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**中國光大銀行股份有限公司**

**China Everbright Bank Company Limited**

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

**(Stock code: 6818)**

**CONTINUING CONNECTED TRANSACTION  
ENTERING INTO THE COMPREHENSIVE SERVICES  
FRAMEWORK AGREEMENT WITH CONNECTED LEGAL PERSON**

The Board of the Company is pleased to announce that on 15 December 2021, the Company and Everbright Group entered into the Comprehensive Services Framework Agreement, for a validity period from 15 December 2021 to 31 December 2023 (both dates inclusive). According to the Comprehensive Services Framework Agreement, services or products can be provided to each other between Everbright Group and/or its associates with the Company.

Everbright Group is the controlling shareholder of the Company and directly and indirectly holds approximately 49.999% of the issued ordinary shares of the Company in aggregate as at the date of this announcement. Therefore, Everbright Group and its associates constitute connected persons of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated in respect of the annual caps for the transactions of the provision of (i) product management services; (ii) comprehensive services; (iii) sales of supplementary medical insurance; (iv) technology services; (v) comprehensive marketing services; (vi) cloud payment services; (vii) channel business services; and (viii) securitization product investment services by Everbright Group and/or its associates to the Company; as well as the provision of (ix) asset custody services; and (x) agency sales services by the Company to Everbright Group and/or its associates under the Comprehensive Services Framework Agreement exceed 0.1% but do not exceed 5% under Chapter 14A of the Listing Rules, such transactions constitute continuing connected transactions under Chapter 14A of the Listing Rules and are subject to the annual reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated in respect of the annual caps for the transactions of the provision of (xi) the comprehensive services; and (xii) securitization product investment services provided by the Company to Everbright Group and/or its associates under the Comprehensive Services Framework Agreement are less than 0.1%, such transactions constitute

continuing connected transactions under Chapter 14A of the Listing Rules, but are exempt from the annual reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## I. INTRODUCTION

On 15 December 2021, the Company and Everbright Group entered into the Comprehensive Services Framework Agreement, for a validity period from 15 December 2021 to 31 December 2023 (both dates inclusive). According to the Comprehensive Services Framework Agreement, services or products can be provided to each other between Everbright Group and/or its associates with the Company.

## II. COMPREHENSIVE SERVICES FRAMEWORK AGREEMENT

Details of the Comprehensive Services Framework Agreement are set out below:

**Date:** 15 December 2021

**Parties:** The Company and Everbright Group

**Duration:** From 15 December 2021 to 31 December 2023 (both dates inclusive)

Under the Comprehensive Services Framework Agreement, the services provided by Everbright Group and/or its associates to the Company, which constitute continuing connected transactions subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules include:

- Provision of product management services, for which please refer to “1. Provision of product management services by Everbright Group and/or its associates to the Company” of this announcement;
- Provision of comprehensive services, for which please refer to “2. Provision of comprehensive services by Everbright Group and/or its associates to the Company” of this announcement;
- Sales of supplementary medical insurance, for which please refer to “3. Sales of supplementary medical insurance by Everbright Group and/or its associates to the Company” of this announcement;
- Provision of technology services, for which please refer to “4. Provision of technology services by Everbright Group and/or its associates to the Company” of this announcement;

- Provision of comprehensive marketing services, for which please refer to “5. Provision of comprehensive marketing services by Everbright Group and/or its associates to the Company” of this announcement;
- Provision of cloud payment services, for which please refer to “6. Provision of cloud payment services by Everbright Group and/or its associates to the Company” of this announcement;
- Provision of channel business services, for which please refer to “7. Provision of channel business services by Everbright Group and/or its associates to the Company” of this announcement; and
- Provision of securitization product investment services, for which please refer to “8. Provision of securitization product investment services by Everbright Group and/or its associates to the Company” of this announcement.

