

# REPORT OF THE SUPERVISORY COMMITTEE

Dear Shareholders,

During the reporting period, all members of the Supervisory Committee conscientiously performed their supervisory duties and earnestly safeguarded the interests of the shareholders and the Company in accordance with the relevant requirements including the PRC Company Law and the Articles of Association of the Company.

During the reporting period, the Supervisory Committee convened three meetings. At the fifth meeting of the fifth session of the Supervisory Committee convened on 25 March 2021, we reviewed and approved proposals such as the Company's 2020 financial report, 2020 auditors' report issued by the external auditors, profit allocation and dividend distribution plan for 2020, the Company's work report on risk management and internal control for 2020, the report of the Supervisory Committee for 2020 and the work plan of the Supervisory Committee for 2021 and formed resolutions. At the sixth meeting of the fifth session of the Supervisory Committee convened on 25 August 2021, we reviewed and approved proposals such as the Interim Financial Report for 2021, the Report on the Review of the Interim Financial Report for 2021 issued by the external auditors and the Company's work report on risk management and internal control for the first half of 2021 and formed resolutions. The meetings of the Supervisory Committee provided management suggestions to the continuous enhancement of internal management and risk prevention of the Group. At the seventh meeting of the fifth session of the Supervisory Committee convened on 22 December 2021, we reviewed and approved the proposal on change of supervisor of the Company and formed resolutions. During the reporting period, the members of the Supervisory Committee attended the board meetings and general meetings of the Company for 2021. By attending these meetings, the Supervisory Committee supervised significant decision making of the Company and the duty performance of the members of the Board and senior management.

The Supervisory Committee is of the opinion that during the reporting period, while facing the severe impact of the COVID-19 pandemic on its production and operation, the Company seized the opportunity of digital transformation and accelerated market expansion under the environment of normalization of pandemic prevention and control. In 2021, the Company's total revenues maintained a positive growth and amounted to RMB133,991 million and net profit amounted to RMB3,157 million. The Company's revenue structure was further optimized, its financial position remained stable and operating results continued to improve, resulting in a continuous increase in the corporate value.

The Supervisory Committee is of the opinion that, in 2021, all members of the Board and senior management of the Company complied with applicable laws and regulations, and performed their duties in accordance with the Articles of Association of the Company. They have also safeguarded the interests of the shareholders, earnestly implemented various resolutions of the general meetings and the board meetings, and operated strictly in accordance with the regulatory requirements for a listed company. The Supervisory Committee was not aware of any violation of relevant PRC laws and regulations and the Articles of Association, or any acts which would prejudice the interests of the Company.

The Supervisory Committee carefully reviewed the information intended to be submitted by the Board to the general meeting such as the financial report of the Company for 2021 which was prepared according to relevant requirements and issued with unqualified opinion by the external auditors. The Supervisory Committee is of the opinion that the financial report gives an objective and true view of the Company's financial position and operating results.

In 2022, the Supervisory Committee will continue to duly perform our duties in a thoughtful manner, comply with the relevant requirements of the PRC Company Law and the Articles of Association of the Company strictly and assume the responsibilities of safeguarding the interests of the shareholders and the benefits of the Company, to focus on the supervision of the Company's implementation of its commitment to shareholders and to expand our scope of work approach, with a view to enhancing our supervision and inspection efforts in major operating activities and promoting the standardized and healthy development of the Company.

By order of the Supervisory Committee  
**Ye Lichun**  
*Chairperson of the Supervisory Committee*

Beijing, PRC  
24 March 2022