foshan Shunde Midea Electrical Heating Appliances Manufacturing Co., Ltd.	18,997	7,119	37.5%	7,590	1,319	1,149
GD Midea Environment Appliances Mfg. Co., Ltd.	10,564	7,936	75.1%	8,073	1,012	882
GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.	23,431	21,571	92.1%	21,230	616	454
GD Midea Air-Conditioning Equipment Co., Ltd.	62,085	57,670	92.9%	55,499	89	186

**APPENDIX VIII****PROVISION OF GUARANTEES FOR  
ASSET POOL BUSINESS OF  
CONTROLLED SUBSIDIARIES IN 2025**

<b>Company name</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Asset-liability ratio</b>	<b>Operating revenue</b>	<b>Total profit</b>	<b>Net profit</b>
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Anhui Welling Auto Parts Co., Ltd.	1,947	2,281	117.1%	1,330	-54	-31
Wuhu Welling Motor Sales Co., Ltd.	4,813	4,699	97.6%	7,498	16	12
Zhejiang Meizhi Compressor Co., Ltd.	20,875	18,931	90.7%	26,862	2,302	1,708
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Guangdong Witol Vacuum Electronic Manufacture Co., Ltd.	2,686	652	24.3%	1,649	371	318
Jiangsu Midea Cleaning Appliances Co., Ltd.	3,100	2,875	92.8%	3,379	38	34
Wuhu Midea Kitchen Appliances Manufacturing Co., Ltd.	2,024	2,252	111.3%	3,771	53	29
Hainan Annto Supply Chain Management Co., Ltd.	2,014	1,920	95.3%	4,144	83	72
Ningbo Annto Logistics Technology Co., Ltd.	1,068	797	74.6%	2,580	117	103
Shenyang Annto Logistics Technology Co., Ltd.	143	101	70.8%	24	1	1
Guiyang Annto Logistics Technology Co., Ltd.	121	96	79.9%	23	3	2
Wuhan Annto Logistics Technology Co., Ltd.	64	41	64.6%	22	2	1
Nanjing Meian Logistics Co., Ltd.	395	139	35.1%	26	4	3

**APPENDIX VIII****PROVISION OF GUARANTEES FOR  
ASSET POOL BUSINESS OF  
CONTROLLED SUBSIDIARIES IN 2025**

<b>Company name</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Asset-liability ratio</b>	<b>Operating revenue</b>	<b>Total profit</b>	<b>Net profit</b>
Shanghai Annto Logistics Supply Chain Technology Co., Ltd.	16	6	36.8%	115	3	2
Jingzhou Meian Warehousing and Transportation Co., Ltd.	40	18	45.3%	10	1	2
Qihe Annto Logistics Technology Co., Ltd.	81	59	72.3%	33	1	1
Hefei Annto Logistics Technology Co., Ltd.	178	109	61.4%	321	14	11
Tianjin Annto Logistics Technology Co., Ltd.	98	14	14.7%	24	2	2
Xuzhou Annto Logistics Technology Co., Ltd.	179	155	86.6%	15	2	1
Zhengzhou Annto Logistics Technology Co., Ltd.	88	35	39.9%	23	0	0
Chongqing Annto Logistics Technology Co., Ltd.	129	107	83.2%	24	1	1
Wuhu Annto Logistics Technology Co., Ltd.	4,919	4,508	91.6%	14,003	223	170

*Note:* The other shareholders of the non-wholly owned subsidiaries listed in the table above are not related parties of the Company.

**III. KEY TERMS OF THE GUARANTEE AGREEMENTS**

The principal terms of the guarantee agreements shall be jointly determined by the Company, its guaranteed controlled subsidiaries, and banks through negotiation. The Company will strictly review and approve the guarantee agreements to ensure effective risk control.

**IV. BOARD OPINION**

The Company and its controlled subsidiaries intend to provide guarantees for the asset pool business of their subordinate controlled subsidiaries. This arrangement is conducive to the continued and stable development of the Company's core business operations, enhances the working capital efficiency and financial structure of the guaranteed entities, and thereby improves their operational efficiency and maintains stable profitability.

To control guarantee-related risks and ensure that Minority Shareholders of subordinate controlled subsidiaries share responsibility, the Company will, in principle, require other shareholders of the relevant non-wholly owned subsidiaries to provide counter-guarantees when guarantees are extended to such subsidiaries for bank credit facilities or other financial arrangements. Additionally, the Company will charge a guarantee fee based on the amount guaranteed. The rate of the guarantee fee will be determined with reference to prevailing market rates charged by domestic banks. The requirement for counter-guarantees from other shareholders and the imposition of guarantee fees by the Company for providing guarantees to non-wholly owned subsidiaries aligns with the principle of fairness.

At present, the Company has established a centralized fund settlement model, with the headquarters' fund-sharing centre assuming an increasingly important role. This enables real-time monitoring of fund flows and financial data of subordinate controlled subsidiaries, ensuring the Company remains fully informed of their fund utilization and guarantee-related risks. This arrangement complies with relevant laws, regulations, normative documents, and the provisions of the Articles of Association, thereby safeguarding the security of the Company's overall fund operations and minimizing the risks associated with providing guarantees to subordinate controlled subsidiaries.

## **V. AGGREGATE EXTERNAL GUARANTEES AND OUTSTANDING OVERDUE GUARANTEES**

Following the provision of the guarantees contemplated herein, the aggregate guarantee amount provided by the Company and its controlled subsidiaries will total RMB176,696.23 million, representing 81.52% of the unaudited net assets attributable to shareholders of the listed company as of the end of 2024. All such guarantees are provided to controlled subsidiaries.

As of 31 December 2024, the outstanding balance of guarantees provided by the Company to its subordinate controlled subsidiaries amounted to RMB73,646.66 million, accounting for 33.98% of the net assets attributable to the parent company as of 31 December 2024. Other than the aforementioned, neither the Company nor its subordinate controlled subsidiaries have provided any other external guarantees, nor do they have any outstanding overdue guarantees.

In 2024, the Company's overseas business revenue accounted for more than 40% of its annual operating income, with a significant portion of its foreign currency income. However, the majority of its cost structure is denominated in local currency. The mismatch between income and expenditure currencies results in substantial impact from exchange rate fluctuations on the Company's profits. To ensure the Company's continued stable development and the achievement of target profits, it is necessary to engage in foreign exchange derivative transactions to mitigate exchange rate risks.

## **I. OVERVIEW OF FOREIGN EXCHANGE DERIVATIVE TRANSACTIONS**

In the context of fluctuating exchange rates between the Renminbi (RMB) and foreign currencies, and to mitigate the risks arising from exchange rate fluctuations in import and export payment operations, the Company plans to engage in the following foreign exchange derivative transactions:

### **1. Forward Foreign Exchange Contracts**

For export operations, the Company will enter into forward foreign exchange contracts with banks to lock in the future exchange rate between foreign currency and RMB, thereby eliminating the impact of exchange rate fluctuations.

### **2. Forward Foreign Currency Purchase Contracts**

For import operations, the Company will enter into forward foreign currency purchase contracts with banks to lock in the future exchange rate between RMB and foreign currency, thereby eliminating the impact of exchange rate fluctuations.

### **3. Foreign Exchange Options, Option Combinations, NDF, and Other Hedging Products**

The Company faces a growing diversification of risk currencies and an increasing range of exchange rate fluctuations, including Indonesian Rupiah, Brazilian Real, Indian Rupee, Egyptian Pound, among others. Some currencies lack normal deliverable forward contracts or have prohibitively high hedging costs in local markets. To enhance hedging measures and effectively mitigate exchange rate risk, the Company plans to explore other low-risk derivative tools as supplementary and alternative hedging methods.

### **4. Currency and Interest Rate Swaps**

As the Company's international operations grow, so do its overseas assets and liabilities. To effectively hedge against exchange rate and interest rate fluctuation risks associated with these overseas assets and liabilities, the Company intends to engage in currency and/or interest rate swap transactions.



Based on the Company's import and export activities and operational budget, the following is planned for 2025: The first item, forward foreign exchange contracts for export business, with a planned operation balance not exceeding US\$15 billion to mitigate the impact of exchange rate fluctuations on export operations; The second item, forward foreign currency purchase contracts for import business, with a planned operation balance not exceeding US\$3 billion to mitigate exchange rate risk on import operations; The third item, foreign exchange options and other hedging products as supplementary and backup measures for the first and second items, with a planned operation balance not exceeding US\$9 billion; The fourth item, currency and interest rate swaps to hedge against exchange rate and interest rate risks related to assets and liabilities, with a planned operation balance not exceeding US\$10 billion. The Company will adjust the specific operational amounts of the above-mentioned items 1-4 within the total balance of US\$37 billion based on actual business needs.

## **II. KEY TERMS FOR PROPOSED FOREIGN EXCHANGE DERIVATIVE TRANSACTIONS**

1. Contract Duration: The duration of all foreign exchange derivative transactions conducted by the Company will generally be within one year.
2. Counterparties: Banks (or other financial institutions legally authorised to engage in such business).
3. Liquidity Arrangements: All foreign exchange derivative transactions are linked to normal, reasonable import/export business backgrounds, matching the timing of receipts and payments, and will not impact the Company's liquidity.
4. Other Terms: The foreign exchange derivative transactions planned by the Company will primarily use bank credit lines as guarantees. The credit line ratio and transaction leverage will generally be within 10 times, with settlement at maturity either through principal delivery or net settlement.

## **III. MANAGEMENT SYSTEM FOR FOREIGN EXCHANGE DERIVATIVE TRANSACTIONS**

The Company has formulated and will strictly adhere to the Management Measures for Foreign Exchange Derivatives Business to conduct foreign exchange derivative transactions.

**IV. RISK ANALYSIS OF FOREIGN EXCHANGE DERIVATIVE TRANSACTIONS****(I) Market Risk**

Forward Foreign Exchange Contracts: The Company will decide whether to enter into forward contracts based on product costs (primarily denominated in RMB) and market risks. Once a contract is signed, it effectively locks in the exchange rate. Through forward foreign exchange transactions, the Company can effectively hedge against market volatility risks, ensuring a reasonable and stable profit level.

Forward Foreign Exchange Contracts: Based on the import contracts signed with clients and the exchange rate risks, this business locks in future exchange costs. It primarily targets non-USD currencies that experience significant market fluctuations. Although there is a potential opportunity cost, forward foreign exchange transactions will effectively mitigate market volatility risks and lock in procurement costs.

Other Derivative Instruments (including NDFs and Options): These products are mainly used when ordinary forward exchange contracts cannot be signed or when the costs are too high, and they serve as a supplement to the unilateral transactions mentioned above.

Currency Swap: This business involves adjusting the currency denomination of assets or liabilities to match each other, thereby hedging against exchange rate volatility risk. Interest Rate Swap: This business converts floating interest rate transactions into fixed-rate transactions, mitigating interest rate volatility risks. Alternatively, in the event of a declining interest rate environment, fixed rates may be converted to floating rates to reduce costs.

All of the above transactions are based on genuine business contexts and do not involve speculative behavior.

**(II) Exchange Rate Fluctuation Risk**

Once the Company locks in forward exchange rates in accordance with its foreign exchange management strategy, if the actual exchange rate moves significantly away from the locked rate, the Company may face higher costs than it would have had without locking in the rate, leading to potential losses. Additionally, if there is significant exchange rate volatility and the locked foreign exchange hedging contract does not align with the direction of exchange rate fluctuations, the Company could face foreign exchange losses. Similarly, if exchange rates remain stable and there is a significant deviation from the foreign exchange hedging contract, the Company could also incur foreign exchange losses.

**(III) Internal Control Risk**

Foreign exchange derivative transactions are highly specialised and complex, which could lead to risks arising from inadequacies in internal control systems.

**(IV) Transaction Default Risk**

There is a potential risk that the bank with which the Company has signed forward, option, or swap contracts may go bankrupt. In the event of such a bankruptcy, the hedging effect of the contracts may not be realised, resulting in losses.

The Company primarily selects large domestic and international banks as counterparties for foreign exchange derivative transactions. These banks are financially strong and operate in a stable manner, so the risk of a bank's bankruptcy causing losses to the Company is extremely low.

**(V) Customer Default Risk**

If a customer's accounts receivable become overdue or if the customer adjusts their orders, the actual payment situation may differ from the expected payment situation. This could lead to a mismatch between the actual cash flow and the foreign exchange derivative transactions' terms or amounts, resulting in losses for the Company.

**V. RISK PREVENTION AND CONTROL MEASURES FOR FOREIGN EXCHANGE  
DERIVATIVE TRANSACTIONS**

The Company adheres to the principles of safety, stability, and reasonable moderation. All foreign exchange transactions must be supported by legitimate business backgrounds to eliminate speculative behavior. In addition, the Company implements a three-tier management system for foreign exchange transactions, involving the Group finance department, the treasury department, and the operating units. Each level has clear management responsibilities and duties. The application, monitoring, and execution of foreign exchange transactions are handled by different levels and departments, with responsibility assigned to specific individuals. Through this hierarchical management system, the risk of individual or isolated department operations is fundamentally eliminated, while the response speed to risks is enhanced, ensuring effective risk control.

**VI. FAIR VALUE ANALYSIS, ACCOUNTING POLICIES, AND ACCOUNTING PRINCIPLES**

The Company determines and measures fair value in accordance with Chapter 7 “Fair Value Measurement” of the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments. Fair value is mainly determined based on prices provided or obtained from pricing service institutions, such as banks. The Company performs fair value measurement and recognition on a monthly basis.

The accounting principles for foreign exchange derivative transactions conducted by the Company are based on the Accounting Standards for Business Enterprises. The Company follows the relevant provisions and guidelines set forth by the Ministry of Finance, including Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, Accounting Standards for Business Enterprises No. 37 – Financial Instruments Presentation, and Accounting Standards for Business Enterprises No. 39–Fair Value Measurement, for the corresponding accounting treatment of foreign exchange derivative transactions, reflecting related items on the balance sheet and profit and loss statement.

**2024 Work Report of the Supervisory Committee of Midea Group Co., Ltd.**

In 2024, the Supervisory Committee of the Company, in accordance with relevant regulations and requirements such as the Company Law and the Articles of Association, upheld the Company's culture and values, diligently performed its duties, and effectively safeguarded the interests of the Company, Shareholders, and employees. The main work of the Supervisory Committee in 2024 is hereby reported as follows:

**I. MEETING OVERVIEW**

In 2024, the Company's Supervisory Committee held a total of 8 meetings, reviewing and approving 52 proposals. The details of the meetings and proposals are as follows:

**(I) The 15th Meeting of the 4th Supervisory Committee**

The 15th meeting of the 4th Supervisory Committee was held on 10 January 2024. The following proposals were reviewed and approved:

No.	Proposal
1	Proposal on the Repurchase and Cancellation of Certain Incentive Shares under the 2018 Restricted Share Incentive Scheme
2	Proposal on the Repurchase and Cancellation of Certain Incentive Shares under the 2019 Restricted Share Incentive Scheme
3	Proposal on the Repurchase and Cancellation of Certain Incentive Shares under the 2021 Restricted Share Incentive Scheme
4	Proposal on the Repurchase and Cancellation of Certain Incentive Shares under the 2022 Restricted Share Incentive Scheme
5	Proposal on the Repurchase and Cancellation of Certain Incentive Shares under the 2023 Restricted Share Incentive Scheme
6	Proposal on Adjusting Guarantees Related to Subordinate Controlled Subsidiaries' Asset Pool Business
7	Proposal on Change in Use and Cancellation of Repurchased Shares

**(II) The 16th Meeting of the 4th Supervisory Committee**

The 16th meeting of the 4th Supervisory Committee was held on 26 March 2024. The following proposals were reviewed and approved:

No.	Proposal
1	2023 Work Report of the Supervisory Committee
2	2023 Annual Final Accounts Report
3	2023 Annual Report and Its Summary
4	2023 Profit Distribution Proposal
5	2024 Stockholding Plan (Draft) and Summary
6	2024 Stockholding Plan Management Measures
7	Proposal on Providing Guarantees for Subordinate Controlled Subsidiaries in 2024
8	Proposal on Conducting Asset Pool Business and Providing Guarantees
9	Proposal on Forecasting Daily Related Party Transactions for 2024
10	2023 Internal Control Self-Assessment Report
11	Special Report on 2024 Foreign Exchange Derivative Products Business Investment
12	Special Report on Conducting Bulk Raw Material Futures Business in 2024
13	Proposal on Re-appointment of Accounting Firms
14	Amendments to the Articles of Association (March 2024)

**(III) The 17th Meeting of the 4th Supervisory Committee**

The 17th meeting of the 4th Supervisory Committee was held on 29 April 2024. The following proposal was reviewed and approved:

1	2024 First Quarterly Report
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**(IV) The 18th Meeting of the 4th Supervisory Committee**

The 18th meeting of the 4th Supervisory Committee was held on 14 June 2024. The following proposals were reviewed and approved:

No.	Proposal
1	Proposal on the Cancellation of Expired and Unexercised Stock Options under the First Grant of the Fifth Stock Option Incentive Plan
2	Proposal on the Cancellation of Expired and Unexercised Stock Options under the Reserved Grant of the Fifth Stock Option Incentive Plan
3	Proposal on the Cancellation of Expired and Unexercised Stock Options under the Sixth Stock Option Incentive Plan

No.	Proposal
4	Proposal on the Cancellation of Expired and Unexercised Stock Options under the Seventh Stock Option Incentive Plan
5	Proposal on the Adjustment of the List of Grantees and the Number of Options under the Reserved Grant of the Fifth Stock Option Incentive Plan
6	Proposal on Matters Related to the Exercise of Options during the Fourth Exercise Period under the Reserved Grant of the Fifth Stock Option Incentive Plan
7	Proposal on the Adjustment of the List of Grantees and the Number of Options under the Sixth Stock Option Incentive Plan
8	Proposal on Matters Related to the Exercise of Options during the Fourth Exercise Period under the Sixth Stock Option Incentive Plan
9	Proposal on the Adjustment of the List of Grantees and the Number of Options under the Eighth Stock Option Incentive Plan
10	Proposal on Matters Related to the Exercise of Options during the Second Exercise Period under the Eighth Stock Option Incentive Plan
11	Proposal on the Adjustment of the List of Grantees and the Number of Options under the Ninth Stock Option Incentive Plan
12	Proposal on Matters Related to the Exercise of Options during the First Exercise Period under the Ninth Stock Option Incentive Plan
13	Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2018 Restricted Share Incentive Plan
14	Proposal on the Achievement of Unlocking Conditions for the Fourth Unlocking Period under the Reserved Grant of the 2018 Restricted Share Incentive Plan
15	Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2019 Restricted Share Incentive Plan
16	Proposal on the Achievement of Unlocking Conditions for the Fourth Unlocking Period under the 2019 Restricted Share Incentive Plan
17	Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Plan
18	Proposal on the Achievement of Unlocking Conditions for the Second Unlocking Period under the 2021 Restricted Share Incentive Plan
19	Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2022 Restricted Share Incentive Plan
20	Proposal on the Achievement of Unlocking Conditions for the First Unlocking Period under the 2022 Restricted Share Incentive Plan
21	Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2023 Restricted Share Incentive Plan
22	Proposal on the Achievement of Unlocking Conditions for the First Unlocking Period under the 2023 Restricted Share Incentive Plan
23	Amendments to the Articles of Association (June 2024)

No.	Proposal
24	Proposal on the Re-election of the Supervisory Committee and the Nomination of Non-Employee Supervisor Candidates

**(V) The 1st Meeting of the 5th Supervisory Committee**

The 1st meeting of the 5th Supervisory Committee was held on 2 July 2024. The following proposal was reviewed and approved:

No.	Proposal
1	Proposal on the Re-election of the Supervisory Committee and the Nomination of Non-Employee Supervisor Candidates

**(VI) The 2nd Meeting of the 5th Supervisory Committee**

The 2nd meeting of the 5th Supervisory Committee was held on 19 August 2024. The following proposal was reviewed and approved:

No.	Proposal
1	2024 Semi-Annual Report and Its Summary

**(VII) The 3rd Meeting of the 5th Supervisory Committee**

The 3rd meeting of the 5th Supervisory Committee was held on 30 October 2024. The following proposal was reviewed and approved:

No.	Proposal
1	2024 Third Quarter Report

**(VIII) The 4th Meeting of the 5th Supervisory Committee**

The 3rd meeting of the 5th Supervisory Committee was held on 27 December 2024. The following proposals were reviewed and approved:

No.	Proposal
1	Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Plan
2	Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2022 Restricted Share Incentive Plan
3	Proposal on the Repurchase and Cancellation of Certain Incentive Shares under the 2023 Restricted Share Incentive Scheme



**II. SUPERVISORS' PERFORMANCE OF DUTIES**

During the reporting period, the Supervisory Committee held 8 meetings in accordance with the provisions of the Articles of Association and other relevant regulations. All supervisors attended the meetings in person and actively participated in the discussions. Additionally, the supervisors actively attended the Board meetings (on-site meetings) and shareholders' meetings, and no abnormalities were found regarding the matters under supervision.

**III. SUPERVISORY COMMITTEE'S INSPECTION OF THE COMPANY'S FINANCIAL STATUS**

The Supervisory Committee, in accordance with the law, conducted an inspection of the Company's financial system and financial status. The Supervisory Committee believes that the final accounts report of 2024 truly and fairly reflects the Company's financial condition and operating results. The audit report issued by PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) on the Company's 2024 financial statements, with an unqualified opinion, is objective and impartial.

The Supervisory Committee conducted an examination of the related-party transactions undertaken by the Company. It believes that the related-party transactions conducted with related parties in 2024 were fair and reasonable, with pricing that was equitable, and did not harm the interests of non-related-party Shareholders or the listed company.

**IV. SUPERVISORY COMMITTEE'S OPINION ON THE COMPANY'S INTERNAL CONTROL EVALUATION REPORT**

In accordance with the Basic Code for Internal Control of Enterprises and the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardised Operation of Companies Listed on the Main Board that are jointly issued by the Ministry of Finance, the CSRC, and other relevant departments, the Supervisory Committee expresses the following opinions on the 2024 Internal Control Evaluation Report:

1. In compliance with applicable laws and regulations, as well as the relevant requirements of the CSRC and the Shenzhen Stock Exchange, the Company has established and improved the corresponding internal control system tailored to its industry characteristics, business model, asset structure, and specific operational needs. This ensures the normal conduct of the Company's business activities, effective risk control, and the protection of the safety and integrity of the Company's assets.

2. The Company has established a relatively complete internal organizational structure, and its internal audit department and personnel are adequately staffed to ensure the full and effective implementation and supervision of key internal control activities.
3. In 2024, the Company did not violate any relevant provisions, including the Basic Code for Internal Control of Enterprises, the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardised Operation of Companies Listed on the Main Board, or the Company’s Internal Control System.

In summary, the Supervisory Committee believes that the 2024 Internal Control Evaluation Report comprehensively, truthfully, and accurately reflects the actual state of the Company’s internal control system.