Under the Comprehensive Services Framework Agreement, the services provided by the Company to Everbright Group and/or its associates, which constitute continuing connected transactions subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules include:

- Provision of asset custody services, for which please refer to “9. Provision of asset custody services by the Company to Everbright Group and/or its associates” of this announcement; and
- Provision of agency sales services, for which please refer to “10. Provision of agency sales services by the Company to Everbright Group and/or its associates” of this announcement.

Under the Comprehensive Services Framework Agreement, the services provided by the Company to Everbright Group and/or its associates, which constitute continuing connected transactions, but are exempt from the annual reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules include:

- Provision of comprehensive services, for which please refer to “11. Provision of comprehensive services by the Company to Everbright Group and/or its associates” of this announcement; and
- Provision of securitization product investment services, for which please refer to “12. Provision of securitization product investment services by the Company to Everbright Group and/or its associates” of this announcement.

## 1. Provision of product management services by Everbright Group and/or its associates to the Company

According to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates can provide product management services to the Company, mainly covering held-to-maturity business, third-party depository business, bond investment business, asset securitization business, public fund business and others.

### *Reasons for and benefits of the transaction*

Provision of product management services by Everbright Group and/or its associates to the Company is based on the needs of liquidity management of the Company, and is conducive to the close cooperation with clients, supporting financing of entities and improving investment efficiency.

### *Pricing policy*

The price is determined in accordance with the market principles, and with reference to the prices of the independent third parties in the market for similar services, or determined on the principle of no less favourable to the Company than terms provided by independent third-party customers. The product management fee will be paid based on the rate as agreed in the specific contract under the Comprehensive Services Framework Agreement, and the management rate of different businesses varies greatly. Among them, with reference to the market price rate, the reference management rates for held-to-maturity business, third-party depository business, bond investment business, asset securitization business and public fund business range from 0.2%-0.4%, 0.08%-0.20%, 0.05%-0.1%, 0.05%-0.1% and 0.15%-0.4%, respectively.

### *Historical figures and proposed annual caps*

*Unit: RMB'00 million*

Historical amount for the year ended 31 December			Proposed annual caps for the year ending 31 December		
2018	2019	2020	2021	2022	2023
1.395	2.0254	1.094	5.73	5.73	5.73

### *Determination basis for annual caps*

According to the asset management business between the Company and connected persons including Everbright Xinglong Trust Co., Ltd. (“**Everbright Xinglong Trust**”), Shanghai Everbright Securities Asset Management Co., Ltd. (“**Everbright Securities Asset Management**”) and Everbright Pramerica Fund Management Co., Ltd. (“**Everbright**

**Pramerica**”) the Company estimated the annual caps for 2021 to 2023 based on the calculation formula, that is, business scale multiplied by management fee rate which is determined under market-oriented approach. Among them, in terms of business scale, the future business scale is roughly calculated and estimated differentially based on the historical scale, combined with market development potential and business development strategies of the Company. In terms of management rate, the management rate of different businesses varies greatly. Prices of specific business type are determined with reference to the prices of independent third parties for similar services in the market or on the principle of no less favourable to the Company than terms provided by independent third-party customers. The reasons for the large gap between the actual amount of this type of business and the preset annual cap are: (1) the normal growth of investment demand for relevant businesses, and the increase in cooperation among relevant enterprises within Everbright Group under Everbright Group's E-SBU coordination strategies; (2) with the gradual promotion of the registration system of initial public offering (IPO) of domestic enterprises in the domestic capital market and the establishment and opening of the Beijing Stock Exchange, the demand of domestic investors for investment in the capital market and conduction of securities transactions will increase with the market development; (3) as the asset securitization business has the advantage of deconsolidation and leverage-reduction and there is strong issuance potential of enterprises, on the basis of considering the business development strategies, the Company will also increase its investment scale as the market expands; (4) comprehensively considering from perspective of reasonable allocation of funds, enriching investment channels, improving asset safety and increasing capital returns, etc., the Company has gradually expanded the investment scale of public fund business and strengthened the cooperation with Everbright Group and its connected persons in the field of fund investment business.