## APPENDIX XI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Details of the Proposed Amendments to the Articles of Association are as follows:

- (1) Standardize the term “shareholders’ general meeting” to “general meeting” throughout the Articles of Association;
- (2) Delete the content of Chapter 7 in the Articles of Association; and
- (3) Apart from the adjustments mentioned above, the remaining specific amendments to the Articles of Association are as follows:

Original Article	Amended Article
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 In order to safeguard the legitimate rights and interests of Midea Group Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, ...	Article 1 In order to safeguard the legitimate rights and interests of Midea Group Co., Ltd. (the “Company”), its shareholders, <b>employees</b> and creditors, and to regulate the organization and activities of the Company, ...
Article 6 The registered capital of the Company is RMB7,655,673,083.	Article 6 The registered capital of the Company is <b>RMB7,663,654,486</b> .
Article 8 The chairman of the Board of Directors shall be the legal representative of the Company. If the chairman resigns, they are deemed to have simultaneously resigned as the Legal Representative. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation.	<p>Article 8 <b>A director or the chief executive officer executing company affairs on behalf of the Company</b> shall be the legal representative of the Company. <b>If the director or chief executive officer serving as legal representative resigns</b>, they shall be deemed to have simultaneously resigned as the legal representative. If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of resignation.</p> <p><b>The legal consequences of civil activities conducted by the legal representative in the name of the Company shall be borne by the Company. Limitations imposed by the Articles of Association or the general meeting on the powers of the legal representative shall not be asserted against a bona fide counterparty. If the legal representative causes damage to others in the course of performing their duties, the Company shall bear civil liability. After the Company assumes civil liability, it may seek recourse from the legal representative at fault in accordance with the law or the Articles of Association.</b></p>

<b>Original Article</b>	<b>Amended Article</b>
Article 9 The total assets of the Company are divided into shares of equal par value. The shareholders shall be liable to the Company to the extent of the shares they subscribed, and the Company shall be liable for its debts to the extent of all of its assets.	Article 9 <del>The total assets of the Company are divided into shares of equal par value.</del> The shareholders shall be liable to the Company to the extent of the shares they subscribed, and the Company shall be liable for its debts to the extent of all of its <b>assets</b> .
Article 10 From the date upon which the Articles of Association of the Company come into effect, it shall be a legally binding document which regulates the organization and activities of the Company, the rights and obligations between the Company and its shareholders and among the shareholders, and shall be a legally binding document upon the Company, its shareholders, directors, supervisors, and members of the senior management. Pursuant to the Articles of Association, shareholders may initiate legal proceedings against other shareholders, directors, supervisors, chief executive officer and other members of the senior management of the Company. The shareholders may initiate legal proceedings against the Company and the Company may initiate legal proceedings against its shareholders, directors, supervisors, chief executive officer, and other members of the senior management.	Article 10 From the date upon which the Articles of Association of the Company come into effect, it shall be a legally binding document which regulates the organization and activities of the Company, the rights and obligations between the Company and its shareholders and among the shareholders, and shall be a legally binding document upon the Company, its shareholders, directors, <del>supervisors,</del> and members of the senior management. Pursuant to the Articles of Association, shareholders may initiate legal proceedings against other shareholders, directors, <del>supervisors, chief executive officer and other</del> members of the senior management of the Company. The shareholders may initiate legal proceedings against the Company and the Company may initiate legal proceedings against its shareholders, directors, <del>supervisors, chief executive officer, and other</del> members of the senior management.
Article 11 The other members of the senior management mentioned in the Articles of Association refer to the vice presidents, chief financial officer, chief human resource officer, chief technology officer, finance director and secretary to the Board of Directors.	Article 11 The <del>other</del> members of the senior management mentioned in the Articles of Association refer to the <b>chief executive officer</b> , vice presidents, chief financial officer, chief human resource officer, chief technology officer, finance director and secretary to the Board of Directors.
Chapter 3 Shares	Chapter 3 Shares
Section 1 Issuance of Shares	Section 1 Issuance of Shares
Article 15 Shares of the Company shall be issued on the principles of transparency, fairness and equality, and the shares of the same class shall rank pari passu in all respects.	Article 15 Shares of the Company shall be issued on the principles of transparency, fairness and equality, and the shares of the same <b>category</b> shall rank pari passu in all respects.
Article 16 Each share of the same class shall be issued under the same conditions and at the same price in each issuance, ...	Article 16 Each share of the same <b>category</b> shall be issued under the same conditions and at the same price in each issuance, ...

Original Article	Amended Article
<p>Article 20 Upon the completion of the initial public offering of the H Shares (after the full exercise of the Over-allotment Option), the total issued share capital of the Company comprises 7,655,673,083 shares, all of which are ordinary shares, including 7,004,824,583 A ordinary shares, representing 91.50% of the total issued share capital of the Company, and 650,848,500 H ordinary shares, representing 8.50% of the total issued share capital of the Company.</p>	<p>Article 20 <del>Upon the completion of the initial public offering of the H Shares (after the full exercise of the Over-allotment Option);</del> <b>The</b> total issued share capital of the Company comprises <b>7,663,654,486</b> shares, all of which are ordinary shares, including <b>7,012,805,986</b> A ordinary shares, representing <b>91.51%</b> of the total issued share capital of the Company, and 650,848,500 H ordinary shares, representing <b>8.49%</b> of the total issued share capital of the Company.</p>
<p>Article 21 The Company or its subsidiaries (including affiliates of the Company) shall not provide any assistance to a person who is acquiring or is proposing to acquire shares in the Company by way of gift, advance, guarantee, indemnity or loans or other means.</p>	<p>Article 21 The Company or its subsidiaries (including affiliates of the Company) shall not <b>provide financial assistance</b> by way of gift, advance, guarantee, <b>borrowing</b>, or other means <b>for others to acquire shares of the Company or its parent company, except when the Company implements employee stock ownership schemes. For the benefit of the Company, upon resolution by the general meeting, or upon resolution by the Board of Directors in accordance with the Articles of Association or authorization from the general meeting, the Company may provide financial assistance for others to acquire shares of the Company or its parent company, provided that the aggregate total amount of financial assistance does not exceed ten percent of the total issued share capital. Resolutions made by the Board of Directors shall be passed by more than two-thirds of all directors.</b></p>

Original Article	Amended Article
Section 2 Increase/Reduction and Repurchase of Shares	Section 2 Increase/Reduction and Repurchase of Shares
<p>Article 22 According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital by the following ways upon approval by way of resolutions at the shareholders' general meeting:</p> <p>(I) Public offering of shares;</p> <p>(II) Non-public offering of shares;</p> <p>(III) Issuing bonus shares to existing shareholders;</p> <p>(IV) Converting capital reserve into share capital;</p> <p>(V) Other means which are permitted by the laws, administrative regulations and the CSRC.</p> <p>...</p>	<p>Article 22 According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital by the following ways upon approval by way of resolutions at the <b>general meeting</b>:</p> <p>(I) Offering of shares to <b>unspecified parties</b>;</p> <p>(II) Offering of shares <b>to specified parties</b>;</p> <p>(III) Issuing bonus shares to existing shareholders;</p> <p>(IV) Converting capital reserve into share capital;</p> <p>(V) Other means which are <b>regulated</b> by the laws, administrative regulations and the CSRC.</p> <p>...</p>
Section 3 Transfer of Shares	Section 3 Transfer of Shares
Article 26 Shares of the Company may be transferred according to the law....	Article 26 Shares of the Company <b>shall</b> be transferred according to the law....
Article 27 The Company shall not accept its shares to be held as security under a pledge.	Article 27 The Company shall not accept its <b>shares</b> to be held as security under a pledge.
Article 28 ... The directors, supervisors and members of the senior management of the Company shall declare to the Company their shareholdings in the Company and the changes therein. The shares transferred each year during their term of office determined upon appointment shall not exceed 25% of the total number of shares they held in the Company; ....	Article 28 ... The directors, <del>supervisors</del> and members of the senior management of the Company shall declare to the Company their shareholdings in the Company and the changes therein. The shares transferred each year during their term of office determined upon appointment shall not exceed 25% of the total number of shares they held in the Company; ....

Original Article	Amended Article
<p>Article 29 Any gains from sale of Company's shares or other securities with an equity nature by the directors, supervisors and members of the senior management or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, ...</p> <p>Shares or other securities with an equity nature held by directors, supervisors, members of the senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents or children, or held under other people's accounts....</p>	<p>Article 29 Any gains from sale of Company's shares or other securities with an equity nature by the directors, <del>supervisors</del> and members of the senior management or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after their sale of the same, shall belong to the Company, ...</p> <p>Shares or other securities with an equity nature held by directors, <del>supervisors</del>, members of the senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with an equity nature held by their spouses, parents or children, or held under other people's accounts....</p>
Chapter 4 Shareholders and Shareholders' General Meetings	Chapter 4 Shareholders and <b>General Meetings</b>
Section 1 Shareholders	Section 1 Shareholders
<p>Article 32 The rights of our shareholders are as follows:</p> <p>... (V) To read and copy these Articles of Association, the register of shareholders, shareholders' general meeting minutes, resolutions of meetings of the Board of Directors, resolutions of meetings of the Supervisory Committee and financial and accounting reports; ...</p>	<p>Article 32 The rights of our shareholders are as follows:</p> <p>... (V) To read and copy these Articles of Association, the register of shareholders, <b>general meeting</b> minutes, resolutions of meetings of the Board of Directors, <del>resolutions of meetings of the Supervisory Committee</del> and financial and accounting reports; <b>shareholders meeting the requirements may inspect the Company's accounting books and accounting vouchers; ...</b></p>
<p>Article 33 Where shareholders request for inspection of the relevant information or demand materials as provided for in the previous article, they shall provide the Company with written documents evidencing the class and number of shares in the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information as requested by such shareholder.</p>	<p>Article 33 Where shareholders <b>request to inspect or copy relevant Company materials shall comply with the provisions of the Company Law, the Securities Law, and other laws and administrative regulations, and shall</b> provide the Company with written documents evidencing the class and number of shares in the Company they hold. Upon verification of the shareholder's identity, the Company shall provide information as requested by such shareholder.</p>

Original Article	Amended Article
<p>Article 34 If the content of the resolutions at the shareholders' general meeting and the board resolutions are in violation of laws and administrative regulations, shareholders are entitled to request the people's court to identify them invalid.</p> <p>If the procedures for convening and voting at the shareholders' general meeting and the board meeting are in violation of laws, administrative regulations or the Articles of Association or the content of the resolutions violates these Articles of Association, shareholders are entitled to request the people's court to revoke such resolutions within 60 days from the date of the resolutions.</p>	<p>Article 34 If the content of the resolutions at the <b>general meeting</b> and the board resolutions are in violation of laws and administrative regulations, shareholders are entitled to request the people's court to identify them invalid.</p> <p>If the procedures for convening and voting at the <b>general meeting</b> and the board meeting are in violation of laws, administrative regulations or the Articles of Association or the content of the resolutions violates these Articles of Association, shareholders are entitled to request the people's court to revoke such resolutions within 60 days from the date of the resolutions. <b>However, this shall not apply if the convocation procedures or voting methods of the general meeting or Board of Directors meeting have only minor flaws that do not materially affect the resolution.</b></p> <p><b>If the Board of Directors, shareholders, or other relevant parties dispute the validity of a general meeting resolution, they should promptly file a lawsuit with the People's court. Before the People's court issues a judgment or ruling revoking the resolution, the relevant parties shall implement the general meeting resolution. The Company, directors, and members of the senior management shall diligently perform their duties to ensure the normal operation of the Company.</b></p> <p><b>If the people's court makes a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC, and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. If correction of prior matters is involved, it will be handled promptly, and corresponding information disclosure obligations will be fulfilled.</b></p>



Original Article	Amended Article
	<p><b>Article 35 [New]</b> A resolution of the Company's general meeting or Board of Directors is invalid under any of the following circumstances:</p> <p>(I) The resolution was made without holding a general meeting or Board of Directors meeting;</p> <p>(II) The general meeting or Board of Directors meeting did not vote on the resolution matter;</p> <p>(III) The number of attendees or the voting rights held by them did not reach the quorum required by the Company Law or these Articles of Association;</p> <p>(IV) The number of persons or the voting rights held by them agreeing to the resolution matter did not reach the majority required by the Company Law or these Articles of Association.</p>
<p>Article 35 If a director or a member of the senior management causes losses to the Company by violating the laws, administrative regulations or these Articles of Association during performance of his duties, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 days continuously have the right to request the Supervisory Committee to initiate legal proceedings at the people's court; if a member of the Supervisory Committee causes losses to the Company by violating the laws, administrative regulations or these Articles of Association during performance of his duties, shareholders can request the Board of Directors in writing to initiate legal proceedings at the people's court.</p>	<p><b>Article 36</b> If a director or a member of the senior management <b>other than members of the Audit Committee</b> causes losses to the Company by violating the laws, administrative regulations or these Articles of Association during performance of his duties, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 days continuously have the right to request the <b>Audit Committee</b> to initiate legal proceedings at the people's court; if <b>a member of the Audit Committee</b> causes losses to the Company by violating the laws, administrative regulations or these Articles of Association during performance of his duties, shareholders can request the Board of Directors in writing to initiate legal proceedings at the people's court.</p>

Original Article	Amended Article
<p>If the Supervisory Committee or the Board of Directors refuses to initiate legal proceedings after receiving the written request from shareholders as set out in the preceding paragraph, or fails to initiate legal proceedings within 30 days since the date of receiving the request, or does not initiate legal proceedings immediately in case of emergency where any delay would cause irreparable losses to the Company's interests, the shareholders as mentioned in the preceding paragraph have the right to initiate legal proceedings directly at the people's court in their personal capacity for the interests of the Company.</p> <p>...</p>	<p>If the <b>Audit Committee</b> or the Board of Directors refuses to initiate legal proceedings after receiving the written request from shareholders as set out in the preceding paragraph, or fails to initiate legal proceedings within 30 days since the date of receiving the request, or does not initiate legal proceedings immediately in case of emergency where any delay would cause irreparable losses to the Company's interests, the shareholders as mentioned in the preceding paragraph have the right to initiate legal proceedings directly at the people's court in their personal capacity for the interests of the Company.</p> <p>...</p> <p><b>If the directors, supervisors (if any), or members of the senior management of a wholly-owned subsidiary of the Company violate laws, administrative regulations, or the provisions of these Articles of Association when performing their duties, causing losses to the Company, or if others infringe upon the legitimate rights and interests of the wholly-owned subsidiary, causing losses, shareholders individually or collectively holding one percent or more of the Company's shares for 180 consecutive days or more may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing that the wholly-owned subsidiary's Supervisory Committee (if any) or Board of Directors initiate legal proceedings in a People's court, or directly initiate legal proceedings in a People's court in their own name. If a wholly-owned subsidiary of the Company does not have a Supervisory Committee or Supervisors but has an Audit Committee, the provisions specified in paragraphs 1 and 2 of this Article shall apply.</b></p>
<p>Article 37 The shareholders of the Company shall have the following obligations:</p> <p>... (II) to pay capital contribution as per the shares subscribed for and the method of subscription;</p> <p>(III) not to withdraw shares unless in the circumstances stipulated by laws and regulations;</p> <p>...</p>	<p>Article 38 The shareholders of the Company shall have the following obligations:</p> <p>... (II) to pay <b>capital contribution</b> as per the shares subscribed for and the method of subscription;</p> <p>(III) not to <b>withdraw share capital</b> unless in the circumstances stipulated by laws and regulations;</p> <p>...</p>

Original Article	Amended Article
<p>Article 39 Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his/her connected relationship.</p> <p>Anyone who violates this provision and causes any loss to the Company shall be liable for the compensation. The controlling shareholders and de facto controllers of the Company shall act in good faith towards the Company and public shareholders. The controlling shareholders shall exercise shareholders' rights and fulfill shareholders' obligations towards the Company in accordance with the law. The controlling shareholders shall not prejudice the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, capital appropriation, loan guarantees, etc., and shall not use their controlling position to obtain illegal interests. They shall not grant any approval on any resolutions on election of personnel at shareholders' general meetings and any resolutions on the appointment of any personnel by the Board of Directors, or appoint or remove any members of the senior management of the Company without obtaining the approval at the shareholders' general meeting and from the board of directors, or intervene directly or indirectly any decisions on production and operation of the Company, or to appropriate or control assets or other interests of the Company, or intervene the finance and accounting related activities of the Company, or impose any operational plans or give any operational orders to the Company, or carry out any business activities which are the same or similar to those of the Company, or influence the independence of the Company's operation and management or damage the legal interests of the Company by any other means.</p>	<p><del>Article 39 Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his/her connected relationship.</del></p> <p><del>Anyone who violates this provision and causes any loss to the Company shall be liable for the compensation. The controlling shareholders and de facto controllers of the Company shall act in good faith towards the Company and public shareholders. The controlling shareholders shall exercise shareholders' rights and fulfill shareholders' obligations towards the Company in accordance with the law. The controlling shareholders shall not prejudice the legitimate rights and interests of the Company and public shareholders by means of profit distribution, asset restructuring, external investment, capital appropriation, loan guarantees, etc., and shall not use their controlling position to obtain illegal interests. They shall not grant any approval on any resolutions on election of personnel at shareholders' general meetings and any resolutions on the appointment of any personnel by the Board of Directors, or appoint or remove any members of the senior management of the Company without obtaining the approval at the shareholders' general meeting and from the board of directors, or intervene directly or indirectly any decisions on production and operation of the Company, or to appropriate or control assets or other interests of the Company, or intervene the finance and accounting related activities of the Company, or impose any operational plans or give any operational orders to the Company, or carry out any business activities which are the same or similar to those of the Company, or influence the independence of the Company's operation and management or damage the legal interests of the Company by any other means.</del></p>

Original Article	Amended Article
<p>The undertakings given by the controlling shareholders, the de facto controllers and the connected parties of the Company shall be clear, specific and executable. No undertakings should be given if such undertakings are obviously not possible to perform based on the circumstances at the time. The undertaking party shall make a statement as to the performance of undertakings, and clarify the liabilities in the event of breach of undertakings, and perform the undertakings effectively.</p> <p>In the event of a change in control of the Company, the relevant parties shall take effective measures to maintain the stable operation of the Company during the transitional period. In case there are major issues, the Company shall report to the CSRC and its local offices and the stock exchange on which the Company's shares are listed.</p>	<p><del>The undertakings given by the controlling shareholders, the de facto controllers and the connected parties of the Company shall be clear, specific and executable. No undertakings should be given if such undertakings are obviously not possible to perform based on the circumstances at the time. The undertaking party shall make a statement as to the performance of undertakings, and clarify the liabilities in the event of breach of undertakings, and perform the undertakings effectively.</del></p> <p><del>In the event of a change in control of the Company, the relevant parties shall take effective measures to maintain the stable operation of the Company during the transitional period. In case there are major issues, the Company shall report to the CSRC and its local offices and the stock exchange on which the Company's shares are listed.</del></p>
<p>Article 40 The directors, supervisors and members of the senior management of the Company have the obligation to safeguard the capital of the Company from being appropriated by the controlling shareholders. In the case that either the directors or the members of the senior management of the Company assist or connive the controlling shareholders or its affiliates in misappropriating the assets of the Company, depending on the seriousness of the case, the Board of Directors shall take disciplinary action against the directly responsible person and initiate removal procedures for the director who holds serious responsibilities.</p> <p>In the case that the controlling shareholders of the Company misappropriate the assets of the Company, including but not limited to, the capital of the Company, the Board of Directors shall immediately apply to the people's court in the name of the Company to legally freeze the assets of the Company so appropriated and the shares of the Company held by the controlling shareholders.</p>	<p><del>Article 40 The directors, supervisors and members of the senior management of the Company have the obligation to safeguard the capital of the Company from being appropriated by the controlling shareholders. In the case that either the directors or the members of the senior management of the Company assist or connive the controlling shareholders or its affiliates in misappropriating the assets of the Company, depending on the seriousness of the case, the Board of Directors shall take disciplinary action against the directly responsible person and initiate removal procedures for the director who holds serious responsibilities.</del></p> <p><del>In the case that the controlling shareholders of the Company misappropriate the assets of the Company, including but not limited to, the capital of the Company, the Board of Directors shall immediately apply to the people's court in the name of the Company to legally freeze the assets of the Company so appropriated and the shares of the Company held by the controlling shareholders.</del></p>

Original Article	Amended Article
<p>In the case that the controlling shareholders are unable to make any restitution or cash compensation for any assets of the Company so misappropriated, the Company is entitled to a compensation from the controlling shareholders for the misappropriated assets of the Company by realizing the shares of the Company held by the controlling shareholders in accordance with the provisions and procedures of the relevant laws, rules and regulations.</p>	<p><del>In the case that the controlling shareholders are unable to make any restitution or cash compensation for any assets of the Company so misappropriated, the Company is entitled to a compensation from the controlling shareholders for the misappropriated assets of the Company by realizing the shares of the Company held by the controlling shareholders in accordance with the provisions and procedures of the relevant laws, rules and regulations.</del></p>
	<p><b>Section 2 Controlling Shareholders and De Facto Controllers [New]</b></p>
	<p><b>Article 40</b> The controlling shareholders and de facto controllers of the Company shall exercise rights and fulfill obligations in accordance with the provisions of laws, administrative regulations, the CSRC, and the stock exchange, and safeguard the interests of the listed company.</p>
	<p><b>Article 41</b> The controlling shareholders and de facto controllers of the Company shall comply with the following provisions:</p> <p>(I) Exercise shareholder rights according to law, and shall not abuse control or use related party relationships to harm the legitimate rights and interests of the Company or other shareholders;</p> <p>(II) Strictly fulfill public statements and various commitments made, and shall not arbitrarily change or waive them;</p> <p>(III) Strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure, and promptly inform the Company of material events that have occurred or are planned;</p> <p>(IV) Shall not misappropriate Company funds in any way;</p> <p>(V) Shall not compel, instruct, or require the Company and relevant personnel to provide guarantees in violation of laws and regulations;</p>

Original Article	Amended Article
	<p>(VI) Shall not use undisclosed material information of the Company to seek benefits, or disclose undisclosed material information related to the Company in any way, or engage in illegal or irregular activities such as insider trading, short-swing trading, or market manipulation;</p> <p>(VII) Shall not harm the legitimate rights and interests of the Company and other shareholders through any means such as unfair related party transactions, profit distribution, asset restructuring, or external investments;</p> <p>(VIII) Ensure the completeness of the Company's assets, independence of personnel, independence of finance, independence of organization, and independence of business, and shall not affect the Company's independence in any way;</p> <p>(IX) Other provisions of laws, administrative regulations, CSRC regulations, business rules of the stock exchange where the Company's shares are listed, and these Articles of Association.</p> <p>If the controlling shareholders and de facto controllers of the Company do not serve as directors of the Company but de facto execute company affairs, the provisions of these Articles of Association regarding the fiduciary obligations and duty of diligence of directors shall apply. If the controlling shareholders and de facto controllers of the Company instruct directors or members of the senior management to engage in acts that harm the interests of the Company or shareholders, they shall bear joint liabilities with such directors and members of the senior management.</p>
	<p>Article 42 When controlling shareholders and de facto controllers pledge the Company shares they hold or effectively control, they shall maintain the stability of the Company's control and production operations.</p>

Original Article	Amended Article
	<p><b>Article 43</b> When controlling shareholders and de facto controllers transfer the Company shares they hold, they shall comply with the restrictive provisions regarding share transfers in laws, administrative regulations, regulations of the CSRC and the stock exchange where the Company's shares are listed, and the commitments they have made regarding restrictions on share transfers.</p>
<p>Section 2 General Provisions for the Shareholders' General Meeting</p>	<p><b>Section 3</b> General Provisions for the General Meeting</p>
<p>Article 41 The shareholders' general meeting shall be the authority of the Company and shall exercise the following powers in accordance with the law:</p> <p>(I) to decide on the operating guidelines and investment plans of the Company;</p> <p>(II) to elect and replace the directors and the supervisors who are not representatives of the employees, and decide on matters relating to the remuneration of the directors and supervisors;</p> <p>(III) to consider and approve reports of the Board of Directors;</p> <p>(IV) to consider and approve reports of the Supervisory Committee;</p> <p>(V) to consider and approve the Company's annual financial budgets and final accounts;</p> <p>(VI) to consider and approve the Company's profit distribution plans and plans for making up losses;</p> <p>(VII) to resolve on increases or reduction in the Company's registered capital;</p> <p>(VIII) to resolve on the issuance of bonds of the Company;</p> <p>(IX) to resolve on merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(X) to amend the Articles of Association;</p>	<p><b>Article 44</b> The Company's general meeting shall be composed of all shareholders. The general meeting shall be the authority of the Company and shall exercise the following powers in accordance with the law:</p> <p>(I) to decide on the operating guidelines and investment plans of the Company;</p> <p>(II) to elect and replace the directors<del>and the supervisors</del> who are not representatives of the employees, and decide on matters relating to the remuneration of the directors<del>and supervisors</del>;</p> <p>(III) to consider and approve reports of the Board of Directors;</p> <p><del>(IV) to consider and approve reports of the Supervisory Committee;</del></p> <p><del>(V) to consider and approve the Company's annual financial budgets and final accounts;</del></p> <p>(IV) to consider and approve the Company's profit distribution plans and plans for making up losses;</p> <p>(V) to resolve on increases or reduction in the Company's registered capital;</p> <p>(VI) to resolve on the issuance of bonds of the Company;</p> <p>(VII) to resolve on merger, division, dissolution, liquidation or change of corporate form of the Company;</p> <p>(VIII) to amend the Articles of Association;</p>



<b>Original Article</b>	<b>Amended Article</b>
<p>(XI) to decide on the Company's appointment or removal of accounting firms;</p> <p>(XII) to consider and approve the guarantees specified in Article 42 of the Articles of Association;</p> <p>(XIII) to consider and approve the Company's purchase or disposal of material assets within one year which reach over 30% of the latest audited total assets of the Company;</p> <p>(XIV) to consider and approve matters relating to changes in the use of proceeds raised;</p> <p>(XV) to consider share incentive schemes and employee stock ownership schemes;</p> <p>(XVI) to consider cash dividend plans;</p> <p>(XVII) to resolve on the Company's repurchase of its own shares under the circumstances specified in items (I) and (II) of Article 24 of the Articles of Association;</p> <p>(XVIII) to consider other matters that shall be decided by the shareholders' general meetings as required by the laws, administrative regulations, departmental rules, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.</p>	<p>(IX) to decide on the Company's appointment or removal of accounting firms;</p> <p>(X) to consider and approve the guarantees specified in <b>Article 45</b> of the Articles of Association;</p> <p>(XI) to consider and approve the Company's purchase or disposal of material assets within one year which reach over 30% of the latest audited total assets of the Company;</p> <p>(XII) to consider and approve matters relating to changes in the use of proceeds raised;</p> <p>(XIII) to consider share incentive schemes and employee stock ownership schemes;</p> <p>(XIV) to consider cash dividend plans;</p> <p>(XV) to resolve on the Company's repurchase of its own shares under the circumstances specified in items (I) and (II) of Article 24 of the Articles of Association;</p> <p>(XVI) to consider other matters that shall be decided by the <b>general meetings</b> as required by the laws, administrative regulations, <b>regulations of the CSRC</b>, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.</p> <p><b>The general meeting may authorize the Board of Directors to resolve on the issuance of bonds of the Company.</b></p>
<p>Article 44 Under any of the following circumstances, the Company shall convene an extraordinary shareholders' general meeting within two months from the date of occurrence:</p> <p>...</p> <p>(V) When the Supervisory Committee proposes to convene;</p> <p>...</p>	<p><b>Article 47</b> Under any of the following circumstances, the Company shall convene an extraordinary <b>general meeting</b> within two months from the date of occurrence:</p> <p>...</p> <p>(V) When the <b>Audit Committee</b> proposes to convene;</p> <p>...</p>



Original Article	Amended Article
<p>Article 45 The venue for convening a shareholders' general meeting shall be the domicile of the Company or other place as specified in the notice of the shareholders' general meeting.</p> <p>A meeting venue shall be set up and the shareholders' general meeting shall be convened by way of physical meetings. The Company will also provide the online method or other means to facilitate shareholders in participating the shareholders' general meeting. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.</p>	<p><b>Article 48</b> The venue for convening a general meeting shall be the domicile of the Company or other place as specified in the notice of the <b>general meeting</b>.</p> <p>A meeting venue shall be set up and the <b>general meeting</b> shall be convened by way of physical meetings. <b>In addition to setting up a physical venue for an in-person meeting, the general meeting may also be held simultaneously via electronic communication methods.</b> The Company will also provide online <b>voting</b> or other means to facilitate shareholders in participating the <b>general meeting</b>. Any shareholders who participate in the meeting in the aforesaid manner shall be deemed as present.</p>
<p>Article 46 When holding a shareholders' general meeting, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:</p> <p>...</p> <p>(VI) Except for using cumulative voting method for resolutions on election of directors and supervisors, the number of shares voted in favour of, voted against or abstained from voting in respect of each resolution, and as a percentage of the total number of valid voting shares present at the general meeting, and whether the resolution has been approved. When cumulative voting method is used for resolutions on election of directors and supervisors, the number of votes received by each candidate and whether the candidate is elected; whether the voting results of the shareholders' general meeting are lawful and valid;</p> <p>...</p>	<p><b>Article 49</b> When holding a <b>general meeting</b>, the Company shall engage lawyers to give legal opinions and make an announcement on the following matters:</p> <p>...</p> <p>(VI) Except for using cumulative voting method for resolutions on election of directors—<del>and supervisors</del>, the number of shares voted in favour of, voted against or abstained from voting in respect of each resolution, and as a percentage of the total number of valid voting shares present at the general meeting, and whether the resolution has been approved. When cumulative voting method is used for resolutions on election of directors—<del>and supervisors</del>, the number of votes received by each candidate and whether the candidate is elected; whether the voting results of the <b>general meeting</b> are lawful and valid;</p> <p>...</p>

Original Article	Amended Article
Section 3 Convening of Shareholders' General Meetings	<b>Section 4 Convening of General Meetings</b>
<p>Article 47 Independent directors shall be entitled to propose to the Board of Directors to convene an extraordinary shareholders' general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary shareholders' general meeting within 10 days after receiving such a proposal from the independent directors.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary shareholders' general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. In the event that the Board of Directors does not agree to convene an extraordinary shareholders' general meeting, it shall state the reasons and make an announcement.</p>	<p><b>Article 50 The Board of Directors shall convene the general meeting on time within the stipulated period.</b></p> <p><b>With the consent of more than half of all independent directors,</b> independent directors shall be entitled to propose to the Board of Directors to convene an extraordinary <b>general meeting</b>. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of the extraordinary <b>general meeting</b> within 10 days after receiving such a proposal from the independent directors.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary <b>general meeting</b>, the notice of the <b>general meeting</b> shall be issued within 5 days after the Board of Directors passes the relevant resolution. In the event that the Board of Directors does not agree to convene an extraordinary <b>general meeting</b>, it shall state the reasons and make an announcement.</p>

Original Article	Amended Article
<p>Article 48 The Supervisory Committee shall be entitled to propose to the Board of Directors to convene an extraordinary shareholders' general meeting, and such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary shareholders' general meeting within 10 days after receiving such proposal.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary shareholders' general meeting, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the Supervisory Committee.</p> <p>In the event that the Board of Directors does not agree to convene an extraordinary shareholders' general meeting or does not furnish any reply within 10 days after receiving such proposal, the Board of Directors shall be deemed as unable to perform or failed to perform its duty of convening a shareholders' general meeting, in which case the Supervisory Committee may convene and preside over a shareholders' general meeting by itself.</p>	<p><b>Article 51 The Audit Committee</b> shall be entitled to propose to the Board of Directors to convene an extraordinary <b>general meeting</b>, and such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating whether it agrees or disagrees with the convening of an extraordinary <b>general meeting</b> within 10 days after receiving such proposal.</p> <p>In the event that the Board of Directors agrees to convene an extraordinary <b>general meeting</b>, the notice of the meeting shall be issued within 5 days after the Board of Directors passes the relevant resolution. Any changes to the original proposal made in the notice shall be approved by the <b>Audit Committee</b>.</p> <p>In the event that the Board of Directors does not agree to convene an extraordinary <b>general meeting</b> or does not furnish any reply within 10 days after receiving such proposal, the Board of Directors shall be deemed as unable to perform or failed to perform its duty of convening a <b>general meeting</b>, in which case the <b>Audit Committee</b> may convene and preside over a <b>general meeting</b> by itself.</p>
<p>Article 49 ...</p> <p>In the event that the Board of Directors does not agree to convene an extraordinary shareholders' general meeting or does not furnish any reply within 10 days after receiving such request, shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary shareholders' general meeting, and such proposal shall be made in writing.</p> <p>In the event that the Supervisory Committee agrees to convene an extraordinary shareholders' general meeting, the notice of the meeting shall be issued within 5 days after receiving such request. Any changes to the original request made in the notice shall be approved by the relevant shareholders.</p>	<p>Article 52 ...</p> <p>In the event that the Board of Directors does not agree to convene an extraordinary <b>general meeting</b> or does not furnish any reply within 10 days after receiving such request, shareholders individually or jointly holding more than 10% of the shares of the Company shall be entitled to propose to the <b>Audit Committee</b> to convene an extraordinary <b>general meeting</b>, and such proposal shall be made in writing.</p> <p>In the event that the <b>Audit Committee</b> agrees to convene an extraordinary <b>general meeting</b>, the notice of the meeting shall be issued within 5 days after receiving such request. Any changes to the original request made in the notice shall be approved by the relevant shareholders.</p>

Original Article	Amended Article
<p>Article 50 Failure of the Supervisory Committee to issue the notice of shareholders' general meeting within the prescribed time limit shall be deemed as failure of the Supervisory Committee to convene and preside over a shareholders' general meeting, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a shareholders' general meeting on their own initiatives. Where the Supervisory Committee or shareholders decide(s) to convene a shareholders' general meeting on their own initiatives, the Board of Directors shall be notified in writing, and records shall be filed with a CSRC branch at the location of the Company and the Shenzhen Stock Exchange.</p> <p>Prior to announcement on the resolutions passed at the shareholders' general meeting, the shareholding of the shareholders convening such meeting shall not be less than 10%.</p> <p>The Supervisory Committee and the shareholders convening the meeting shall submit the relevant materials for proof to the CSRC branch at the location of the Company and the Shenzhen Stock Exchange at the time of issuance of notice of the shareholders' general meeting and announcement on the resolutions passed at the shareholders' general meeting.</p>	<p><b>Article 53</b> Failure of the <b>Audit Committee</b> to issue the notice of <b>general meeting</b> within the prescribed time limit shall be deemed as failure of the <b>Audit Committee</b> to convene and preside over a <b>general meeting</b>, and shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days are entitled to convene and preside over a <b>general meeting</b> on their own initiatives. Where the <b>Audit Committee</b> or shareholders decide(s) to convene a <b>general meeting</b> on their own initiatives, the Board of Directors shall be notified in writing, and records shall be filed with a CSRC branch at the location of the Company and the Shenzhen Stock Exchange.</p> <p>Prior to announcement on the resolutions passed at the <b>general meeting</b>, the shareholding of the shareholders convening such meeting shall not be less than 10%.</p> <p>The <b>Audit Committee</b> and the shareholders convening the meeting shall submit the relevant materials for proof to the CSRC branch at the location of the Company and the Shenzhen Stock Exchange at the time of issuance of notice of the <b>general meeting</b> and announcement on the resolutions passed at the general meeting.</p>
<p>Article 51 For the shareholders' general meetings convened by the Supervisory Committee or shareholders on their own initiatives, the Board of Directors and its secretary will cooperate. The Board of Directors shall provide the register of members as at the date of shareholding registration.</p>	<p><b>Article 54</b> For the <b>general meetings</b> convened by the <b>Audit Committee</b> or shareholders on their own initiatives, the Board of Directors and its secretary will cooperate. The Board of Directors shall provide the register of members as at the date of shareholding registration.</p>
<p>Article 52 For the shareholders' general meetings convened by the Supervisory Committee or the shareholders on their own initiatives, the necessary expenses in relation to the meetings shall be borne by the Company.</p>	<p><b>Article 55</b> For the <b>general meetings</b> convened by the <b>Audit Committee</b> or the shareholders on their own initiatives, the necessary expenses in relation to the meetings shall be borne by the Company.</p>

Original Article	Amended Article
Section 4 Proposals and Notices of Shareholders' General Meetings	<b>Section 5 Proposals and Notices of General Meetings</b>
<p>Article 54 When the Company convenes a shareholders' general meeting, the Board of Directors, the Supervisory Committee, as well as shareholder(s) individually or jointly holding more than 3% of the shares of the Company, shall be entitled to put forward proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding more than 3% of the shares of the Company may raise provisional proposals and submit the same in writing to the convener 10 days prior to the date of the shareholders' general meeting. The convener shall issue a supplemental notice of the shareholders' general meeting within 2 days after receiving such proposal and announce the content of the provisional proposal. If the securities regulations and rules of the places where the Company's shares are listed requires the shareholders' general meeting to be postponed as a result of the supplemental notice, the convening of the shareholders' general meeting shall be postponed in accordance with the requirements of such securities regulations and rules.</p> <p>...</p> <p>The shareholders' general meeting shall not vote or resolve on proposals not set forth in the notice of the shareholders' general meeting or not in compliance with the requirements of Article 53 of the Articles of Association.</p>	<p><b>Article 57</b> When the Company convenes a <b>general meeting</b>, the Board of Directors, the <b>Audit Committee</b>, as well as shareholder(s) individually or jointly holding more than <b>1%</b> of the shares of the Company, shall be entitled to put forward proposals to the Company.</p> <p>Shareholder(s) individually or jointly holding more than <b>1%</b> of the shares of the Company may raise provisional proposals and submit the same in writing to the convener 10 days prior to the date of the <b>general meeting</b>. The convener shall issue a supplemental notice of the <b>general meeting</b> within 2 days after receiving such proposal and announce the content of the provisional proposal. If the securities regulations and rules of the places where the Company's shares are listed requires the <b>general meeting</b> to be postponed as a result of the supplemental notice, the convening of the <b>general meeting</b> shall be postponed in accordance with the requirements of such securities regulations and rules.</p> <p>...</p> <p>The <b>general meeting</b> shall not vote or resolve on proposals not set forth in the notice of the <b>general meeting</b> or not in compliance with the requirements of <b>Article 56</b> of the Articles of Association.</p>

Original Article	Amended Article
<p>Article 56 The notice of shareholders' general meeting shall include the following:</p> <p>(I) time, place and duration of the meeting;</p> <p>(II) the matters and proposals submitted to the meeting for consideration;</p> <p>(III) the notice shall state clearly that all shareholders are entitled to attend the shareholders' general meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not to be a shareholder of the Company;</p> <p>(IV) the date of shareholding registration for shareholders who are entitled to attend the general meeting;</p> <p>(V) the names and telephone numbers of the contact person for the meeting affairs;</p> <p>...</p>	<p><b>Article 59</b> The notice of <b>general meeting</b> shall include the following:</p> <p>(I) time, place and duration of the meeting;</p> <p>(II) the matters and proposals submitted to the meeting for consideration;</p> <p>(III) the notice shall state clearly that all shareholders are entitled to attend the general meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not to be a shareholder of the Company;</p> <p>(IV) the date of shareholding registration for shareholders who are entitled to attend the general meeting;</p> <p>(V) the names and telephone numbers of the contact person for the meeting affairs;</p> <p><b>(VI) the timing and procedures for voting online or otherwise.</b></p> <p>...</p>
<p>Article 57 If the election of directors or supervisors is proposed to be discussed in the shareholders' general meeting, the notice of the shareholders' general meeting shall adequately disclose the detailed profiles of the candidates for directors and supervisors, which should include at least the following:</p> <p>(I) if there are any circumstances in which the candidates are not allowed to be nominated as directors or supervisors; whether they possess the qualifications required by the laws, administrative regulations, departmental rules, normative documents, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association;</p> <p>...</p> <p>(III) whether they are connected with the Company, the controlling shareholders or de facto controllers of the Company, the shareholders holding more than 5% of shares of the Company or their de facto controllers, other directors, supervisors or members of the senior management of the Company;</p> <p>...</p> <p>Each candidate for director or supervisor shall be proposed by way of a separate proposal, except for those elected through a cumulative voting system.</p>	<p><b>Article 60</b> If the election of directors<del>—or supervisors</del> is proposed to be discussed in the <b>general meeting</b>, the notice of the <b>general meeting</b> shall adequately disclose the detailed profiles of the candidates for directors<del>—and supervisors</del>, which should include at least the following:</p> <p>(I) if there are any circumstances in which the candidates are not allowed to be nominated as directors<del>—or supervisors</del>; whether they possess the qualifications required by the laws, administrative regulations, departmental rules, normative documents, the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association;</p> <p>...</p> <p>(III) whether they are connected with the Company, the controlling shareholders or de facto controllers of the Company, the shareholders holding more than 5% of shares of the Company or their de facto controllers, other directors, <del>supervisors</del> or members of the senior management of the Company;</p> <p>...</p> <p>Each candidate for director <del>or supervisor</del> shall be proposed by way of a separate proposal, except for those elected through a cumulative voting system.</p>

Original Article	Amended Article
<p>Article 58 After the notice of shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or cancelled without a proper reason, and the proposals stated in the notice of shareholders' general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue a notice and state the reasons at least 2 working days before the original date of the shareholders' general meeting. If the convener is the Board of Directors or the Supervisory Committee, it shall hold a meeting to consider the matters in relation to the cancellation of the shareholders' general meeting. If there are special provisions under the securities regulations and rules of the places where the Company's shares are listed regarding the procedures for postponing or canceling shareholders' general meetings, the provisions shall prevail provided that they do not violate the domestic regulatory requirements.</p> <p>Where there are no changes in the subject and content of the proposals, and the convener would subsequently reissue the notice of shareholders' general meeting to submit the same proposals to the shareholders' general meeting for consideration, the relevant proposals do not need to be re-considered by the Board of Directors or the Supervisory Committee and may be submitted to the new shareholders' general meeting directly. However, the Board of Directors or the Supervisory Committee shall pass the corresponding resolutions on matters such as convening a new shareholders' general meeting and submitting the relevant proposals to the shareholders' general meeting.</p>	<p><b>Article 61</b> After the notice of <b>general meeting</b> is issued, the <b>general meeting</b> shall not be postponed or cancelled without a proper reason, and the proposals stated in the notice of <b>general meeting</b> shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue a notice and state the reasons at least 2 working days before the original date of the general meeting. If the convener is the Board of Directors or the <b>Audit Committee</b>, it shall hold a meeting to consider the matters in relation to the cancellation of the <b>general meeting</b>. If there are special provisions under the securities regulations and rules of the places where the Company's shares are listed regarding the procedures for postponing or canceling <b>general meetings</b>, the provisions shall prevail provided that they do not violate the domestic regulatory requirements.</p> <p>Where there are no changes in the subject and content of the proposals, and the convener would subsequently reissue the notice of <b>general meeting</b> to submit the same proposals to the <b>general meeting</b> for consideration, the relevant proposals do not need to be re-considered by the Board of Directors or the <b>Audit Committee</b> and may be submitted to the new <b>general meeting</b> directly. However, the Board of Directors or the <b>Audit Committee</b> shall pass the corresponding resolutions on matters such as convening a new <b>general meeting</b> and submitting the relevant proposals to the <b>general meeting</b>.</p>



Original Article	Amended Article
Section 5 Conducting the Shareholders' General Meeting	<b>Section 6</b> Conducting the <b>General Meeting</b>
<p>Article 61 Individual shareholders attending a shareholders' general meeting in person shall present their identity cards or other valid identity documents or proof and stock account cards. In the case of attending by proxies, the proxies shall present valid identity documents and the proxy forms from the shareholders.</p> <p>...</p> <p>if the meeting is attended by proxies of such legal representatives, such proxies shall present their identity cards and the written authorisation letter legally issued by the legal representative of the legal entity shareholder (except for shareholders who are recognized clearing houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulations and rules of the places where the Company's shares are listed (the "Recognized Clearing Houses") and their proxies).</p>	<p><b>Article 64</b> Individual shareholders attending a general meeting in person shall present their identity cards or other valid identity documents or proof <del>and stock account cards</del>. In the case of attending by proxies, the proxies shall present valid identity documents and the proxy forms from the shareholders.</p> <p>...</p> <p>if the meeting is attended by proxies of such legal representatives, such proxies shall present their identity cards and the written authorisation letter legally issued by the legal representative of the legal entity shareholder (except for shareholders who are recognized clearing houses as defined by the relevant regulations in force from time to time under the Hong Kong laws or the securities regulations and rules of the places where the Company's shares are listed (the "Recognized Clearing Houses") and their proxies).</p>
<p>Article 62 The proxy form for appointing a proxy to attend the shareholders' general meeting issued by a shareholder shall include the following information:</p> <p>(I) name and identity card number of the proxy;</p> <p>(II) name of the appointing shareholder, the class and number of shares held by the appointing shareholder, and whether the shares carry voting rights;</p> <p>(III) the instructions on voting for, against or abstaining from voting on each item on the agenda to be considered at the shareholders' general meeting; if there are no clear voting instructions, the proxy form shall indicate whether the proxy is authorized to vote as he/she thinks fit;</p> <p>...</p>	<p><b>Article 65</b> The proxy form for appointing a proxy to attend the <b>general meeting</b> issued by a shareholder shall include the following information:</p> <p>(I) name and identity card number of the proxy;</p> <p>(II) name of the appointing shareholder, the class and number of shares held by the appointing shareholder, and whether the shares carry voting rights;</p> <p>(III) <b>specific instructions from the shareholder</b>, the instructions on voting for, against or abstaining from voting on each item on the agenda to be considered at the <b>general meeting</b>; if there are no clear voting instructions, the proxy form shall indicate whether the proxy is authorized to vote as he/she thinks fit;</p> <p>...</p>



<b>Original Article</b>	<b>Amended Article</b>
Article 67 When a shareholders' general meeting is convened, all the directors, supervisors and the secretary to the Board of Directors shall attend the meeting, and the chief executive officer and other members of the senior management shall be present at such meeting.	<b>Article 70 If the general meeting requires directors and members of the senior management to be present at the meeting, the directors and members of the senior management shall be present and accept enquiries from shareholders.</b>
Article 68 ... The chairman of the Supervisory Committee shall preside over the shareholders' general meeting that is convened by the Supervisory Committee. If the chairman of the Supervisory Committee is unable to or fails to perform his or her duties, the vice chairman of the Supervisory Committee shall preside over the shareholders' general meeting. If both the chairman and vice chairman of the Supervisory Committee are unable to or fail to perform their duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting. ...	Article 71 ... <b>The Audit Committee convener</b> shall preside over the <b>general meeting</b> that is convened by the <b>Audit Committee</b> . If the <b>Audit Committee convener</b> is unable to or fails to perform his or her duties, <b>a member of the Audit Committee jointly recommended by more than half of the Audit Committee members shall preside over the meeting.</b> ...
Article 70 In the annual shareholders' general meeting, the Board of Directors and the Supervisory Committee shall report to the shareholders' general meeting their work done in the past year. Each independent non-executive director shall also present a work report.	<b>Article 73</b> In the annual <b>general meeting</b> , the Board of Directors— <del>and the Supervisory Committee</del> shall report to the <b>general meeting</b> their work done i n the past year. Each independent non-executive director shall also present a work report.
Article 71 Directors, supervisors and members of the senior management shall explanation in relation to the enquiries and suggestions from the shareholders during the shareholders' general meeting.	<b>Article 74</b> Directors, <del>supervisors</del> and members of the senior management shall explanation in relation to the enquiries and suggestions from the shareholders during the <b>general meeting</b> .
Article 73 The shareholders' general meeting shall have minutes prepared by the secretary to the Board of Directors, which shall record the following information: ... (II) the name of the chairman of the meeting and the names of the directors, supervisors, chief executive officer and other members of the senior management attending or present at the meeting; ...	<b>Article 76</b> The <b>general meeting</b> shall have minutes prepared by the secretary to the Board of Directors, which shall record the following information: ... (II) the name of the chairman of the meeting and the names of the directors, <del>supervisors, chief executive officer</del> and other members of the senior management attending or present at the meeting; ...