## **2. Provision of comprehensive services by Everbright Group and/or its associates to the Company**

According to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates can provide comprehensive services to the Company, mainly including property leasing, property management, room cleaning, publicity services and advertising services, etc.

### ***Reasons for and benefits of the transaction***

Provision of comprehensive services by Everbright Group and/or its associates to the Company is conducive to realizing resources sharing, complementary advantages, enhancing products and services quality and improving work efficiency.

### ***Pricing policy***

By way of price comparison, market research, on-site visitation of intermediaries and competitive negotiation, etc., the Company determined the price comprehensively in accordance with relevant bidding and procurement requirements. Upon consideration and approval by the bidding work and procurement committee of the Company, a third-party bidding and procurement company will be entrusted to conduct public bidding and procurement, and in the event that the partners are Everbright Group and/or its associates, it will be guaranteed that the price of comprehensive services procured from them will be equivalent to that of similar services purchased by the Company from an independent third party in the open market.

### ***Historical figures and proposed annual caps***

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.79	1.73	1.11	3.98	3.69	3.69

### ***Determination basis for annual caps***

According to the E-SBU development strategies of Everbright Group and under the guidance of the Company's goal of "building a first-class wealth management bank", and combined with the historical data of Everbright Group and/or its associates in providing relevant services to the Company, the demand of the Company for services including property leasing, property management, room cleaning, publicity services and advertising services, is relatively huge. For example: (1) for the property leasing service, the partners will be determined through public bidding in accordance with relevant bidding and procurement management requirements, and the caps will be proposed after reasonably determining the unit rent through market research, on-site visitation of intermediaries, etc., primarily considering the increase of the Company's business development scale in the future, the increase in the number of personnel, the increasing demand for office premises by the headquarter, branches, sub-branches and institutions at all levels, and the objective upward trend of property rents in the market, etc., Among them, the higher proposed annual cap as of 31 December 2021 is based on the existing estimated demand for individual new property leasing in 2021; (2) with the rapid growth of the Company's business scale, and in order to enhance the Company's image, promote the Company's products and services, achieve the Company's strategic goals, and the Company's demand for advertising services and publicity services has also gradually increased.

### 3. Sales of supplementary medical insurance by Everbright Group and/or its associates to the Company

According to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates can sell supplementary medical insurance to the Company, primarily purchase of supplementary medical insurance from Sun Life Everbright Life Insurance Co., Ltd. (“**Sun Life Everbright**”), a non-wholly-owned subsidiary of Everbright Group, by the Company. Sun Life Everbright is a limited liability company incorporated in the PRC and is principally engaged in businesses of life insurance, health insurance and accident insurance.

#### *Reasons for and benefits of the transaction*

If Sun Life Everbright would win as the cooperation enterprise of the Company, it can provide the Company with high-quality supplementary medical insurance products at fair and reasonable prices as it has relevant qualification and experience in supplementary medical insurance, and is equipped with sufficient hardware and software resources and complete services and management system.

#### *Pricing policy*

The Company will purchase supplementary medical insurance for employees as part of the welfare policies. Through the market-oriented method of public bidding, the Company will seek for the cooperation enterprise from the perspective of six aspects including comprehensive strength, solutions, project management, personnel input, case experience and price factors. According to relevant requirements of the Company, the contract will be renewed with Sun Life Everbright this year with a term of one year. The cooperation enterprise of the Company will be determined through public bidding next year. If the partners are Everbright Group and/or its associates, the Company will conduct service cooperation with them who have relevant qualification experience, equipped with sufficient hardware and software resources, and improved service and management system, and could provide the Company with high-quality supplementary medical insurance products at fair and reasonable price.