Original Article	Amended Article
Article 74 ... Directors, supervisors, secretary to the Board of Directors, conveners or their representatives and the chairman of the meeting shall sign on the minutes. ...	<b>Article 77</b> ... Directors, <del>supervisors</del> , secretary to the Board of Directors, conveners or their representatives and the chairman of the meeting shall sign on the minutes. ...
Section 6 Voting at and Resolutions of Shareholders' General Meetings	<b>Section 7</b> Voting at and Resolutions of <b>General Meetings</b>
<p>Article 77 The following matters shall be resolved by way of ordinary resolutions at a shareholders' general meeting:</p> <p>(I) work reports of the Board of Directors and the Supervisory Committee;</p> <p>(II) profit distribution plan and loss make-up plan formulated by the Board of Directors;</p> <p>(III) appointment and dismissal of directors and supervisors, their remuneration and payment terms;</p> <p>(IV) annual financial budgets and final accounts of the Company;</p> <p>(V) the Company's annual report;</p> <p>(VI) matters other than those to be approved by special resolutions in accordance with the laws, administrative regulations, requirements under the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.</p>	<p><b>Article 80</b> The following matters shall be resolved by way of ordinary resolutions at a <b>general meeting</b>:</p> <p>(I) work reports of the Board of Directors<del>and the Supervisory Committee</del>;</p> <p>(II) profit distribution plan and loss make-up plan formulated by the Board of Directors;</p> <p>(III) appointment and dismissal of directors<del>and supervisors</del>, their remuneration and payment terms;</p> <p><del>(IV) annual financial budgets and final accounts of the Company;</del></p> <p><b>(IV)</b> the Company's annual report;</p> <p>(V) matters other than those to be approved by special resolutions in accordance with the laws, administrative regulations, requirements under the securities regulations and rules of the places where the Company's shares are listed or the Articles of Association.</p>
<p>Article 78 The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:</p> <p>...</p> <p>(VII) cash dividend plans;</p> <p>(VIII) material connected transactions that are required to be submitted to the shareholders' general meeting for consideration (excluding routine connected transactions);</p> <p>(IX) the issuance of shares, convertible corporate bonds, preferred shares and other securities approved by the CSRC;</p> <p>(X) the Company's repurchase of its own shares in the circumstances as stipulated in items (I) and (II) of Article 24 of the Articles of Association;</p> <p>(XI) material asset restructuring;</p>	<p><b>Article 81</b> The following matters shall be resolved by way of special resolutions at a <b>general meeting</b>:</p> <p>...</p> <p><del>(VII) cash dividend plans;</del></p> <p><b>(VII)</b> material connected transactions that are required to be submitted to the <b>general meeting</b> for consideration (excluding routine connected transactions);</p> <p><b>(VIII)</b> the issuance of shares, convertible corporate bonds, preferred shares and other securities approved by the CSRC;</p> <p><b>(IX)</b> the Company's repurchase of its own shares in the circumstances as stipulated in items (I) and (II) of Article 24 of the Articles of Association;</p> <p><b>(X)</b> material asset restructuring;</p>

Original Article	Amended Article
<p>(XII) the resolution of a shareholders' general meeting of the listed company to voluntarily withdraw the listing of its shares on the Shenzhen Stock Exchange and/or the Hong Kong Stock Exchange and its decision to cease trading on stock exchanges or application for trading on or transfer to another stock exchange;</p> <p>(XIII) other matters stipulated by laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, and other matters which are considered to have a significant impact on the Company and therefore need to be passed by way of a special resolution as determined by the shareholders' general meeting with an ordinary resolution.</p> <p>With respect to the proposal referred to in item (XII), in addition to the approval by votes representing more than two-thirds of the voting rights held by shareholders attending the shareholders' general meeting, it shall be passed by votes representing more than two-thirds of the voting rights of the shareholders attending the shareholders' general meeting, excluding the directors, supervisors, members of the senior management and shareholders who individually or collectively hold more than 5% of the shares of the listed Company.</p>	<p>(XI) the resolution of a <b>general meeting</b> of the listed company to voluntarily withdraw the listing of its shares on the Shenzhen Stock Exchange and/or the Hong Kong Stock Exchange and its decision to cease trading on stock exchanges or application for trading on or transfer to another stock exchange;</p> <p>(XII) other matters stipulated by laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, and other matters which are considered to have a significant impact on the Company and therefore need to be passed by way of a special resolution as determined by the <b>general meeting</b> with an ordinary resolution.</p> <p>With respect to the proposal referred to in <b>item (XI)</b>, in addition to the approval by votes representing more than two-thirds of the voting rights held by shareholders attending the <b>general meeting</b>, it shall be passed by votes representing more than two-thirds of the voting rights of the shareholders attending the <b>general meeting</b>, excluding the directors, <del>supervisors</del>, members of the senior management and shareholders who individually or collectively hold more than 5% of the shares of the listed Company.</p>
<p>Article 80...</p> <p>The abstaining and voting procedures for related shareholders at the shareholders' general meeting are as follows:</p> <p>...</p> <p>(III) Resolutions on related transactions shall be passed by more than half of the voting shares held by non-related shareholders attending the shareholders' general meeting. However, if the related transaction involves the matters stipulated in Article 78 of the Articles of Association, the resolution of the shareholders' general meeting must be passed by more than two-thirds of the voting rights held by the non-related shareholders attending the shareholders' general meeting.</p>	<p><b>Article 83 ...</b></p> <p>The abstaining and voting procedures for related shareholders at the <b>general meeting</b> are as follows:</p> <p>...</p> <p>(III) Resolutions on related transactions shall be passed by <b>more than half</b> of the voting shares held by non-related shareholders attending the <b>general meeting</b>. However, if the related transaction involves the matters stipulated in <b>Article 81</b> of the Articles of Association, the resolution of the <b>general meeting</b> must be passed by more than two-thirds of the voting rights held by the non-related shareholders attending the <b>general meeting</b>.</p>

Original Article	Amended Article
<p>Article 82 Unless the Company is in a crisis or under any special circumstance, the Company shall not enter into any contracts with any person other than the directors, chief executive officer and other members of the senior management pursuant to which the management of all or a substantial part of the business of the Company will be given to such person, unless otherwise approved by the shareholders' general meeting by way of a special resolution.</p>	<p><b>Article 85</b> Unless the Company is in a crisis or under any special circumstance, the Company shall not enter into any contracts with any person other than the directors, <del>chief executive officer</del> and <del>other</del> members of the senior management pursuant to which the management of all or a substantial part of the business of the Company will be given to such person, unless otherwise approved by the <b>general meeting</b> by way of a special resolution.</p>
<p>Article 83 The list of candidates for directors and supervisors who are non-staff representatives shall be submitted as a proposal to the shareholders' general meeting for consideration and approval.</p> <p>When a voting is carried out on the election of directors or supervisors at a shareholders' general meeting, the cumulative voting system may be adopted in accordance with the requirement of the Articles of Association or the resolutions of the shareholders' general meeting.</p> <p>The cumulative voting system referred to in the preceding paragraph means that when directors or supervisors are being elected during a shareholders' general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders may be used collectively. The Board of Directors shall announce the biography and basic information of the candidates for directors and supervisors to the shareholders.</p>	<p><b>Article 86</b> The list of candidates for directors <del>and supervisors</del> who are non-staff representatives shall be submitted as a proposal to the <b>general meeting</b> for consideration and approval.</p> <p>When a voting is carried out on the election of directors <del>or supervisors</del> at a <b>general meeting</b>, the cumulative voting system may be adopted in accordance with the requirement of the Articles of Association or the resolutions of the <b>general meeting</b>.</p> <p>The cumulative voting system referred to in the preceding paragraph means that when directors <del>or supervisors</del> are being elected during a <b>general meeting</b>, each share shall carry the same number of voting rights as the number of directors <del>or supervisors</del> to be elected, and the voting rights held by shareholders may be used collectively. The Board of Directors shall announce the biography and basic information of the candidates for directors <del>and supervisors</del> to the shareholders.</p>

Original Article	Amended Article
<p>Article 85 The methods and procedures for nomination of directors and supervisors who are not staff representatives are as follows:</p> <p>(I) shareholders individually or collectively holding at least 3% of the total voting shares of the Company may propose to the shareholders' general meeting the candidates for directors and supervisors who are not staff representatives in written form, provided that the number of persons nominated shall comply with the Articles of Association and is not greater than the number of persons to be elected. The above-mentioned proposals submitted by the shareholders shall be delivered to the Company at least ten days before the date of the shareholders' general meeting.</p> <p>(II) the Board of Directors and the Supervisory Committee may, within the limit of the number of persons specified in the Articles of Association, propose a list of recommended candidates who are not staff representatives for directors or supervisors consistent with the number of persons to be elected, and shall submit the same to the shareholders' general meeting in written form.</p> <p>...</p> <p>(IV) the notices of the intention to nominate candidates for directors or supervisors and the nominees' willingness to accept the nomination as well as the relevant information of the nominees shall be dispatched to the Company in written form at least five days before the date of the shareholders' general meeting. The Board of Directors and the Supervisory Committee shall provide the shareholders with the biography and basic information of the candidates for directors or supervisors.</p> <p>(V) when an additional director or supervisor is to be temporarily nominated, the Board of Directors and the Supervisory Committee shall propose to the shareholders' general meeting for election or replacement.</p>	<p><b>Article 88</b> The methods and procedures for nomination of directors <del>and supervisors</del> who are not staff representatives are as follows:</p> <p>(I) shareholders individually or collectively holding at least <b>13%</b> of the total voting shares of the Company may propose to the <b>general meeting</b> the candidates for directors <del>and supervisors</del> who are not staff representatives in written form, provided that the number of persons nominated shall comply with the Articles of Association and is not greater than the number of persons to be elected. The above-mentioned proposals submitted by the shareholders shall be delivered to the Company at least ten days before the date of the <b>general meeting</b>.</p> <p>(II) the Board of Directors <del>and the Supervisory Committee</del> may, within the limit of the number of persons specified in the Articles of Association, propose a list of recommended candidates who are not staff representatives for directors <del>or supervisors</del> consistent with the number of persons to be elected, and shall submit the same to the <b>general meeting</b> in written form.</p> <p>...</p> <p>(IV) the notices of the intention to nominate candidates for directors <del>or supervisors</del> and the nominees' willingness to accept the nomination as well as the relevant information of the nominees shall be dispatched to the Company in written form at least five days before the date of the <b>general meeting</b>. The Board of Directors <del>and the Supervisory Committee</del> shall provide the shareholders with the biography and basic information of the candidates for directors <del>or supervisors</del>.</p> <p>(V) when an additional director <del>or supervisor</del> is to be temporarily nominated, the Board of Directors <del>and the Supervisory Committee</del> shall propose to the <b>general meeting</b> for election or replacement.</p>

Original Article	Amended Article
<p>Article 89 Before the relevant proposal is voted on at a shareholders' general meeting, two representatives from the shareholders shall be elected for counting the votes and scrutinizing the poll. Shareholders who are connected with/related to the matter under consideration and their proxies shall not count the votes and scrutinize the poll.</p> <p>When a proposal is voted on at the shareholders' general meeting, the lawyers, the representatives of the shareholders and supervisors shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting results shall be announced right at the meeting. The voting results of such proposal shall be recorded in the minutes of the meeting.</p> <p>...</p>	<p><b>Article 92</b> Before the relevant proposal is voted on at a <b>general meeting</b>, two representatives from the shareholders shall be elected for counting the votes and scrutinizing the poll. Shareholders who are connected with/related to the matter under consideration and their proxies shall not count the votes and scrutinize the poll.</p> <p>When a proposal is voted on at the <b>general meeting</b>, the lawyers, <del>and the representatives of the shareholders and supervisors</del> shall be jointly responsible for counting the votes and scrutinizing the poll, and the voting results shall be announced right at the meeting. The voting results of such proposal shall be recorded in the minutes of the meeting.</p> <p>...</p>
<p>Article 95 Where a resolution in relation to the election of directors or supervisors is passed at a shareholders' general meeting, the term of office of the new directors or supervisors shall commence immediately after the resolution is passed at the shareholders' general meeting and the confirmation statement is signed.</p>	<p><b>Article 98</b> Where a resolution in relation to the election of directors <del>or supervisors</del> is passed at a <b>general meeting</b>, the term of office of the new directors <del>or supervisors</del> shall commence immediately after the resolution is passed at the <b>general meeting</b> and the confirmation statement is signed.</p>
Chapter 5 Board of Directors	Chapter 5 Board of Directors
Section 1 Directors	Section 1 Directors
<p>Article 97 Directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive directors refer to directors who do not hold operational management positions in the Company, and independent directors refer to persons who comply with the provisions of Article 106 of the Articles of Association. The director of the Company shall be a natural person. A person may not serve as a director of the Company if any of the following circumstances applies:</p> <p>...</p>	<p><b>Article 100</b> Directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive directors refer to directors who do not hold operational management positions in the Company, and independent directors refer to persons who comply with the provisions of <b>Article 109</b> of the Articles of Association. The director of the Company shall be a natural person. A person may not serve as a director of the Company if any of the following circumstances applies:</p> <p>...</p>



Original Article	Amended Article
<p>(II) persons who were sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, where less than five years have lapsed since the date of completion of such sentence, or who have been deprived of political rights due to any criminal offenses, where less than five years have lapsed since the expiration of the execution period;</p> <p>...</p> <p>(IV) persons who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than three years have lapsed since the date of the revocation of the business license of that company or enterprise;</p> <p>(V) persons who have a substantial amount of personal debts due and unsettled;</p> <p>...</p> <p>(VII) other circumstances stipulated in laws, administrative regulations, departmental rules or the listing rules of the places where the shares of the Company are listed.</p> <p>If the election or appointment of a director has violated this article, such election, appointment or employment shall be invalid. If any of the circumstances under this article occurs during the period of employment of a director, the Company shall dismiss the director from his duties.</p>	<p>(II) persons who were sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, <del>where less than five years have lapsed since the date of completion of such sentence,</del> or who have been deprived of political rights due to any criminal offenses, where less than five years have lapsed since the expiration of the execution period, <b>or who were granted probation, where less than two years have lapsed since the expiration of the probationary term;</b></p> <p>...</p> <p>(IV) persons who served as the legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than three years have lapsed since the date of the revocation of the business license of that company or enterprise <b>and was ordered to close down;</b></p> <p>(V) persons who have a substantial amount of personal debts due and unsettled and <b>is listed as a mala fide judgment debtor by a People's court;</b></p> <p>...</p> <p><b>(VII) persons who were publicly identified by a stock exchange as unsuitable for serving as a director, member of the senior management, etc., of a listed company, where the restriction period has not expired;</b></p> <p>(VIII) other circumstances stipulated in laws, administrative regulations, departmental rules or the listing rules of the places where the shares of the Company are listed.</p> <p>If the election or appointment of a director has violated this article, such election, appointment or employment shall be invalid. If any of the circumstances under this article occurs during the period of employment of a director, the Company shall dismiss the director from his duties <b>and cease their performance of duties.</b></p>

Original Article	Amended Article
<p>Article 98 Directors shall be elected or replaced at a shareholders' general meeting, and any director (including executive directors) may be removed from office prior to the expiry of their tenure by way of an ordinary resolution passed at a shareholders' general meeting. Such removal shall not prejudice the director's claim for damages under any contract. ... The compensation relating to the early dismissal of directors, supervisors and members of the senior management provided in the Articles of Association or the relevant contracts shall comply with the principle of fairness, shall not impair the legitimate rights and interests of the Company and shall not transfer benefits.</p> <p>...</p> <p>A director appointed by the Board of Directors to fill a casual vacancy or to increase the number of members of the Board of Directors shall hold office for a term commencing from the date of his appointment until the first annual general meeting after his appointment, and shall be eligible for re-election and re-appointment by then.</p> <p>...</p> <p>The Company currently does not have directors who are employee representatives.</p>	<p><b>Article 101 Non-employee representative</b> directors shall be elected or replaced at a <b>general meeting</b>, and any director (including executive directors) may be removed from office prior to the expiry of their tenure by way of an ordinary resolution passed at a <b>general meeting</b>. Such removal shall not prejudice the director's claim for damages under any contract. ... The compensation relating to the early dismissal of directors, <del>supervisors</del> and members of the senior management provided in the Articles of Association or the relevant contracts shall comply with the principle of fairness, shall not impair the legitimate rights and interests of the Company and shall not transfer benefits.</p> <p>...</p> <p><del>A director appointed by the Board of Directors to fill a casual vacancy or to increase the number of members of the Board of Directors shall hold office for a term commencing from the date of his appointment until the first annual general meeting after his appointment, and shall be eligible for re-election and re-appointment by then.</del></p> <p>...</p> <p><b>The Company shall have one director who is an employee representative. The employee representative director shall be elected and removed by the employees of the Company through the employee representative meeting, employee general meeting or other forms of democratic election, and need not be submitted to the general meeting for consideration.</b></p>



Original Article	Amended Article
<p>Article 99 The directors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the following fiduciary obligations towards the Company:</p> <p>...</p> <p>(IV) Shall not, in violation of the Articles of Association, provide loans to others using the Company's funds or provide guarantee for others with properties of the Company without the approval of the shareholders' general meeting or the Board of Directors;</p> <p>(V) Shall not enter into any contract or perform any transaction with the Company in violation of the provisions of the Articles of Association or without the consent of the shareholders' general meeting;</p> <p>(VI) Shall not make use of his position as director to procure business opportunities that should otherwise belong to the Company for himself or others; or to engage in the same business as the Company for his own account or for the benefits of any other persons without approval of the shareholders' general meeting;</p> <p>(VII) Shall not accept commissions from transactions between others and the Company for their own benefit;</p> <p>...</p>	<p><b>Article 102</b> The directors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the following fiduciary obligations towards the Company, <b>and shall take measures to avoid conflicts between their own interests and the Company's interests, and shall not use their position to seek improper benefits:</b></p> <p>...</p> <p><del>(IV) Shall not, in violation of the Articles of Association, provide loans to others using the Company's funds or provide guarantee for others with properties of the Company without the approval of the shareholders' general meeting or the Board of Directors;</del></p> <p>(IV) Shall not <b>directly or indirectly</b> enter into any contract or perform any transaction with the Company <b>without reporting to the Board of Directors or the general meeting and obtaining approval through a resolution of the Board of Directors or the general meeting in accordance with the provisions of these Articles of Association;</b></p> <p>(V) <b>Shall not make use of his position</b> to procure business opportunities that should otherwise belong to the Company for himself or others, <b>except when reported to the Board of Directors or the general meeting and approved by a resolution of the general meeting, or when the Company is unable to utilize such business opportunity according to the provisions of laws, administrative regulations, or these Articles of Association;</b></p> <p>(VI) <b>Shall not engage in the same business as the Company for his own account or for the benefits of any other persons without reporting to the Board of Directors or the general meeting and obtaining approval through a resolution of the general meeting;</b></p> <p>(VII) Shall not accept commissions from transactions between <b>others</b> and the Company for their own benefit;</p> <p>...</p>

Original Article	Amended Article
	<p><b>When close relatives of directors or members of the senior management, enterprises directly or indirectly controlled by directors, members of the senior management or their close relatives, and other related parties having other affiliations with directors or members of the senior management enter into contracts or conduct transactions with the Company, the provisions of item (IV) of paragraph 1 of this Article shall apply.</b></p>
<p>Article 100 Directors shall abide by laws, administrative regulations and the Articles of Association, and shall bear the following duty of diligence towards the Company:</p> <p>...</p> <p>(V) Shall provide relevant information and materials to the Supervisory Committee truthfully, and shall not obstruct the exercise of powers by the Supervisory Committee or the supervisors;</p> <p>...</p>	<p><b>Article 103</b> Directors shall abide by laws, administrative regulations and the Articles of Association, and shall bear the following duty of diligence towards the Company, <b>and in performing their duties, shall exercise the reasonable care normally expected of a manager for the best interests of the Company:</b></p> <p>...</p> <p>(V) Shall provide relevant information and materials to the <b>Audit Committee</b> truthfully, and shall not obstruct the exercise of powers by the <b>Audit Committee;</b></p> <p>...</p>
<p>Article 103 When a director's resignation takes effect or his term of office expires, he shall duly complete all handover procedures with the Board of Directors. His fiduciary duties towards the Company and shareholders will not necessarily cease after the expiry of his term of office. His obligation to keep trade secrets of the Company confidential shall remain effective after the expiry of his term of office until such secrets become public information. The period that other duties shall continue shall be determined according to the principle of fairness, and depending on the length of time lapsed between the event occurred and the termination as well as the circumstances and terms under which his relationships with the Company has been terminated.</p>	<p><b>Article 106</b> When a director's resignation takes effect or his term of office expires, he shall duly complete all handover procedures with the Board of Directors. His fiduciary duties towards the Company and shareholders will not necessarily cease after the expiry of his term of office. His obligation to keep trade secrets of the Company confidential shall remain effective after the expiry of his term of office until such secrets become public information. The period that other duties shall continue shall be determined according to the principle of fairness, and depending on the length of time lapsed between the event occurred and the termination as well as the circumstances and terms under which his relationships with the Company has been terminated. <b>The liability that a director should bear for actions taken while performing duties during their term of office shall not be exempted or terminated due to their termination.</b></p>

Original Article	Amended Article
	<p><b>The general meeting may resolve to remove a non-employee representative director, with the removal taking effect on the date the resolution is made.</b></p>
<p>Article 105 If a director violates laws, administrative regulations, departmental rules or the provisions of the Articles of Association when performing his duties and causes losses to the Company, he shall be liable for compensation.</p>	<p><b>Article 108 If a director, in performing his/her duties in the Company, causes damage to others, the Company shall be liable for compensation; if the director acted with intention or gross negligence, he/she shall also be liable for compensation.</b> If a director violates laws, administrative regulations, departmental rules or the provisions of the Articles of Association when performing his duties and causes losses to the Company, he shall be liable for compensation.</p>
<p>Article 106...</p> <p>Independent directors shall perform their duties as directors in accordance with the laws, adequately understand the business operations of the Company and the issues considered by the Board of Directors. Independent directors shall safeguard the interests of the Company as a whole with particular attention paid to the small and medium shareholders to ensure their legitimate rights and interests are protected. ...</p> <p>Independent directors have the general rights of directors, as well as the special rights in relation to relevant matters in accordance with the laws and regulations and the Articles of Association. The independent directors of the Company shall adequately exercise the following special rights:</p> <p>...</p> <p>(IV) Public solicitation of voting rights from shareholders prior to the shareholders' general meeting;</p> <p>...</p>	<p><b>Article 110</b> Independent Directors shall, <b>in accordance with the provisions of laws, administrative regulations, the CSRC, the stock exchange, and these Articles of Association, diligently perform their duties, play roles in participating in decision-making, providing checks and balances, and offering professional consultation within the Board of Directors,</b> safeguard the interests of the Company as a whole, <b>and protect the legitimate rights and interests of small and medium shareholders.</b> ...</p> <p><b>Article 111</b> Independent directors have the general rights of directors, as well as the special rights in relation to relevant matters in accordance with the laws and regulations and the Articles of Association. The independent directors of the Company shall adequately exercise the following special rights:</p> <p>...</p> <p><b>(IV) Public solicitation of shareholder rights from shareholders in accordance with law;</b></p> <p>...</p>

<b>Original Article</b>	<b>Amended Article</b>
Section 2 Board of Directors	Section 2 Board of Directors
Article 108 The Board of Directors shall consist of ten directors, including four independent directors, one chairman and several vice-chairmen.	<b>Article 114</b> The Board of Directors shall consist of ten directors, including four independent directors, <b>one employee representative director</b> , one chairman and several vice-chairmen.
Article 109 The Board of Directors shall exercise the following functions and powers: ... (IV) Formulate the Company's annual financial budget and final accounts; ... (XIX) Other powers conferred by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the Company's shares are listed or the Articles of Association. ...	<b>Article 115</b> The Board of Directors shall exercise the following functions and powers: ... <del>(IV) Formulate the Company's annual financial budget and final accounts;</del> ... (XVIII) Other powers conferred by laws, administrative regulations, departmental rules, securities regulations and rules of the places where the Company's shares are listed and <b>the Articles of Association or the general meeting</b> . ...
Article 112...  Subject to compliance with the listing rules of the places where the Company's shares are listed, the shareholders' general meeting authorizes the Board of Directors to exercise its powers in respect of the following matters when the shareholders' general meeting is not in session: ... (III) Matters on guarantee other than those specified in Article 42 of the Articles of Association; ...	<b>Article 118...</b>  Subject to compliance with the listing rules of the places where the Company's shares are listed, the <b>general meeting</b> authorizes the Board of Directors to exercise its powers in respect of the following matters when <b>the general meeting</b> is not in session: ... (III) Matters on guarantee other than those specified in <b>Article 45</b> of the Articles of Association; ...
Article 116 The Board of Directors shall convene at least one meeting every quarter, which shall be convened by the chairman of the Board of Directors and shall notify all directors and supervisors in writing 14 days prior to the meeting.	<b>Article 122</b> The Board of Directors shall convene at least one meeting every quarter, which shall be convened by the chairman of the Board of Directors and shall notify all directors <del>and supervisors</del> in writing 14 days prior to the meeting.

Original Article	Amended Article
<p>Article 117 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the Supervisory Committee may propose to convene an extraordinary meeting of the Board of Directors. The chairman of the Board of Directors shall convene and preside over a board meeting within ten days after receiving the proposal.</p>	<p><b>Article 123</b> Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or <b>the Audit Committee</b> may propose to convene an extraordinary meeting of the Board of Directors. The chairman of the Board of Directors shall convene and preside over a board meeting within ten days after receiving the proposal.</p>
<p>Article 118 A notice of extraordinary meeting of the Board of Directors may be issued by means provided in the Articles of Association. The notice shall be delivered to all the directors and supervisors no less than five days prior to the convening of the meeting.</p>	<p><b>Article 124</b> A notice of extraordinary meeting of the Board of Directors may be issued by means provided in the Articles of Association. The notice shall be delivered to all the directors <del>and supervisors</del> no less than five days prior to the convening of the meeting.</p>
<p>Article 121 If any director is related to the enterprise involved in the resolution at a board meeting, the said director shall not exercise his voting rights on the said resolution for himself or on behalf of another director. Such board meeting may be held when more than half of the non-related directors attend the meeting. The resolution of such board meeting shall be passed by more than half of the non-related directors. If the number of non-related directors attending the meetings is fewer than three, the matter shall be submitted to the shareholders' general meeting for consideration. Where the laws and regulations and securities regulations and rules of the places where the Company's shares are listed have any additional limitations in respect of the participation and voting by directors in board meetings, the Company shall comply with such provisions.</p>	<p><b>Article 127</b> If any director is related to the enterprise involved in the resolution at a board meeting, <b>the said director shall promptly report to the Board of Directors in writing. The director with a related party relationship</b> shall not exercise his voting rights on the said resolution for himself or on behalf of another director. Such board meeting may be held when more than half of the non-related directors attend the meeting. The resolution of such board meeting shall be passed by more than half of the non-related directors. If the number of non-related directors attending the <b>meetings</b> is fewer than three, the matter <b>shall</b> be submitted to the <b>general meeting</b> for consideration. Where the laws and regulations and securities regulations and rules of the places where the Company's shares are listed have any additional limitations in respect of the participation and voting by directors in board meetings, the Company shall comply with such provisions.</p>

**APPENDIX XI      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Original Article</b>	<b>Amended Article</b>
Chapter 6 Chief Executive Officer and Other Members of the Senior Management	Chapter 6 Chief Executive Officer and Other Members of the Senior Management
Article 127 Article 97 of the Articles of Association regarding circumstances where a person may not serve as a director shall also be applicable to the members of the senior management.	Article 133 <b>Article 100</b> of the Articles of Association regarding circumstances where a person may not serve as a director shall also be applicable to the members of the senior management.
Article 99 of the Articles of Association regarding the fiduciary obligations of the directors and Article 100 items (IV) to (VI) regarding duty of diligence shall also be applicable to the members of the senior management.	<b>Article 102</b> of the Articles of Association regarding the fiduciary obligations of the directors and <b>Article 103</b> items (IV) to (VI) regarding duty of diligence shall also be applicable to the members of the senior management.
Article 129 The chief executive officer shall be accountable to the Board of Directors and exercise the following functions and powers:  ...  (XI) to hire or dismiss personnel other than those who shall be hired or dismissed by the Board of Directors;  ...	<b>Article 135</b> The chief executive officer shall be accountable to the Board of Directors and exercise the following functions and powers:  ...  (XI) to hire or dismiss <b>management</b> personnel other than those who shall be hired or dismissed by the Board of Directors;  ...
Article 131 The working rules for the chief executive officer shall include the following:  (I) conditions and procedures for convening and participants of the chief executive officer meetings;  (II) respective duties and division of labor among the chief executive officer and other members of the senior management;  (III) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting system to the Board of Directors and Supervisory Committee;  (IV) other matters deemed necessary by the Board of Directors.	<b>Article 137</b> The working rules for the chief executive officer shall include the following:  (I) conditions and procedures for convening and participants of the chief executive officer meetings;  (II) respective duties and division of labor among the chief executive officer and other members of the senior management;  (III) the use of funds and assets of the Company, authority to enter into material contracts and systems for reporting system to the Board of Directors <del>and Supervisory Committee</del> ;  (IV) other matters deemed necessary by the Board of Directors.

Original Article	Amended Article
<p>Article 135...</p> <p>If a member of the senior management violates the requirements under the laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties in the Company and causes losses to the Company, he/she shall be liable for compensation.</p>	<p><b>Article 141...</b></p> <p><b>If a member of the senior management, in performing his/her duties in the Company, causes damage to others, the Company shall be liable for compensation; if the member of the senior management acted with intention or gross negligence, he/she shall also be liable for compensation.</b> If a member of the senior management violates the requirements under the laws, administrative regulations, departmental rules or the Articles of Association in the course of performing his/her duties in the Company and causes losses to the Company, he/she shall be liable for compensation.</p>
Chapter 8 Financial and Accounting System, Profit Distribution, and Audit	<b>Chapter 7</b> Financial and Accounting System, Profit Distribution, and Audit
Section 1 Financial Accounting System	Section 1 Financial Accounting System
<p>Article 152 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited into any personal account.</p>	<p><b>Article 144</b> The Company shall not establish account books other than the statutory account books. The funds of the Company shall not be deposited into any personal account.</p>
<p>Article 153 ...</p> <p>If the shareholders' general meeting has, in violation of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve, the shareholders must return the profits distributed in violation of the provision to the Company.</p> <p>...</p>	<p><b>Article 145 ...</b></p> <p><b>If the general meeting</b> has, in violation of the preceding paragraphs, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve, the shareholders must return the profits distributed in violation of the provision to the Company; <b>if losses are caused to the Company, the shareholders and the responsible Directors and members of the senior management shall bear liability for compensation.</b></p> <p>...</p>



Original Article	Amended Article
<p>Article 154 Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or converting into and increasing the capital of the Company. However, capital reserve shall not be used to offset losses of the Company.</p>	<p><b>Article 146</b> Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or converting into and increasing the <b>registered capital</b> of the Company. <b>To offset the losses of the Company, the discretionary reserve and the statutory reserve shall be used first; if still insufficient, the capital reserve may be used in accordance with regulations.</b></p>
<p>Article 159 Procedures for considering the profit distribution proposal of the Company:</p> <p>(I) The annual profit distribution proposal and three-year shareholders' return plan of the Company shall be proposed by the Board of Directors based on factors such as the Company's profitability, business development plan, shareholder return, fund demand, social capital cost, and external financing environment, and in accordance with the Articles of Association. The profit distribution proposal and three-year shareholders' return plan shall be considered and approved by the Board of Directors and Supervisory Committee respectively, before submitting to the shareholders' general meeting for consideration.</p> <p>...</p> <p>(III) When the Supervisory Committee considers the profit distribution proposal and the three-year shareholders' return plan, the Supervisory Committee must obtain the consent of more than half of all supervisors, and the Supervisory Committee shall supervise the implementation and the decision-making process of the dividend policies and shareholders' return plan by the Board of Directors and management.</p> <p>...</p>	<p><b>Article 151</b> Procedures for considering the profit distribution proposal of the Company:</p> <p>(I) The annual profit distribution proposal and three-year shareholders' return plan of the Company shall be proposed by the Board of Directors based on factors such as the Company's profitability, business development plan, shareholder return, fund demand, social capital cost, and external financing environment, and in accordance with the Articles of Association. The profit distribution proposal and three-year shareholders' return plan shall be considered and approved by the Board of Directors and <b>Audit Committee</b> respectively, before submitting to the <b>general meeting</b> for consideration.</p> <p>...</p> <p>(III) When the <b>Audit Committee</b> considers the profit distribution proposal and the three-year shareholders' return plan, the Supervisory Committee must obtain the consent of <b>more than half of all members of the Audit Committee</b>, and the <b>Audit Committee</b> shall supervise the implementation and the decision-making process of the dividend policies and shareholders' return plan by the Board of Directors and management.</p> <p>...</p>



<b>Original Article</b>	<b>Amended Article</b>
Section 2 Internal Audit	Section 2 Internal Audit
	<b>Article 156 [New]</b> The Company's internal audit institution shall conduct supervision and inspection on matters such as the Company's business activities, risk management, internal control, and financial information.
	<b>Article 157 [New]</b> The internal audit institution reports to the Board. During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the Audit Committee.
	<b>Article 158 [New]</b> The specific organization and implementation work of the Company's internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue the annual internal control evaluation report based on the evaluation report and related materials issued by the internal audit institution and reviewed by the Audit Committee.
	<b>Article 159 [New]</b> When the Audit Committee communicates with external audit units such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.
	<b>Article 160 [New]</b> The Audit Committee shall participate in the performance assessment of the head of internal audit.

**APPENDIX XI      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

<b>Original Article</b>	<b>Amended Article</b>
Section 3 Appointment of Accounting Firm	Section 3 Appointment of Accounting Firm
Article 165 The appointment, removal, or non-renewal of an accounting firm by the Company must be passed by the shareholders' general meeting by way of an ordinary resolution, and the Board of Directors shall not appoint an accounting firm before the decision is made by the shareholders' general meeting.	<b>Article 162</b> The appointment, removal, or non-renewal of an accounting firm by the Company <b>shall be submitted to the Board for consideration after passed by more than half of all members of the Audit Committee, and</b> must be passed by the <b>general meeting</b> by way of an ordinary resolution, and the Board of Directors shall not appoint an accounting firm before the decision is made by <b>the general meeting</b> .
Chapter 9 Notice and Announcement	<b>Chapter 8</b> Notice and Announcement
Section 1 Notice	Section 1 Notice
Article 173 Notice of convening the meeting of the Supervisory Committee of the Company shall be served by hand, fax or post.	<del>Article 173 Notice of convening the meeting of the Supervisory Committee of the Company shall be served by hand, fax or post.</del>
Section 2 Announcement	Section 2 Announcement
Article 176 ... Directors, supervisors, and members of the senior management shall ensure the authenticity, accuracy, completeness, timeliness, and fairness of the information disclosed by the Company. The Company shall formulate codes of conduct for directors, supervisors and members of the senior management on releasing information to the public, and clarify that information shall not be released to the public without the permission of the Board of Directors.  The directors, supervisors and members of the senior management of the Company shall sign written confirmation for the securities issuance documents and regular reports. In the event that the truthfulness, accuracy, completeness of the securities issuance documents and regular reports cannot be guaranteed or is disputed, the directors, supervisors and members of the senior management shall express their opinions and state reasons in the written confirmation which the Company shall disclose. If the Company does not disclose, the directors, supervisors and members of the senior management may directly apply for disclosure.  ...	<b>Article 172</b> ... Directors, <del>supervisors</del> , and members of the senior management shall ensure the authenticity, accuracy, completeness, timeliness, and fairness of the information disclosed by the Company. The Company shall formulate codes of conduct for directors, <del>supervisors</del> and members of the senior management on releasing information to the public, and clarify that information shall not be released to the public without the permission of the Board of Directors.  The directors, <del>supervisors</del> and members of the senior management of the Company shall sign written confirmation for the securities issuance documents and regular reports. In the event that the truthfulness, accuracy, completeness of the securities issuance documents and regular reports cannot be guaranteed or is disputed, the directors, <del>supervisors</del> and members of the senior management shall express their opinions and state reasons in the written confirmation which the Company shall disclose. If the Company does not disclose, the directors, <del>supervisors</del> and members of the senior management may directly apply for disclosure.  ...

Original Article	Amended Article
Chapter 10 Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation	<b>Chapter 9</b> Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation
Section 1 Merger, Division, Capital Increase and Capital Reduction	Section 1 Merger, Division, Capital Increase and Capital Reduction
	<b>Article 174 [New]</b> If the consideration paid by the Company for a merger does not exceed ten percent of the Company's net assets, it may proceed without a resolution of the general meeting, unless otherwise stipulated in the Articles of Association. If the Company merges in accordance with the preceding paragraph without a resolution of a general meeting, it shall be approved by a resolution of the Board.
Article 178 ... The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 30 days. ...	<b>Article 175</b> ... The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement on the Qualified Media ( <b>including the National Enterprise Credit Information Publicity System</b> ) and the HKEXnews website (www.hkexnews.hk) within 30 days. ...
Article 180 ... The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 30 days.	<b>Article 177</b> ... The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement on the Qualified Media ( <b>including the National Enterprise Credit Information Publicity System</b> ) and the HKEXnews website (www.hkexnews.hk) within 30 days.

Original Article	Amended Article
<p>Article 182 ... The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 30 days. Creditors are entitled to require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p> <p>The reduced registered capital of the Company shall not be lower than the minimum statutory amount.</p>	<p><b>Article 179</b> ... The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital, and make an announcement on the Qualified Media <b>(including the National Enterprise Credit Information Publicity System)</b> and the HKEXnews website (www.hkexnews.hk) within 30 days. Creditors are entitled to require the Company to repay the debts or to provide corresponding guarantee within 30 days from receipt of notification or within 45 days from the day of announcement if they do not receive the notification.</p> <p><del>The reduced registered capital of the Company shall not be lower than the minimum statutory amount.</del> <b>When the Company reduces its registered capital, the reduction in capital contribution or shares shall be made proportionally according to the shares held by the shareholders, unless otherwise provided by law or the Articles of Association.</b></p>
	<p><b>Article 181 [New]</b> If the Company still has losses after covering losses in accordance with Article 146 of the Articles of Association, it may reduce its registered capital to cover the losses. When reducing registered capital to cover losses, the Company shall not distribute assets to shareholders, nor shall it exempt shareholders from the obligation to pay capital contributions or share subscriptions.</p> <p>When reducing registered capital in accordance with the preceding paragraph, the provisions of paragraph 2 of Article 179 of the Articles of Association shall not apply, but shall make an announcement on qualified media (including the National Enterprise Credit Information Publicity System) and the HKEXnews website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) within thirty days from the date the general meeting passes the resolution to reduce registered capital.</p>

Original Article	Amended Article
	After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches fifty percent of the Company's registered capital.
	Article 182 [New] If registered capital is reduced in violation of the Company Law and other relevant regulations, shareholders shall return the funds they received, and any reduction in shareholder capital contribution shall be restored to its original state; if losses are caused to the Company, the shareholders and the responsible Directors and members of the senior management shall bear liability for compensation.
	Article 183 [New] When the Company issues new shares to increase its registered capital, shareholders do not enjoy pre-emptive subscription rights, unless the general meetings resolve otherwise.
Section 2 Dissolution and Liquidation	Section 2 Dissolution and Liquidation
Article 184 The Company shall be dissolved for the following reasons:  ...	Article 184 The Company shall be dissolved for the following reasons:  ...  When a cause for dissolution stipulated in the preceding paragraph occurs for the Company, the cause for dissolution shall be publicized through the National Enterprise Credit Information Publicity System within ten days.

Original Article	Amended Article
<p>Article 185 Under the circumstances set out in item (I) of Article 184 of the Articles of Association, the Company may subsist through amendment of the Articles of Association.</p> <p>Where amendments of the Articles of Association are made in accordance with the preceding paragraph, such amendments shall be passed by votes representing more than two-thirds of the voting rights held by shareholders attending the shareholders' general meeting.</p>	<p>Article 185 Under the circumstances set out in item (I) <b>and item (II)</b> of Article 184 of the Articles of Association, <b>where assets are yet to be distributed to shareholders</b>, the Company may subsist through amendment of the Articles of Association <b>or resolution at a general meeting</b>.</p> <p>Where amendments of the Articles of Association are made in accordance with the preceding paragraph <b>or through resolution at a general meeting</b>, such amendments shall be passed by votes representing more than two-thirds of the voting rights held by shareholders attending the <b>general meeting</b>.</p>
<p>Article 186 Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 184 of the Articles of Association, a liquidation team shall be set up within 15 days from the date of occurrence of the cause of dissolution and shall commence liquidation. The liquidation team shall consist of members determined by the directors or the shareholders' general meeting. In case no such liquidation team is established to timely proceed with liquidation, the creditors may make an application for the People's Court to appoint relevant persons to form the liquidation team for liquidation.</p>	<p>Article 186 Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) of Article 184 of the Articles of Association, <b>it shall undergo liquidation. The directors are the liquidation obligors of the Company and a liquidation team shall be set up within 15 days from the date of occurrence of the cause of dissolution and conduct liquidation. The liquidation team shall be composed of directors, unless otherwise stipulated in the Articles of Association or otherwise resolved by the general meetings. If the liquidation obligors fail to timely perform their liquidation obligations, causing losses to the Company or creditors, they shall be liable for compensation.</b></p>
<p>Article 188 The liquidation team shall, within 10 days from its establishment, notify the creditors, and make an announcement on the Qualified Media and the HKEXnews website (www.hkexnews.hk) within 60 days....</p>	<p>Article 188 The liquidation team shall, within 10 days from its establishment, notify the creditors, and make an announcement on the Qualified Media <b>(including the National Enterprise Credit Information Publicity System)</b> and the HKEXnews website (www.hkexnews.hk) within 60 days....</p>

Original Article	Amended Article
<p>Article 190 Upon sorting of the Company’s assets and formulation of balance sheet and inventory list of assets, where the liquidation team is aware that the Company’s assets are inadequate for repayment of debts, the liquidation team shall apply to the People’s Court for declaration of insolvency.</p> <p>Upon declaration of the Company’s insolvency pursuant to the ruling of the People’s Court, the liquidation team shall hand over the liquidation matters to the People’s Court.</p>	<p>Article 190 Upon sorting of the Company’s assets and formulation of balance sheet and inventory list of assets, where the liquidation team is aware that the Company’s assets are inadequate for repayment of debts, the liquidation team shall <b>apply</b> to the People’s Court for <b>insolvency liquidation</b>.</p> <p>Upon <b>acceptance</b> of the Company’s <b>liquidation application</b> by the People’s Court, the liquidation team shall hand over the liquidation matters to <b>an official receiver appointed by</b> the People’s Court.</p>
<p>Article 192 The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.</p> <p>The members of the liquidation team shall not take any bribe or other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate the properties of the Company.</p> <p>Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to material negligence, he/she shall be liable to compensation.</p>	<p>Article 192 The members of the liquidation team <b>are under fiduciary obligations and duty of diligence when fulfilling their obligations of liquidation</b>.</p> <p><del>The members of the liquidation team shall not take any bribe or other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate the properties of the Company.</del></p> <p>Where any members of the liquidation team <b>neglect their liquidation duties, causing losses to the Company, they shall bear liability for compensation;</b> if they cause any loss to the Company or any creditor with intention or due to material negligence, he/she shall be liable to compensation.</p>

Original Article	Amended Article
Chapter 12 Supplementary Articles	Chapter 11 Supplementary Articles
<p>Article 198 Definitions</p> <p>(I) A controlling shareholder refers to a shareholder holding shares representing more than 50% of the total share capital of the Company; a shareholder holding less than 50% of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a shareholders' general meeting, or controlling shareholder as defined in the securities regulations and rules of the places where the Company's shares are listed;</p> <p>(II) An de facto controller refers to a natural person, legal person or other organization which is not a shareholder of the Company but can effectively control the Company through investments, agreements or other arrangements.</p> <p>(III) Connected relations refer to relations between a controlling shareholder, de facto controller, director, supervisor or members of the senior management of the Company and the enterprise directly or indirectly controlled by the same, and other relations which may give rise to a transfer of interests of the Company. However, enterprises owned by the State will not be regarded as having connected relations only because they are owned by the State.</p> <p>...</p> <p>(V) In the Articles of Association, the meaning of "chief executive officer" is consistent with the meaning of "manager" under the Company Law; the meaning of "accounting firm" is consistent with the meaning of "auditor" in the Hong Kong Listing Rules, and the meaning of "independent director" is consistent with the meaning of "independent non-executive director" in the Hong Kong Listing Rules.</p>	<p>Article 198 Definitions</p> <p>(I) A controlling shareholder refers to a shareholder holding shares representing <b>more than 50%</b> of the total share capital of the Company; a shareholder holding <b>no more than 50%</b> of shares in the Company, but the voting rights vested by the shares held by him/her have a material effect on any resolutions made at a <b>general meeting</b>, or controlling shareholder as defined in the securities regulations and rules of the places where the Company's shares are listed;</p> <p>(II) An de facto controller refers to a natural person, legal person or other organization which <del>is not a shareholder of the Company but</del> can effectively control the Company through investments, agreements or other arrangements.</p> <p>(III) Connected relations refer to relations between a controlling shareholder, de facto controller, director, <del>supervisor</del> or members of the senior management of the Company and the enterprise directly or indirectly controlled by the same, and other relations which may give rise to a transfer of interests of the Company. However, enterprises owned by the State will not be regarded as having connected relations only because they are owned by the State.</p> <p>...</p> <p>(V) In the Articles of Association, the meaning of "chief executive officer" is consistent with the meaning of "manager" under the Company Law; the meaning of "accounting firm" is consistent with the meaning of "auditor" in the Hong Kong Listing Rules, and the meaning of "independent director" is consistent with the meaning of "independent non-executive director" in the Hong Kong Listing Rules.</p>



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**APPENDIX XI      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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<b>Original Article</b>	<b>Amended Article</b>
Article 200 The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the administration for industry and commerce shall prevail.	Article 200 The Articles of Association are written in Chinese. In case of any inconsistency between the Articles of Association and the articles of association in any other language or of different version, the latest Chinese version of the Articles of Association approved by and registered with the <b>administration for market regulation</b> shall prevail.
Article 204 Appendixes to the Articles of Association include the rules of procedure for shareholders' general meetings, the rules of procedure for meetings of the Board of Directors and the rules of procedure for meetings of the Supervisory Committee.	Article 204 Appendixes to the Articles of Association include <b>the rules of procedure for general meetings and</b> the rules of procedure for meetings of the Board of Directors <del>and the rules of procedure for meetings of the Supervisory Committee.</del>

Details of the proposed amendments to the *Rules of Procedure of the Shareholders' General Meeting* are as below:

- (1) The *Rules of Procedure of the Shareholders' General Meeting* shall be replaced with the *Rules of Procedure of the General Meeting*;
- (2) The term “Shareholder’s General Meeting” shall be replaced with “general meeting” throughout the *Rules of Procedure of the General Meeting*; and
- (3) Other amendments to the *Rules of Procedure of the General Meeting* are detailed below:

Original provision	Amended provision
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 For the purpose of regulating the conduct of the Company and ensuring that shareholders' general meetings perform functions in accordance with the law, these Rules are developed in accordance with relevant laws, regulations, and rules including the <i>Company Law of the People's Republic of China</i> (hereinafter referred to as the “Company Law”), the <i>Securities Law of the People's Republic of China</i> (hereinafter referred to as the “Securities Law”), the <i>Rules for the Shareholders' General Meetings of Listed Companies</i> , the <i>Stock Listing Rules of the Shenzhen Stock Exchange</i> , and the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i> (hereinafter referred to as the “Hong Kong Listing Rules”), as well as the <i>Articles of Association of Midea Group Co., Ltd.</i> (hereinafter referred to as the “Articles of Association”).	Article 1 For the purpose of regulating the conduct of the Company and ensuring that <b>general meeting</b> perform functions in accordance with the law, these Rules are developed in accordance with relevant laws, regulations, and rules including the <i>Company Law of the People's Republic of China</i> (hereinafter referred to as the “Company Law”), the <i>Securities Law of the People's Republic of China</i> (hereinafter referred to as the “Securities Law”), <del>the Rules for the Shareholders' General Meetings of Listed Companies</del> , the <i>Stock Listing Rules of the Shenzhen Stock Exchange</i> , and the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i> (hereinafter referred to as the “Hong Kong Listing Rules”), as well as the <i>Articles of Association of Midea Group Co., Ltd.</i> (hereinafter referred to as the “Articles of Association”). <b>These Rules shall apply to matters such as the convening, submission of proposals, notification, and holding of general meeting of listed companies.</b>

Original provision	Amended provision
Article 4 Shareholders' general meetings include AGM and extraordinary shareholders' general meetings. The AGM, which is held once every year, shall be held within six months after the end of the last fiscal year. Extraordinary shareholders' general meetings shall be held from time to time and shall be held within two months in case of any circumstance where such a meeting is necessary as prescribed in Article 100 of the <i>Company Law</i> .	Article 4 <b>General meetings</b> include AM and extraordinary <b>general meeting</b> . The <b>AM</b> , which is held once every year, shall be held within six months after the end of the last fiscal year. Extraordinary <b>general meeting</b> shall be held from time to time and shall be held within two months in case of any circumstance where such a meeting is necessary as prescribed in <b>Article 113</b> of the <i>Company Law</i> .
Article 5 Where a shareholders' general meeting is held, the Company may retain lawyers to issue legal opinions on the following issues: ... (6) the number of shares voting in favor, against, or abstaining for each proposal, along with the total number of valid voting shares held by shareholders present at the meeting, and whether the proposal has been approved, excluding proposals regarding the election of directors and supervisors through the cumulative voting system. For proposals on the election of directors and supervisors through the cumulative voting system, the number of votes obtained by each candidate and whether they have been elected; whether the voting results of this shareholders' general meeting are legal and valid; ...	Article 5 Where a <b>general meeting</b> is held, the Company may retain lawyers to issue legal opinions on the following issues: ... (6) the number of shares voting in favor, against, or abstaining for each proposal, along with the total number of valid voting shares held by shareholders present at the meeting, and whether the proposal has been approved, excluding proposals regarding the election of directors <del>and supervisors</del> through the cumulative voting system. For proposals on the election of directors <del>and supervisors</del> through the cumulative voting system, the number of votes obtained by each candidate and whether they have been elected; whether the voting results of this <b>general meeting</b> are legal and valid; ...
Chapter 2 Convening of Shareholders' General Meetings	Chapter 2 Convening of <b>General Meetings</b>
Article 7 Independent non-executive directors shall have the right to propose the holding of an extraordinary shareholders' general meeting to the Board of Directors. For such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, issue a written opinion on whether to agree or disagree to hold the extraordinary shareholders' general meeting within ten days of receiving the proposal. ...	Article 7 Independent non-executive directors shall have the right to propose the holding of an extraordinary <b>general meeting</b> to the Board of Directors <b>with the consent of a majority of all independent non-executive directors</b> . For such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, issue a written opinion on whether to agree or disagree to hold the extraordinary <b>general meeting</b> within ten days of receiving the proposal. ...

Original provision	Amended provision
<p>Article 8 The Supervisory Committee shall have the right to propose the holding of an extraordinary shareholders' general meeting to the Board of Directors, and shall propose it in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, issue a written opinion on whether to agree or disagree to hold the extraordinary shareholders' general meeting within ten days of receiving the proposal.</p> <p>If the Board of Directors agrees to hold the extraordinary shareholders' general meeting, it shall issue a notice of holding a shareholders' general meeting within five days after a resolution is made at a meeting of the Board of Directors, but any modification to the original proposal in the notice shall be subject to the consent of the Supervisory Committee.</p> <p>If the Board of Directors disagrees to hold the extraordinary shareholders' general meeting or no written feedback is provided within ten days after the proposal is received, it shall be deemed that the Board of Directors is unable to perform or fails to perform the duty of convening the shareholders' general meeting, and the Supervisory Committee may convene and preside over the meeting on its initiative.</p>	<p>Article 8 The <b>Audit Committee</b> shall have the right to propose the holding of an extraordinary <b>general meeting</b> to the Board of Directors, and shall propose it in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, issue a written opinion on whether to agree or disagree to hold the extraordinary <b>general meeting</b> within ten days of receiving the proposal.</p> <p>If the Board of Directors agrees to hold the extraordinary <b>general meeting</b>, it shall issue a notice of holding within five days after a resolution is made at a meeting of the Board of Directors, but any modification to the original proposal in the notice shall be subject to the consent of the <b>Audit Committee</b>.</p> <p>If the Board of Directors disagrees to hold the extraordinary <b>general meeting</b> or no written feedback is provided within ten days after the proposal is received, it shall be deemed that the Board of Directors is unable to perform or fails to perform the duty of convening the <b>general meeting</b>, and the Audit Committee may convene and preside over the meeting on its initiative.</p>
<p>Article 9...</p> <p>If the Board of Directors disagrees to hold the extraordinary shareholders' general meeting or no written feedback is provided within ten days after the proposal is received, the shareholder(s) separately or aggregately holding 10% or more of the shares of the Company shall have the right to file a request for holding an extraordinary shareholders' general meeting with the Supervisory Committee, and shall request it in writing.</p>	<p>Article 9...</p> <p>If the Board of Directors disagrees to hold the extraordinary <b>general meeting</b> or no written feedback is provided within ten days after the proposal is received, the shareholder(s) separately or aggregately holding 10% or more of the shares of the Company shall have the right to file a request for holding an extraordinary <b>general meeting</b> with the <b>Audit Committee</b>, and shall request it in writing.</p>

Original provision	Amended provision
<p>If the Supervisory Committee agrees to hold the extraordinary shareholders' general meeting, it shall issue a notice of holding a shareholders' general meeting within five days of receiving the request, but any modification to the original proposal in the notice shall be subject to the consent of relevant shareholder(s).</p> <p>If the Supervisory Committee fails to issue a notice of holding a shareholders' general meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee fails to convene and preside over the shareholders' general meeting, and the shareholder(s) separately or aggregately holding 10% or more of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on its or their initiative.</p>	<p>If the <b>Audit Committee</b> agrees to hold the extraordinary <b>general meeting</b>, it shall issue a notice of holding a <b>general meeting</b> within five days after the request is received, but any modification to the original proposal in the notice shall be subject to the consent of relevant shareholder(s).</p> <p>If the <b>Audit Committee</b> fails to issue a notice of holding a <b>general meeting</b> within the prescribed time limit, it shall be deemed that the <b>Audit Committee</b> fails to convene and preside over the <b>general meeting</b>, and the shareholder(s) separately or aggregately holding 10% or more of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on its or their initiative.</p>
<p>Article 10 After deciding to convene a shareholders' general meeting on its or their initiative, the Supervisory Committee or shareholder(s) shall notify the Board of Directors in writing.</p> <p>Before the resolution of the shareholders' general meeting is announced, the shares held by the shareholder(s) convening the meeting may not be less than 10%. If a shareholder individually or shareholders collectively convene and preside over a shareholders' general meeting in accordance with the <i>Company Law</i>, the <i>Rules for the Shareholders' Meetings of Listed Companies</i>, and these Rules, their shares in the Company must be submitted to the China Securities Depository and Clearing Corporation Limited for lockup. This lockup period shall begin no later than the trading day before the meeting notification is released and end no earlier than the trading day after the meeting resolution is announced.</p>	<p>Article 10 After deciding to convene a <b>general meeting</b> on its or their initiative, the <b>Audit Committee</b> or shareholder(s) shall notify the Board of Directors in writing.</p> <p>Before the resolution of the <b>general meeting</b> is announced, the shares held by the shareholder(s) convening the meeting may not be less than 10%. If a shareholder individually or shareholders collectively convene and preside over a <b>general meeting</b> in accordance with the <i>Company Law</i>, <b>relevant regulations for listed companies</b>, and these Rules, their shares in the Company must be submitted to the China Securities Depository and Clearing Corporation Limited for lockup. This lockup period shall begin no later than the trading day before the meeting notification is released and end no earlier than the trading day after the meeting resolution is announced.</p>

Original provision	Amended provision
Article 11 The Board of Directors and the Board Secretary shall cooperate with a shareholders' general meeting convened by the Supervisory Committee or shareholder(s) on its or their initiative. The Board of Directors shall provide the register of shareholders at the date of record.	Article 11 The Board of Directors and the Board Secretary shall cooperate with a <b>general meeting</b> convened by the <b>Audit Committee</b> or shareholder(s) on its or their initiative. The Board of Directors shall provide the register of shareholders at the date of record.
Article 12 The expenses needed for a shareholders' general meeting convened by the Supervisory Committee or shareholder(s) on its or their initiative shall be assumed by the Company.	Article 12 The expenses needed for a <b>general meeting</b> convened by the <b>Audit Committee</b> or shareholder(s) on its or their initiative shall be assumed by the Company.
Chapter 3 Proposals and Notices for Shareholders' General Meetings	Chapter 3 Proposals and Notices for <b>General Meetings</b>
Article 14 The shareholder(s) separately or aggregately holding 3% or more of the shares of the Company may, ten days before the shareholders' general meeting is held, make a special proposal and submit it to the convener in writing. ...	Article 14 The shareholder(s) separately or aggregately holding <b>1%</b> or more of the shares of the Company may, ten days before the <b>general meeting</b> is held, make a special proposal and submit it to the convener in writing. ...
Article 16 The notice and supplementary notice of holding a shareholders' general meeting shall fully and completely disclose the specific contents of all proposals, and all materials or interpretations necessary for shareholders to rationally decide on matters to be deliberated. For matters to be deliberated which require comments from independent non-executive directors, the comments and reasons of independent non-executive directors shall also be disclosed when the notice or supplementary notice of holding a shareholders' general meeting is published.	Article 16 The notice and supplementary notice of holding a <b>general meeting</b> shall fully and completely disclose the specific contents of all proposals, and all materials or interpretations necessary for shareholders to rationally decide on matters to be deliberated. <del>For matters to be deliberated which require comments from independent non-executive directors, the comments and reasons of independent non-executive directors shall also be disclosed when the notice or supplementary notice of holding a shareholders' general meeting is published.</del>

Original provision	Amended provision
<p>Article 17 Where matters concerning the director or supervisor election are to be deliberated at a shareholders' general meeting, the details on the candidates shall be disclosed in the notice of holding a shareholders' general meeting, including at a minimum the following:</p> <p>(1) whether there are any circumstances disqualifying nominees from serving as directors or supervisors, whether they fulfill the qualifications required by laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the Company's stock listing location, and the Articles of Association;</p> <p>...</p>	<p>Article 17 Where matters concerning the director <del>or supervisor</del> election are to be deliberated at a <b>general meeting</b>, the details on the candidates shall be disclosed in the notice of holding a <b>general meeting</b>, including at a minimum the following:</p> <p>(1) whether there are any circumstances disqualifying nominees from serving as directors <del>or supervisors</del>, whether they fulfill the qualifications required by laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the Company's stock listing location, and the Articles of Association;</p> <p>...</p>
<p>Article 19 After a notice of holding a shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or canceled, and any proposal listed in the notice shall not be canceled without any justified reason. If any circumstance for postponement or cancellation of the meeting occurs, the convener shall announce it and explain the reasons at least two working days before the original date of holding. Where the Board of Directors or the Supervisory Committee serves as the convener, they shall hold a meeting to deliberate on the cancellation of the shareholders' general meeting. Where the securities regulatory rules at the Company's stock listing location contain special provisions for procedures regarding the postponement or cancellation of a shareholders' general meeting, such provisions shall be followed, provided they do not violate domestic regulatory requirements.</p> <p>Where the name and content of a proposal remain unchanged, and the convener subsequently prepares to reissue a notice of the shareholders' general meeting to present it at a new shareholders' general meeting for consideration, the relevant proposal does not need to be considered again by the Board of Directors or the Supervisory Committee and may be submitted directly to the new shareholders' general meeting. However, the Board of Directors or the Supervisory Committee must issue a corresponding resolution regarding matters such as proposing to convene the new shareholders' general meeting and submitting the relevant proposal to that meeting.</p>	<p>Article 19 After a notice of holding a <b>general meeting</b> is issued, the <b>general meeting</b> shall not be postponed or canceled, and any proposal listed in the notice shall not be canceled without any justified reason. If any circumstance for postponement or cancellation of the meeting occurs, the convener shall announce it and explain the reasons at least two working days before the original date of holding. Where the <b>Board of Directors</b> or the Audit Committee serves as the convener, they shall hold a meeting to deliberate on the cancellation of the <b>general meeting</b>. Where the securities regulatory rules at the Company's stock listing location contain special provisions for procedures regarding the postponement or cancellation of a <b>general meeting</b>, such provisions shall be followed, provided they do not violate domestic regulatory requirements.</p> <p>Where the name and content of a proposal remain unchanged, and the convener subsequently prepares to reissue a notice of the <b>general meeting</b> to present it at a new <b>general meeting</b> for consideration, the relevant proposal does not need to be considered again by the Board of Directors or the <b>Audit Committee</b> and may be submitted directly to the new <b>general meeting</b>. However, the Board of Directors or the <b>Audit Committee</b> must issue a corresponding resolution regarding matters such as proposing to convene the new <b>general meeting</b> and submitting the relevant proposal to that meeting.</p>



Original provision	Amended provision
Chapter 4 Holding of Shareholders' General Meetings	Chapter 4 Holding of General Meetings
Article 20 ... A shareholders' general meeting shall be held in a meeting room in the form of on-site meeting. The Company may also provide shareholders with convenience in attending the shareholders' general meeting in other forms. Shareholders may attend a shareholders' general meeting and exercise their voting rights in person, and may authorize others to attend, speak, and vote on their behalf within the scope of authorization....	Article 20 ... A <b>general meeting</b> shall be held in a meeting room in the form of on-site meeting. <b>In addition to being held in a meeting room in the form of on-site meeting, a general meeting may be held in the form of electronic communication.</b> The Company may also provide shareholders with convenience in attending the <b>general meeting</b> in other forms. Shareholders may attend a <b>general meeting</b> and exercise their voting rights in person, and may authorize others to attend, speak, and vote on their behalf within the scope of authorization....
Article 27...  The chairman of the Supervisory Committee shall preside over a shareholders' general meeting convened by the Supervisory Committee on its initiative. If the chairman of the Supervisory Committee is unable or fails to perform his or her duties, a supervisor jointly recommended by half or more of supervisors shall preside over the meeting.  Where a shareholders' general meeting is convened by a shareholder or shareholders on its or their initiative, a representative recommended by the convener shall preside over the meeting. ...	Article 27...  The chairman of the <b>Audit Committee</b> shall preside over a <b>general meeting</b> convened by the <b>Audit Committee</b> on its initiative. If the convener of the <b>Audit Committee</b> is unable or fails to perform his or her duties, a <b>member of the Audit Committee</b> jointly recommended by half or more of <b>members of the Audit Committee</b> shall preside over the meeting.  Where a <b>general meeting</b> is convened by a shareholder or shareholders on its or their initiative, <b>the convener or a representative recommended by the convener</b> shall preside over the meeting. ...
Article 28 At the AGM, the Board of Directors and the Supervisory Committee shall report their respective work in the previous year to the shareholders' general meeting, and each independent non-executive director shall also make a work report.	Article 28 At the <b>AM</b> , the Board of Directors <del>and the Supervisory Committee</del> shall report their respective work in the previous year to the <b>general meeting</b> , and each independent non-executive director shall also make a work report.
Article 29 Directors, supervisors, and senior management shall respond to inquiries from shareholders at a shareholders' general meeting by providing explanations or statements.	Article 29 Directors, <del>supervisors</del> , and senior management shall respond to inquiries from shareholders at a <b>general meeting</b> by providing explanations or statements.



Original provision	Amended provision
<p>Article 32 When the director or supervisor election is voted at a shareholders' general meeting, the cumulative voting system may apply according to the provisions of the Articles of Association or the resolution of the shareholders' general meeting.</p> <p>The term "cumulative voting system" as mentioned in the preceding paragraph means that in the election of directors or supervisors at a shareholders' general meeting, each share carries voting rights in the number of directors or supervisors to be elected and the shareholder may cast all the votes to one candidate.</p>	<p>Article 32 When the director <del>or supervisor</del> election is voted at a <b>general meeting</b>, the cumulative voting system may apply according to the provisions of the Articles of Association or the resolution of the <b>general meeting</b>.</p> <p>The term "cumulative voting system" as mentioned in the preceding paragraph means that in the election of directors <del>or supervisors</del> at a <b>general meeting</b>, each share carries voting rights in the number of directors <del>or supervisors</del> to be elected and the shareholder may cast all the votes to one candidate.</p>
<p>Article 37...</p> <p>Before proposals are voted at a shareholders' general meeting, a representative of shareholders and a representative of supervisors shall be collectively responsible for the counting and supervision of ballots.</p>	<p>Article 37...</p> <p>Before proposals are voted, <b>a lawyer and a</b> representative of shareholders <del>and a representative of supervisors</del> shall be collectively responsible for the counting and supervision of ballots, <b>and announcing voting results on the spot</b>.</p>
<p>Article 39 The Board Secretary shall be responsible for preparing the minutes of a shareholders' general meeting, which shall cover:</p> <p>...</p> <p>(2) the names of the presider and the directors, supervisors, Board Secretary, the President, and other senior management attending or observing the meeting;</p> <p>...</p> <p>(6) the names of the ballot counters and supervisors;</p> <p>...</p>	<p>Article 39 The Board Secretary shall be responsible for preparing the minutes of a <b>general meeting</b>, which shall cover:</p> <p>...</p> <p>(2) the names of the presider and the directors, <del>supervisors, Board Secretary, the President, and other</del> senior management attending or observing the meeting;</p> <p>...</p> <p>(6) the names of the <b>lawyer</b>, ballot counters and supervisors;</p> <p>...</p>
<p>Article 41 Where a proposal on the director or supervisor election is passed at a shareholders' general meeting, the newly appointed directors or supervisors shall assume office according to the Articles of Association.</p>	<p>Article 41 Where a proposal on the director <del>or supervisor</del> election is passed at a <b>general meeting</b>, the newly appointed directors <del>or supervisors</del> shall assume office according to the Articles of Association.</p>

Original provision	Amended provision
<p>Article 43...</p> <p>Where the convening procedures or voting method of a shareholders' general meeting violates any law or administrative regulation or the Articles of Association, or the contents of a resolution thereof violate the Articles of Association, shareholders have the right to, within 60 days after the resolution is made, request the people's court to revoke the resolution.</p>	<p>Article 43...</p> <p>Where the convening procedures or voting method of a <b>general meeting</b> violates any law or administrative regulation or the Articles of Association, or the contents of a resolution thereof violate the Articles of Association, shareholders have the right to, within 60 days after the resolution is made, request the people's court to revoke the resolution, <b>unless there is only any minor defect in the convening procedure or voting methods of the general meeting, which does not have a substantial impact on the resolution.</b></p> <p><b>Where the Board of Directors, shareholders, or other related parties have disputes over the qualification of the convener, the convening procedure, the legality of the content of the proposal, the validity of the resolution of the general meeting, or other matters, the effective judgement or ruling rendered by the judiciary authority shall prevail. Before the judgment or ruling rendered by the judiciary authority takes effect, no party shall refuse to execute the contents of the resolution in the excuse that the resolution of the general meeting is invalid. The Company and its directors and senior management shall effectively perform their duties and execute the resolutions of the general meeting in a timely manner, so as to guarantee the normal operation of the Company.</b></p> <p><b>If the judiciary authority renders a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with laws, administrative regulations, and rules of the CSRC and the stock exchange, fully explain the impact, and actively cooperate in the execution of the judgment or ruling after it takes effect. If it involves the correction of previous matters, it shall be handled in a timely manner and the corresponding information disclosure obligations shall be fulfilled.</b></p>

Original provision	Amended provision
Chapter 7 Supplementary Provisions	Chapter 7 Supplementary Provisions
Article 52 These Rules, as an appendix to the Articles of Association, following approval at the Shareholders' General Meeting, shall take effect from the date on which the Company's H-shares are listed on The Stock Exchange of Hong Kong Limited.	Article 52 These Rules, as an appendix to the Articles of Association, <b>shall take effect upon approval at the General Meeting.</b>

Details of the proposed amendments to the *Rules of Procedure of the Board of Directors* are as below:

- (1) The term “Shareholder’s General Meeting” shall be replaced with “Shareholders’ Meeting” throughout the *Rules of Procedure of the Board of Directors*; and
- (2) Other amendments to the *Rules of Procedure of the Board of Directors* are detailed below:

Original provision	Amended provision
<p>Article 3 Regular Meeting</p> <p>...</p> <p>The Board of Directors shall hold at least one regular meeting every quarter, which shall be convened by the Chairman of the Board of Directors by serving a notification in writing to all directors and supervisors fourteen days prior to the meeting date.</p>	<p>Article 3 Regular Meeting</p> <p>...</p> <p>The Board of Directors shall hold at least one regular meeting every quarter, which shall be convened by the Chairman of the Board of Directors by serving a notification in writing to all directors <del>and supervisors</del> fourteen days prior to the meeting date.</p>
<p>Article 5 Interim Meeting</p> <p>The Board of Directors shall convene an interim meeting under any of the following circumstances:</p> <p>...</p> <p>(3) upon request by the Supervisory Committee;</p> <p>...</p>	<p>Article 5 Interim Meeting</p> <p>The Board of Directors shall convene an interim meeting under any of the following circumstances:</p> <p>...</p> <p>(3) upon request by the <b>Audit Committee</b>;</p> <p>...</p>
<p>Article 8 Meeting Notifications</p> <p>For convening a regular meeting of the Board of Directors, the Office of the Board of Directors shall send the written meeting notifications to all directors and supervisors, the President, and the Secretary of the Board of Directors fourteen days in advance.</p> <p>For convening an interim meeting of the Board of Directors, the Office of the Board of Directors shall send the written meeting notices to all directors and supervisors, the President, and the Secretary of the Board of Directors five days in advance.</p> <p>...</p>	<p>Article 8 Meeting Notifications</p> <p>For convening a regular meeting of the Board of Directors, the Office of the Board of Directors shall send the written meeting notifications to all directors <del>and supervisors</del>, the President, and the Secretary of the Board of Directors fourteen days in advance.</p> <p>For convening an interim meeting of the Board of Directors, the Office of the Board of Directors shall send the written meeting notices to all directors <del>and supervisors</del>, the President, and the Secretary of the Board of Directors five days in advance.</p> <p>...</p>

Original provision	Amended provision
<p>Article 11 Convening of Meetings</p> <p>...</p> <p>Supervisors may attend Board meetings as non-voting participants. The President and the Secretary of the Board of Directors who do not concurrently serve as directors shall attend Board meetings as non-voting participants. When deemed necessary by the meeting chair, other relevant individuals may be notified to attend Board meetings as non-voting participants.</p>	<p>Article 11 Convening of Meetings</p> <p>...</p> <p><del>Supervisors may attend Board meetings as non-voting participants.</del> The President and the Secretary of the Board of Directors who do not concurrently serve as directors shall attend Board meetings as non-voting participants. When deemed necessary by the meeting chair, other relevant individuals may be notified to attend Board meetings as non-voting participants.</p>
<p>Article 15 Review Procedure of Meetings</p> <p>...</p> <p>For proposals requiring prior approval from independent directors, the meeting chair shall designate an independent director to read out the written approval opinion of the independent directors before the relevant proposals are discussed.</p> <p>...</p>	<p>Article 15 Review Procedure of Meetings</p> <p>...</p> <p><del>For proposals requiring prior approval from independent directors, the meeting chair shall designate an independent director to read out the written approval opinion of the independent directors before the relevant proposals are discussed.</del></p> <p>...</p>
<p>Article 31 Supplementary Provisions</p> <p>These Rules, as an appendix to the Articles of Association of the Company, following formulation by the Board of Directors and approval at the Shareholders' General Meeting, shall take effect from the date on which the Company's H-shares are listed on The Stock Exchange of Hong Kong Limited.</p>	<p>Article 31 Supplementary Provisions</p> <p>These Rules, as an appendix to the Articles of Association of the Company, <b>shall take effect upon formulation by the Board of Directors and approval at the Shareholders' Meeting.</b></p>

Details of the proposed amendments to the *Work System of Independent Directors* are as below:

- (1) The term “Shareholder’s General Meeting” shall be replaced with “Shareholders’ Meeting” throughout the *Work System of Independent Directors*; and
- (2) Other amendments to the *Work System of Independent Directors* are detailed below:

Original provision	Amended provision
Chapter 3 Nomination, Election and Replacement of Independent Directors	Chapter 3 Nomination, Election and Replacement of Independent Directors
Article 7 Candidates for independent directors may be nominated by the Company’s Board of Directors, the Supervisory Committee, or shareholders that individually or jointly holds one percentage or more of the issued shares of the Company may nominate, and shall be subject to election by the Shareholders’ General Meeting. ...	Article 7 Candidates for independent directors may be nominated by the Company’s Board of Directors, <del>the Supervisory Committee</del> , or shareholders that individually or jointly holds one percentage or more of the issued shares of the Company may nominate, and shall be subject to election by the <b>General Meeting</b> . ...
Chapter 4 Rights and Obligations of Independent Directors	Chapter 4 Rights and Obligations of Independent Directors
Article 19 In addition to performing the above functions and powers, independent directors shall offer independent opinions to the Board of Directors or the Shareholders’ General Meeting concerning the following matters:  (1) the nomination, appointment and dismissal of directors;  (2) the appointment or dismissal of senior executives;  (3) the remuneration of the Company’s directors and senior management;  (4) the appointment or dismissal of an accounting firm;  (5) changes to accounting policies or accounting estimates, or corrections to material accounting errors due to reasons other than changes in accounting standards;  (6) non-standard unqualified opinions issued by an accounting firm on the Company’s financial accounting report or internal control;	Article 19 <del>In addition to performing the above functions and powers, independent directors shall offer independent opinions to the Board of Directors or the Shareholders’ General Meeting concerning the following matters:</del>  <del>(1) the nomination, appointment and dismissal of directors;</del>  <del>(2) the appointment or dismissal of senior executives;</del>  <del>(3) the remuneration of the Company’s directors and senior management;</del>  <del>(4) the appointment or dismissal of an accounting firm;</del>  <del>(5) changes to accounting policies or accounting estimates, or corrections to material accounting errors due to reasons other than changes in accounting standards;</del>  <del>(6) non-standard unqualified opinions issued by an accounting firm on the Company’s financial accounting report or internal control;</del>

Original provision	Amended provision
<p>(7) internal control evaluation reports;</p> <p>(8) plans of related parties for the modification of their undertakings;</p> <p>(9) impact of the issuance of preferred shares on the equities of various types of shareholders of the Company;</p> <p>(10) whether the formulation, adjustment, decision-making procedure, execution and information disclosure of the Company's cash dividend policies, as well as profit distribution policies are detrimental to the legitimate rights and interests of minority investors;</p> <p>(11) material matters requiring to be submitted to the Board of Directors for consideration, such as related-party transactions, external guarantees (excluding the guarantees for subsidiaries within the scope of consolidated statements), entrusted wealth management, provision of financial assistance, affairs related to the use of proceeds, the Company's changes to accounting policies, and investments in stocks and their derivatives;</p> <p>(12) major asset restructuring plans, management buy-outs, share incentive schemes, employee stock ownership schemes, share repurchase plans, plans of debt repayment with capital for Company's related parties;</p> <p>(13) the Company's proposal to decide to no longer trade its stocks on the Shenzhen Stock Exchange and/or The Stock Exchange of Hong Kong Limited;</p> <p>(14) matters that are likely to damage the rights and interests of minority shareholders in the opinion of independent directors;</p> <p>(15) other matters prescribed by the Company's Articles of Association and relevant regulators.</p> <p>An independent director shall give one of the following types of opinions on the matters as set out in the preceding paragraph: agree; reserved opinions and reasons; opposition opinions and reasons; and inability to give opinions and obstacles.</p>	<p><del>(7) internal control evaluation reports;</del></p> <p><del>(8) plans of related parties for the modification of their undertakings;</del></p> <p><del>(9) impact of the issuance of preferred shares on the equities of various types of shareholders of the Company;</del></p> <p><del>(10) whether the formulation, adjustment, decision-making procedure, execution and information disclosure of the Company's cash dividend policies, as well as profit distribution policies are detrimental to the legitimate rights and interests of minority investors;</del></p> <p><del>(11) material matters requiring to be submitted to the Board of Directors for consideration, such as related-party transactions, external guarantees (excluding the guarantees for subsidiaries within the scope of consolidated statements), entrusted wealth management, provision of financial assistance, affairs related to the use of proceeds, the Company's changes to accounting policies, and investments in stocks and their derivatives;</del></p> <p><del>(12) major asset restructuring plans, management buy-outs, share incentive schemes, employee stock ownership schemes, share repurchase plans, plans of debt repayment with capital for Company's related parties;</del></p> <p><del>(13) the Company's proposal to decide to no longer trade its stocks on the Shenzhen Stock Exchange and/or The Stock Exchange of Hong Kong Limited;</del></p> <p><del>(14) matters that are likely to damage the rights and interests of minority shareholders in the opinion of independent directors;</del></p> <p><del>(15) other matters prescribed by the Company's Articles of Association and relevant regulators.</del></p> <p><del>An independent director shall give one of the following types of opinions on the matters as set out in the preceding paragraph: agree; reserved opinions and reasons; opposition opinions and reasons; and inability to give opinions and obstacles.</del></p>

Original provision	Amended provision
<p>When an independent director votes against or abstains from voting on a proposal of the Board of Directors, he or she shall explain the specific reasons and basis therefor, the legality and compliance of the matters involved in the proposal, potential risks, and the impact on the rights and interests of the Company and minority shareholders, among others. When the Company discloses the resolution of the Board of Directors, it shall disclose the dissenting opinions of independent directors at the same time and indicate such opinions in the resolution of the Board of Directors and the minutes of the meeting.</p>	<p>When an independent director votes against or abstains from voting on a proposal of the Board of Directors, he or she shall explain the specific reasons and basis therefor, the legality and compliance of the matters involved in the proposal, potential risks, and the impact on the rights and interests of the Company and minority shareholders, among others. When the Company discloses the resolution of the Board of Directors, it shall disclose the dissenting opinions of independent directors at the same time and indicate such opinions in the resolution of the Board of Directors and the minutes of the meeting.</p>
<p>Article 20 The independent opinions issued by independent directors shall at least include the following items:</p> <ul style="list-style-type: none"> <li>(1) the basic situations of material matters;</li> <li>(2) the bases for expressing opinions, including the procedures undergone, the documents verified, the contents inspected on site;</li> <li>(3) legitimacy and compliance of material matters;</li> <li>(4) impacts on the Company, minority shareholders' equities, potential risks and whether the measures taken by the companies are effective;</li> <li>(5) conclusive opinions issued. Where independent directors put forward reserved opinions and objections or fail to express opinions, they shall give explicit reasons.</li> </ul> <p>Independent directors shall sign on and confirm the independent opinions they issue, and report the aforesaid opinions to the Board of Directors in a timely manner. The independent opinions shall be disclosed with the Company's relevant announcements concurrently.</p>	<p><del>Article 20 The independent opinions issued by independent directors shall at least include the following items:</del></p> <ul style="list-style-type: none"> <li><del>(1) the basic situations of material matters;</del></li> <li><del>(2) the bases for expressing opinions, including the procedures undergone, the documents verified, the contents inspected on site;</del></li> <li><del>(3) legitimacy and compliance of material matters;</del></li> <li><del>(4) impacts on the Company, minority shareholders' equities, potential risks and whether the measures taken by the companies are effective;</del></li> <li><del>(5) conclusive opinions issued. Where independent directors put forward reserved opinions and objections or fail to express opinions, they shall give explicit reasons.</del></li> </ul> <p><del>Independent directors shall sign on and confirm the independent opinions they issue, and report the aforesaid opinions to the Board of Directors in a timely manner. The independent opinions shall be disclosed with the Company's relevant announcements concurrently.</del></p>



Original provision	Amended provision
<p>Article 26 Under any of the following circumstances, independent directors shall make a public statement:</p> <p>...</p> <p>(3) where the materials for the meetings of the Board of Directors are insufficient, and the proposals put forward by more than two independent directors for postponing the meetings of the Board of Directors or postponing the consideration of relevant matters are refused;</p> <p>(4) where the Board of Directors fails to take effective measures after independent directors report to the Board of Directors the conduct suspected of violating laws and regulations of the Company;</p> <p>...</p>	<p><b>Article 25</b> Under any of the following circumstances, independent directors shall <b>promptly report to the Shenzhen Stock Exchange</b>:</p> <p>...</p> <p>(3) where the materials for the meetings of the Board of Directors are <b>incomplete or insufficiently evidenced</b>, and the proposals put forward by more than two independent directors for postponing the meetings of the Board of Directors or postponing the consideration of relevant matters are refused;</p> <p>(4) where the Board of Directors fails to take effective measures after independent directors report to the Board of Directors the conduct suspected of violating laws and regulations of the Company <b>or the Company's directors or senior management</b>;</p> <p>...</p>
Chapter 6 Supplementary Provisions	Chapter 6 Supplementary Provisions
<p>Article 36 This System, following approval at the Shareholders' General Meeting, shall take effect from the date on which the Company's H-shares are listed on The Stock Exchange of Hong Kong Limited. Any modifications to this System shall also be approved at the Shareholders' General Meeting.</p>	<p><b>Article 35</b> This System shall <b>take effect upon approval at the Shareholders' Meeting. Any modifications to this System shall also be approved at the General Meeting.</b></p>

Details of the proposed amendments to the *Management System of Related-party Transactions* are as below:

- (1) The term “Shareholder’s General Meeting” shall be replaced with “Shareholders’ Meeting” throughout the *Management System of Related-party Transactions*;
- (2) In addition to the above adjustment, other amendments to the *Management System of Related-party Transactions* are detailed below:

Original provision	Amended provision
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 2 When reviewing and approving related-party transactions, the Company shall adhere to the following principles: ... (6) For related-party transactions that require independent directors to issue separate independent opinions as stipulated in the Company’s Articles of Association and relevant policies, the Company’s independent directors must express clear opinions, which will serve as the basis for decision-making.	Article 2 When reviewing and approving related-party transactions, the Company shall adhere to the following principles: ... (6) <b>For affairs such as related-party transactions that require the Board of Directors to deliberate</b> as stipulated in the Company’s Articles of Association and relevant policies, <b>they shall be submitted to special meetings of independent directors for deliberation.</b>
Chapter 2 Related Parties and Related-party Transactions	Chapter 2 Related Parties and Related-party Transactions
Article 8 According to the <i>Rules Governing the Listing of Shares on the Shenzhen Stock Exchange</i> , natural persons under any of the following circumstances are considered connected natural persons of the Company: ... (2) Directors, supervisors, and senior management of the Company; (3) Directors, supervisors, and senior management of the legal entities specified in Article 7(1); ...	Article 8 According to the <i>Rules Governing the Listing of Shares on the Shenzhen Stock Exchange</i> , natural persons under any of the following circumstances are considered connected natural persons of the Company: ... (2) Directors, <del>—supervisors,</del> and senior management of the Company; (3) Directors, <del>—supervisors,</del> and senior management of the legal entities specified in Article 7(1); ...

Original provision	Amended provision
<p>Article 10 According to the Hong Kong Listing Rules, except for the exemptions specified therein, the Company's related parties typically include the following parties:</p> <p>(1) Directors, supervisors, chief executives, or substantial shareholders (defined as persons entitled to exercise, or control the exercise of, 10% or more of the voting power at the Company's Shareholders' General Meeting) of the Company or any of its subsidiaries;</p> <p>...</p>	<p>Article 10 According to the Hong Kong Listing Rules, except for the exemptions specified therein, the Company's related parties typically include the following parties:</p> <p>(1) Directors, supervisors <b>(if any)</b>, chief executives, or substantial shareholders (defined as persons entitled to exercise, or control the exercise of, 10% or more of the voting power at the Company's <b>Shareholders' Meeting</b>) of the Company or any of its subsidiaries;</p> <p>...</p>
<p>Article 12 Directors, supervisors, senior managers, shareholders who individually hold more than 5% of the corporate stock, as well as their persons acting in concert and actual controllers shall promptly notify the Company of any related parties with whom they have a connected relationship.</p>	<p>Article 12 Directors,<del>—supervisors,</del> senior managers, shareholders who individually hold more than 5% of the corporate stock, as well as their persons acting in concert and actual controllers shall promptly notify the Company of any related parties with whom they have a connected relationship.</p>
<p>Chapter 3: Internal Control and Decision-Making Process for Related-party Transactions</p>	<p>Chapter 3: Internal Control and Decision-Making Process for Related-party Transactions</p>
<p>Article 15 Decision-making Authorities for Related-party Transactions</p> <p>...</p> <p>(4) Independent Directors: For a related-party transaction that the Company intends to enter into with a total value exceeding RMB3 million and accounts for more than 0.5% of the Company's most recently audited net assets, approval from independent directors must be obtained before submission to the Board of Directors for discussion. Independent directors shall issue independent opinions on such transactions. Before making their judgment, independent directors may engage an intermediary to provide an independent financial advisory report as the basis of their judgement.</p> <p>...</p>	<p>Article 15 Decision-making Authorities for Related-party Transactions</p> <p>...</p> <p>(4) Independent Directors: For a related-party transaction that the Company intends to enter into with a total value exceeding RMB3 million and accounts for more than 0.5% of the Company's most recently audited net assets, <b>its resolution shall be approved at special meetings of independent directors before submission to the Board of Directors for deliberation. Before forming a resolution at any special meeting of independent directors,</b> an intermediary may be engaged to provide an independent financial advisory report as the basis of judgement.</p> <p>...</p>

Original provision	Amended provision
Article 18 The Company shall not, either directly or through its subsidiaries, provide loans to directors, supervisors, or senior management.	Article 18 The Company shall not, either directly or through its subsidiaries, provide loans to directors, <del>supervisors</del> , or senior management.
Chapter 5 Supplementary Provisions	Chapter 5 Supplementary Provisions
Article 35 This Management System is formulated by the Board of Directors and shall take effect from the date on which the Company's H shares are listed on The Stock Exchange of Hong Kong Limited, following adoption at the Shareholders' General Meeting. Any amendments to this system also require approval at the Shareholders' General Meeting.	Article 35 This Management System is formulated by the Board of Directors and shall <b>take effect upon adoption at the General Meeting. This also applies to any amendments.</b>

Details of the proposed amendments to the *Management Measures for Remuneration of Directors, Supervisors and Senior Management* are as below:

- (1) The *Management Measures for Remuneration of Directors, Supervisors and Senior Management* shall be replaced with the *Management Measures for Remuneration of Directors and Senior Management*;
- (2) The term “Shareholder’s General Meeting” shall be replaced with “Shareholders’ Meeting” throughout the *Management Measures for Remuneration of Directors, Supervisors and Senior Management*; and
- (3) In addition to the above adjustment, other amendments to the *Management Measures for Remuneration of Directors, Supervisors and Senior Management* are detailed below:

Original provision	Amended provision
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 These Management Measures are formulated in accordance with relevant national laws, regulations and the Company’s Articles of Association to further refine remuneration management for directors, supervisors and senior management, establish a scientifically sound incentive and constraint mechanism, effectively motivate their enthusiasm of work, and improve the Company’s operational and management effectiveness.	Article 1 These Management Measures are formulated in accordance with relevant national laws, regulations and the Company’s Articles of Association to further refine remuneration management for directors, <del>supervisors</del> and senior management, establish a scientifically sound incentive and constraint mechanism, effectively motivate their enthusiasm of work, and improve the Company’s operational and management effectiveness.
Article 2 These Management Measures shall apply to the following directors, supervisors and senior management: the Chairman, internal directors, supervisors (excluding those who serve as directors and supervisors while holding other positions within the Company), the president, vice president(s), Board secretary, and chief financial officer.	Article 2 These Management Measures shall apply to the following directors, <del>supervisors</del> and senior management: the Chairman, internal directors, <del>supervisors (excluding those who serve as directors and supervisors while holding other positions within the Company)</del> , the president, vice president(s), <b>chief financial officer, chief talent officer, chief technology officer, financial director, and Board secretary.</b>

Original provision	Amended provision
Article 3 The remuneration of directors, supervisors and senior management shall align with the Company's long-term development and shareholders' interests to ensure the Company's long-term steady growth, and correspond closely to the Company's financial performance and work objectives while adhering to the law of market value. The Company's remuneration system shall operate according to the following principles: ...	Article 3 The remuneration of directors, <del>supervisors</del> and senior management shall align with the Company's long-term development and shareholders' interests to ensure the Company's long-term steady growth, and correspond closely to the Company's financial performance and work objectives while adhering to the law of market value. The Company's remuneration system shall operate according to the following principles: ...
Chapter 3 Remuneration Structure	Chapter 3 Remuneration Structure
Article 6 The remuneration of the Company's directors, supervisors and senior management consists of basic remuneration and performance remuneration. Basic remuneration refers to the annual basic salary, while performance remuneration is primarily linked to business performance, with the actual amount determined by annual performance evaluation outcomes.	Article 6 The remuneration of the Company's directors, <del>supervisors</del> and senior management consists of basic remuneration and performance remuneration. Basic remuneration refers to the annual basic salary, while performance remuneration is primarily linked to business performance, with the actual amount determined by annual performance evaluation outcomes.
Article 7 The Company establishes annual basic salary standards and different salary tiers for directors, supervisors and senior management based on the responsibilities, risks, pressures, etc. of directors, supervisors and senior management with reference to external market survey data. The annual basic salary for the Chairman, directors, president, vice president and senior management members of the Company is also established accordingly. The basic annual salary remains fixed and is distributed in equal monthly installments.	Article 7 The Company establishes annual basic salary standards and different salary tiers for directors, <del>supervisors</del> and senior management based on the responsibilities, risks, pressures, etc. of directors, supervisors and <b>other</b> senior management with reference to external market survey data. The annual basic salary for the Chairman, directors, president, vice president and <b>other</b> senior management members of the Company is also established accordingly. The basic annual salary remains fixed and is distributed in equal monthly installments.
Article 8 The performance remuneration for directors, supervisors and senior management is tied to the Company's profit achievement rate, target responsibility system evaluation results, and their department's performance assessment structure. It is paid as a lump sum following the completion of the annual target responsibility system assessment.	Article 8 The performance remuneration for directors, <del>supervisors</del> and senior management is tied to the Company's profit achievement rate, target responsibility system evaluation results, and their department's performance assessment structure. It is paid as a lump sum following the completion of the annual target responsibility system assessment.

Original provision	Amended provision
Article 9 When a director or supervisor concurrently holds a position in senior management, their remuneration ceiling is determined by whichever position offers the higher remuneration.	Article 9 When a director <del>or supervisor</del> concurrently holds a position in senior management, their remuneration ceiling is determined by whichever position offers the higher remuneration.
Chapter 4 Remuneration Adjustment	Chapter 4 Remuneration Adjustment
Article 11 The basis for adjusting the remuneration of directors, supervisors and senior management shall be: ...	Article 11 The basis for adjusting the remuneration of directors, <del>supervisors</del> and senior management shall be: ...
Article 12 Upon approval by the Board's Remuneration and Evaluation Committee, special rewards or penalties for special affairs may be temporarily implemented as a supplement to the remuneration of directors, supervisors and senior management.	Article 12 Upon approval by the Board's Remuneration and Evaluation Committee, special rewards or penalties for special affairs may be temporarily implemented as a supplement to the remuneration of directors, <del>supervisors</del> and senior management.
Chapter 5 Miscellaneous	Chapter 5 Miscellaneous
Article 13 Remuneration standards for independent directors shall be determined separately in accordance with the <i>Guiding Opinions on the Establishment of Independent Director System in Listed Companies</i> and the Company's Articles of Association.	Article 13 <b>Allowance</b> standards for independent directors shall be determined separately in accordance with the <b><i>Management Measures for Independent Directors in Listed Companies</i></b> and the Company's Articles of Association.

Details of the proposed amendments to the *Management Measures for Proceeds* are as below:

- (1) The term “Shareholder’s General Meeting” shall be replaced with “Shareholders’ Meeting” throughout the *Management Measures for Proceeds*; and
- (2) In addition to the above adjustment, other amendments to the *Management Measures for Proceeds* are detailed below:

Original provision	Amended provision
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 2 “Proceeds” in these Management Measures refers to funds raised from investors through the Company’s public offerings of securities (including initial public offerings, share allotments, issuance of new shares, convertible corporate bonds, separately traded convertible corporate bonds, corporate bonds, warrants, etc.) and non-public offerings of stocks for specific purposes.	Article 2 “Proceeds” in these Management Measures refers to funds raised from investors through the Company’s public offerings of securities (including initial public offerings, share allotments, issuance of new shares, convertible corporate bonds, separately traded convertible corporate bonds, corporate bonds, warrants, etc.) and issuance of stocks <b>to specified objects</b> for specific purposes.
Chapter 3 Use of Proceeds	Chapter 3 Use of Proceeds
Article 23 Self-raised funds pre-invested in a project financed by proceeds may be replaced by proceeds within six months of receipt. Such replacement must occur after approval by the Board of Directors, issuance of a verification report by an accounting firm, explicit consent from independent directors, the Board of Directors, sponsors or independent financial consultants, and public disclosure. This process is not required when the Company has already disclosed in its issuance application documents the intention to replace pre-invested self-raised funds with proceeds and the pre-invested amount is specified.	Article 23 Self-raised funds pre-invested in a project financed by proceeds may be replaced by proceeds within six months of receipt. Such replacement must occur after approval by the Board of Directors, issuance of a verification report by an accounting firm, <b>approval at a meeting</b> or explicit consent from independent directors, <b>the Audit Committee</b> , sponsors or independent financial consultants, and public disclosure. This process is not required when the Company has already disclosed in its issuance application documents the intention to replace pre-invested self-raised funds with proceeds and the pre-invested amount is specified.
Article 24 When the Company uses proceeds for the following matters, approval from the Board of Directors and explicit consent from independent directors, the Board of Directors, sponsors or independent financial consultants are required: ...	Article 24 When the Company uses proceeds for the following matters, approval from the Board of Directors and <b>approval at a meeting or</b> explicit consent from independent directors, <b>the Audit Committee</b> , sponsors or independent financial consultants are required: ...



Original provision	Amended provision
<p>Article 25 ...</p> <p>When using idle proceeds for cash management, the Company shall obtain approval from the Board of Directors and explicit consent from independent directors, the Supervisory Committee, sponsors or independent financial consultants. The following information shall be announced within two trading days:</p> <p>...</p> <p>(6) opinions issued by independent directors, the Supervisory Committee, sponsors or independent financial consultants.</p>	<p>Article 25 ...</p> <p>When using idle proceeds for cash management, the Company shall obtain approval from the Board of Directors and <b>approval at a meeting or</b> explicit consent from independent directors, <b>the Audit Committee</b>, sponsors or independent financial consultants. The following information shall be announced within two trading days:</p> <p>...</p> <p>(6) <b>a resolution</b> or opinions issued by independent directors, <b>the Audit Committee</b>, sponsors or independent financial consultants.</p>
<p>Article 26 The Company may temporarily use idle proceeds to supplement working capital, provided this is approved by the Board of Directors, receives explicit consent from independent directors, the Supervisory Committee, sponsors or independent financial consultants, is publicly disclosed, and meets the following conditions:</p> <p>...</p> <p>The above matter shall be approved by the Board of Directors, and the following information shall be announced within two trading days:</p> <p>...</p> <p>(5) opinions issued by independent directors, the Board of Directors, sponsors or independent financial consultants;</p> <p>...</p>	<p>Article 26 The Company may temporarily use idle proceeds to supplement working capital, provided this is approved by the Board of Directors, receives <b>approval at a meeting or</b> explicit consent from independent directors, <b>the Audit Committee</b>, sponsors or independent financial consultants, is publicly disclosed, and meets the following conditions:</p> <p>...</p> <p>The above matter shall be approved by the Board of Directors, and the following information shall be announced within two trading days:</p> <p>...</p> <p>(5) <b>a resolution or</b> opinions issued by independent directors, <b>the Audit Committee</b>, sponsors or independent financial consultants;</p> <p>...</p>
Chapter 4 Change of the Use of Proceeds	Chapter 4 Change of the Use of Proceeds
<p>Article 36 After the completion of a single project or all projects financed by proceeds, if surplus proceeds (including interest income) account for less than 10% of the net proceeds, such funds may be used after being approved by the Board of Directors and receiving explicit consent from independent directors, the Supervisory Committee, sponsors or independent financial consultants. ...</p>	<p>Article 36 After the completion of a single project or all projects financed by proceeds, if surplus proceeds (including interest income) account for less than 10% of the net proceeds, such funds may be used after being approved by the Board of Directors and receiving <b>approval at a meeting or</b> explicit consent from independent directors, <b>the Audit Committee</b>, sponsors or independent financial consultants. ...</p>

Original provision	Amended provision
Chapter 6 Supplementary Provisions	Chapter 6 Supplementary Provisions
<p>Article 41 For matters not covered in these Management Measures, relevant national laws, regulations, normative documents, and the Company's Articles of Association shall apply.</p>	<p>Article 41 For matters not covered in these Management Measures, relevant national laws, regulations, normative documents, and the Company's Articles of Association shall apply. <b>These Management Measures apply exclusively to proceeds from A shares. For the management of proceeds from H shares issued by the Company, the relevant provisions established by the Securities &amp; Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited shall govern.</b></p>

Details of the proposed amendments to the *Decision-Making System for External Guarantees* are as follows:

- (1) To amend all reference to “股東大會” (general meeting(s)) to “股東會” (general meeting(s)) in the Chinese version of the amended edition of the *Decision-Making System for External Guarantees*;
- (2) In addition to the above adjustments, other amendments to the *Decision-Making System for External Guarantees* are as follows:

Original Articles	Amended Articles
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 9 Independent Directors of the Company shall make a special explanation of, and express an independent opinion on, the accumulative and current external guarantees provided by the Company in the annual report and the interim report.	<del>Article 9 Independent Directors of the Company shall make a special explanation of, and express an independent opinion on, the accumulative and current external guarantees provided by the Company in the annual report and the interim report.</del>
Chapter 3 Decision Authority for External Guarantees	Chapter 3 Decision Authority for External Guarantees
Article 16 Guarantees within the scope of authority of the Board shall be considered and approved by more than two-thirds of the Directors present at the Board meeting.	<b>Article 15</b> Guarantees within the scope of authority of the Board shall be <b>approved by more than two-thirds of all Directors</b> .
Article 17 External guarantees subject to approval by the general meeting shall be considered and passed by the Board before submitting to the general meeting for approval. External guarantees subject to approval by the general meeting shall include, but not limited to, the following: ..... (2) any guarantee whose amount exceeds 30% of the Company's latest audited total assets within 12 consecutive months; .....	<b>Article 16</b> External guarantees subject to approval by the <b>general meeting</b> shall be considered and passed by the Board before submitting to the <b>general meeting</b> for approval. External guarantees subject to approval by the <b>general meeting</b> shall include, but not limited to, the following: ..... (2) <b>any guarantee provided after</b> the amount of guarantees exceeds 30% of the Company's latest audited total assets within 12 consecutive months; .....

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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**Midea Group Co., Ltd.**  
**美的集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 0300)**

### NOTICE OF THE 2024 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2024 annual general meeting (the “**AGM**”) of Midea Group Co., Ltd. (the “**Company**”) will be held at Meeting Room B401, Midea Headquarters Building, No. 6 Midea Avenue, Shunde District, Foshan, Guangdong Province, the People's Republic of China on Friday, 30 May 2025 at 2:30 p.m., for the purpose of considering and, if thought fit, approving the following resolutions (in which special resolutions are marked with #). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 7 May 2025.

#### **Resolutions**

1. To consider and approve work report of the Board of 2024
2. To consider and approve final accounts report of 2024
3. To consider and approve annual report and summary of annual report of 2024
4. # To consider and approve profit distribution proposal of 2024
5. # To consider and approve the resolution on Shareholders' return plan for the next three years (2025-2027)
6. # To consider and approve the plan for the repurchase of the Company's A Shares by way of centralized bidding

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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7. # To consider and approve the resolution on the general mandate to repurchase H Shares of the Company:
- (a) subject to the resolution number 7(b), granting to the Board of the Company during the Repurchase Mandate Period (as defined below) to, in accordance with all applicable laws and regulations of the PRC government or securities regulators, the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong or any other government or regulatory agencies, in order to safeguard the Company's value and Shareholders' interests, and on such terms as it deems fit, exercise all the power of the Company to repurchase and cancel part of the issued H Shares of the Company or to hold the repurchased H Shares as Treasury Shares on the Hong Kong Stock Exchange, including but not limited to, the Board shall formulate, adjust or terminate the specific plan for the repurchase of relevant share (including but not limited to the repurchase price, number of shares to be repurchased, timing of repurchase, period of repurchase, etc.) in accordance with relevant laws and regulations, and shall have full authority to handle all matters relating to the repurchase of H Shares and the cancellation of the underlying Shares or the holding of the underlying Shares as Treasury Shares;
  - (b) subject to the approval under number 7(a) above, the total number of H Shares of the Company to be repurchased and cancelled or held as Treasury Shares under the general mandate to repurchase H Shares during the Repurchase Mandate Period shall not exceed 10% of the total issued H Shares of the Company (excluding any Treasury Shares) on the date the resolution is considered and approved at the general meeting;
  - (c) the aforesaid approval under number 7(a) shall be subject to the satisfaction of the following matters:
    - (1) the resolution is considered and approved as a special resolution at the general meeting by the Company; and
    - (2) all the approvals required by regulatory authorities (if applicable) are obtained by the Company according to relevant laws and regulations of the PRC.
  - (d) based on the Company's actual operation and its stock price performance, the Board has the power to decide on the implementation or termination of specific plans in relation to the repurchase of Shares (if any);
  - (e) based on the actual situation of H share repurchase, (1)cancelling shares, reducing the registered capital of the Company, revising the corresponding articles of the Articles of Association, notifying the creditors of the Company and publishing announcements and convening meetings of bondholders (if

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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applicable) pursuant to the requirements of relevant laws and regulations and the Articles of Association, and handling relevant matters such as the change in registration and/or filing, and/or (2) holding the repurchased H Shares as Treasury Shares. If the Company holds any H Shares as Treasury Shares, any sale or transfer of the H Shares as Treasury Shares will be effected in accordance with the terms of resolution number 9 below and in accordance with the Listing Rules and the applicable laws and regulations of the PRC;

- (f) other matters relating to the H Share repurchase, except for the powers that are expressly provided by relevant laws, regulations and regulatory documents to be exercised by the general meetings and which are not authorised by the Board; and
- (g) agreeing that the Board of the Company, subject to the aforesaid authorisation, and unless otherwise stipulated in the laws and regulations, delegate the abovementioned authorisation to the authorised persons of the Company (including executive Directors and operations management), and have complete authority, collectively or individually, to handle the relevant matters in accordance with the relevant specific plan of share repurchase considered and approved by the Board.

For the purpose of this resolution, the “Repurchase Mandate Period” refers to the period commencing from the date on which this resolution is considered and approved at the general meeting to the earlier of:

- (1) the conclusion of the next annual general meeting of the Company; or
  - (2) the date on which the mandate granted under this resolution is revoked or varied by way of resolution at any general meeting of the Company.
8. <sup>#</sup> To consider and approve the resolution regarding change of use and cancellation of the repurchased A Shares
9. <sup>#</sup> To consider and approve the resolution on the general mandate to issue Shares of the Company:
- (a) granting to the Board of the Company of an unconditional general mandate during the Issuance Mandate Period (as defined below) to, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and deal with additional shares of the Company; and making or granting of proposals, agreements, share options and/or conversion rights that may require the separate or concurrent issue of shares, other convertible rights to subscribe for or purchase shares (collectively, the “**Instruments**”), including but not limited to, the creation and issue of warrants, convertible bonds, other instruments carrying rights to subscribe for or convert into Shares;

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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- (b) the total number of shares approved to be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with by the Board (whether they are allotted pursuant to the share options or otherwise), and the total number of shares in relation to the offer proposals, agreements, share options and/or conversion rights made or granted (including warrants, convertible bonds, other instruments carrying rights of subscription for or conversion into shares, the number of which is based on the number of shares converted to or allotted under the instruments), shall not exceed 20% of the total number of issued Shares of the Company (excluding Treasury Shares) as at the date of passing this resolution at the general meeting of the Company;
- (c) the Board of the Company be authorised to formulate and implement specific issuance plans when exercising the aforementioned general mandate, including but not limited to the pricing methods and/or the issue price (including the price range), number of shares to be issued, issue target, use of proceeds, timing of issuance, period of issuance, specific subscription methods, the pre-emptive subscription ratio of existing shareholders and other specific matters relating to the issuance;
- (d) the Board of the Company be authorised to engage intermediary institutions for matters in relation to the issuance, and to approve and/or execute all the acts, deeds, documents and other matters which are necessary, appropriate, desirable or relevant to the issuance; to consider and approve and to execute, for and on behalf of the Company, agreements relating to the issuance, including but not limited to placement and underwriting agreement and engagement agreement of intermediary institutions;
- (e) the Board of the Company be authorised to consider and approve and to execute on behalf of the Company the statutory documents relating to the issuance for submission to the relevant regulatory authorities; to perform relevant approval procedures and complete all necessary recordation, registration and filing procedures pursuant to the requirements of the relevant government departments and/or regulatory authorities and in the places where the Company is listed;
- (f) the Board of the Company be authorised to make proper amendment to, as may be required by the competent government departments and/or regulatory authorities, the relevant agreements and statutory documents referred to in the resolution number 9(d) and number 9(e) mentioned above;
- (g) the Board of the Company be authorised to approve the increase of registered capital of the Company after issuance of new shares and make amendments to the Articles of Association relating to the registered capital, total share capital and shareholding structure, etc., and the executive directors of the Company, operations management and its authorised persons be authorized to handle the relevant procedures; and

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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- (h) subject to obtaining the approval from the aforesaid resolution, approving the Board of the Company to delegate the above authorization to the authorised persons of the Company (including the executive Directors, the operations management) jointly or separately create, execute, implement, modify, complete and submit all agreements, contracts and documents related to the issuance, allotment and dealing with shares under the general mandate, unless otherwise provided by laws and regulations.

For the purpose of this resolution, the “Issuance Mandate Period” refers to the period commencing from the date on which this resolution is considered and approved at the general meeting to the earlier of:

- (1) the date of the next annual general meeting of the Company; or
- (2) the date on which the mandate granted under this resolution is revoked or varied by way of resolution at any general meeting of the Company.

For the purpose of this resolution, any reference to an allotment, issue, grant, offer, placing, subscription or disposal of Shares shall include the sale or transfer of Treasury Shares in the capital of the Company (including to satisfy any obligation upon the conversion or exercise of any convertible securities, options, warrants or similar rights to subscribe for Shares) to the extent permitted by, and subject to the provisions of, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and applicable laws and regulations.

- 10. To consider and approve the resolution on the 2025 A Share Ownership Plan and summary
- 11. To consider and approve the resolution on the Administrative Measures for 2025 A Share Ownership Plan
- 12. To consider and approve the resolution on proposed authorization to the Board by the general meeting to deal with matters relating to 2025 A Share Ownership Plan
- 13. To consider and approve the resolution on proposed adoption of the (H Share) Share Award Scheme, that the (H Share) Share Award Scheme with the Scheme Mandate Limit of 10,000,000 H Shares, representing approximately 0.13 per cent. of the total number of Shares in issue (excluding Treasury Shares) and approximately 1.54 per cent. of the total number of H Shares in issue as of the Latest Practicable Date, be and is hereby approved and adopted and any Director be and is hereby authorized to take all such steps, do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary, appropriate, desirable or expedient in order to give full effect to the (H Share) Share Award Scheme, including without limitation:
  - (a) administer the (H Share) Share Award Scheme under which Awards will be granted to eligible persons thereunder to subscribe for H Shares;



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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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- (b) to modify and/or amend the (H Share) Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions thereof relating to modification and/or amendment and subject to Chapter 17 of the Listing Rules;
  - (c) to issue and/or transfer from time to time such number of H Shares as may be required to be issued and/or transferred pursuant to the (H Share) Share Award Scheme and subject to the Listing Rules;
  - (d) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in any H Shares which may thereafter from time to time be issued pursuant to the Awards under the (H Share) Share Award Scheme; and
  - (e) to consent, if he/she deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the (H Share) Share Award Scheme.
- 14. To consider and approve the resolution on provision of guarantees for controlled subsidiaries in 2025
  - 15. To consider and approve the resolution on provision of guarantees to the asset pool business of controlled subsidiaries in 2025
  - 16. To consider and approve the resolution on launch of foreign exchange derivatives business in 2025
  - 17. To consider and approve the resolution on re-appointment of accounting firms in 2025
  - 18. To consider and approve the work report of the Supervisory Committee of 2024
  - 19. <sup>#</sup>To consider and approve the proposed amendments to the Articles of Association
  - 20. To consider and approve the proposed amendments to the Rules of Procedure of the Shareholders' General Meeting
  - 21. To consider and approve the proposed amendments to the Rules of Procedure of the Board of Directors
  - 22. To consider and approve the proposed amendments to the Work System of Independent Directors
  - 23. To consider and approve the proposed amendments to the Management System of Related-Party Transactions

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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24. To consider and approve the proposed amendments to the Management Measures for Remuneration of Directors, Supervisors and Senior Management
25. To consider and approve the proposed amendments to the Management Measures for Proceeds
26. To consider and approve the proposed amendments to the System of Making Decisions on External Guarantees
27. To consider and approve the following resolutions relating to the Spin-off:
  - (1). <sup>#</sup>To consider and approve the resolution on the compliance of the Spin-off with the relevant laws and regulations
  - (2). <sup>#</sup>To consider and approve the resolution on the plan of Annto's initial public offering of H Shares and its listing on the Main Board of the Hong Kong Stock Exchange
  - (3). <sup>#</sup>To consider and approve the resolution on the proposal on the Spin-off
  - (4). <sup>#</sup>To consider and approve the resolution on the compliance of the Spin-off with the Spin-off Rules
  - (5). <sup>#</sup>To consider and approve the resolution on the Spin-off which benefits the safeguarding of legitimate rights and interests of Shareholder and creditors
  - (6). <sup>#</sup>To consider and approve the resolution on the Company's ability to maintain independence and sustainable operation
  - (7). <sup>#</sup>To consider and approve the resolution on the capability of Annto to implement regulated operation
  - (8). <sup>#</sup>To consider and approve the resolution on the explanation on the completeness of and compliance with legal procedures of the Spin-off and the validity of the legal documents submitted
  - (9). <sup>#</sup>To consider and approve the resolution on the analysis of the objectives, commercial rationality, necessity and feasibility of the Spin-off
  - (10). <sup>#</sup>To consider and approve the resolution on the provision of assured entitlement to the H Share Shareholders only for the Spin-off
  - (11). <sup>#</sup>To consider and approve the resolution to be submitted to the AGM on the authorization to the Board and its authorized persons to deal with all matters related to the Spin-off

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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28. To consider and approve the repurchase and cancellation of certain Restricted Shares:

- (1) <sup>#</sup>To consider and approve the repurchase and cancellation of certain Restricted Shares under the 2021 Restricted Share Incentive Scheme
- (2) <sup>#</sup>To consider and approve the repurchase and cancellation of certain Restricted Shares under the 2022 Restricted Share Incentive Scheme
- (3) <sup>#</sup>To consider and approve the repurchase and cancellation of certain Restricted Shares under the 2023 Restricted Share Incentive Scheme

29. To consider and approve the proposed issuance of ultra-short-term financing bonds and medium-term notes of the Company in the inter-bank bond market

Along with handling the above matters, Shareholders will hear the 2024 work report made by independent Directors at the AGM.

The above resolutions under No. 27 shall also be passed by an affirmative vote of more than two-thirds of the Company's total voting Shares held by Minority Shareholders who are present at the AGM.

By order of the Board  
**Midea Group Co., Ltd.**  
**Mr. Fang Hongbo**

*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 7 May 2025

*As at the date of this notice, the Board comprises: (i) Mr. Fang Hongbo, Mr. Wang Jianguo, Dr. Gu Yanmin and Mr. Guan Jinwei as executive Directors; (ii) Mr. Zhao Jun as non-executive Director; and (iii) Dr. Xiao Geng, Dr. Xu Dingbo, Dr. Liu Qiao and Dr. Qiu Lili as independent non-executive Directors.*

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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*Notes:*

1. Resolution to be submitted at the AGM shall be voted on by poll.
2. In order to determine the Shareholders' entitlement to attend the AGM, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of the H Shares will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the AGM will be Friday, 30 May 2025. In order to be entitled to attend and vote at the AGM, holders of H Shares whose transfers of Shares have not been registered shall lodge the transfer instruments together with the relevant share certificates 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 Monday, 26 May 2025.
3. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder. If more than one proxy is appointed, the number and class of Shares in respect of which each such proxy is so appointed shall be specified in the appointment of the proxy.
4. The form of proxy must be signed by the Shareholder or by an authorised person appointed by the Shareholder in writing. If the Shareholder is a legal person, it must be stamped with the seal of the legal person or signed by a director or duly authorised attorney. If the form is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
5. In order to be valid, in the case of holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authorisation document on behalf of the appointer, a notarially certified copy of that power of attorney or other authorisation document, must be deposited with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof should he/she/it so wish.
6. Shareholders or their proxies attending the AGM shall produce their identity documents.
7. The AGM is expected to last for no more than half a day. Shareholders or their proxies attending the AGM are responsible for their own transportation and accommodation expenses.
8. All times refer to Hong Kong local time, except as otherwise stated.