#### *Historical figures and proposed annual caps*

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.6712	0.8906	0.9088	1.9845	1.9845	1.9845

### ***Determination basis for annual caps***

The supplementary medical insurance purchased by the Company for employees is calculated based on the total number of employees of the Company and the unit price of supplementary medical insurance, mainly taking into consideration the following two factors: (1) the current number of employees of the Company being approximately 46,000. The type of insurance purchased is supplementary medical insurance of which the calculation basis is mainly based on two aspects, the prices of medical insurance and serious disease insurance are determined based on the Company's historical experience of actual claims settlement, and the prices of medical insurance extension liability and death insurance are determined based on the data of the insurance industry experience; (2) to implement the work requirement of the Company concerning "improving the supplementary medical insurance system, increasing the insurance amount, expanding the insurance scope and reducing the insurance threshold, and to finalize the care for employees, further improve the level of employee protection of the Company, to unify and upgrade the existing supplementary medical insurance plan for the Company's contract employees (including retirees), and to expand the overall insurance scope.

#### **4. Provision of technology services by Everbright Group and/or its associates to the Company**

Pursuant to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates could provide technology services to the Company.

### ***Reasons for and benefits of the transaction***

The Company intends to engage Everbright Group and/or its associates to provide technology services for the years 2021 to 2023, primarily including Everbright Technology Co., Ltd. ("**Everbright Technology**") and Terminus Technology Group Co., Ltd. ("**Terminus**"). Everbright Technology is a wholly-owned subsidiary of Everbright Group, focusing on financial business development, fundamental technique platform, intelligent operation and maintenance, big data, management support and other fields. Everbright Technology has been providing technology services for the Company since 2018, which has played a role in promoting the technology capability construction of the Company. Terminus has a professional software and hardware technique team with over a hundred technical experts and strong research, development and designing capabilities, and has provided the Company with systematic hardware and other relevant services, and has a good cooperation foundation with the Company in technology services.

### ***Pricing policy***

For the services of establishment, upgrade and maintenance project of information systems, the total final service price shall be determined by the Company through commercial negotiation with Everbright Technology in accordance with the personnel



level requirements and unit price range of the monthly pricing standard for the service of the project; for human resources outsourcing, direct cooperation will be conducted by the Company and the pricing standard for human resources outsourcing services shall be determined with reference to the fair price in the market obtained by the Company through public bidding, market research and other methods; for emerging technology services areas, the Company shall conduct the collaboration with Everbright Group and/or its associates in a completely market-oriented manner.

***Historical figures and proposed annual caps***

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.5075	0.6040	3.0481	4.6	5.6	6.6

Reference is made to the announcement of the Company dated 24 December 2020 in relation to the Company and Everbright Technology, a wholly-owned subsidiary of Everbright Group entering into the technology services framework agreement (the “**Technology Services Framework Agreement**”), pursuant to which, Everbright Technology agreed to provide technology services for the Company which is valid from 1 January 2021 to 31 December 2023 (both dates inclusive). Particularly, the total transaction amounts as of 31 December 2021, 2022 and 2023 shall not exceed RMB400 million, RMB500 million and RMB600 million, respectively. The annual caps of technology services to be provided by Everbright Group and/or its associates to the Company as specified in the Comprehensive Services Framework Agreement included the caps of technology services to be provided by Everbright Technology to the Company as specified in the Technology Services Framework Agreement, which means that the annual caps of the technology services to be provided by Everbright Group and/or its associates to the Company for the years ending 31 December 2021, 2022 and 2023 are RMB460 million, RMB560 million and RMB660 million, respectively, of which the total annual transaction amounts of technology services to be provided by Everbright Technology to the Company shall not exceed RMB400 million, RMB500 million and RMB600 million, respectively.

***Determination basis for annual caps***

In determining the above annual caps, the following factors were considered: (1) with the continuous expansion of businesses of the Company, in order to support business development, continuously improve the level of digital management and strengthen sci-tech service capabilities; (2) to ensure safe operation and management, and strengthen the construction of the basic platform; (3) to deepen the application of financial technology,

promote the construction of the digital bank development system, and enhance the level of technological innovation. In 2019 and 2020, the relatively significant difference between the actual amount of the business type and the proposed caps is due to that the Company is at the earlier stage of digital transformation, certain results have been achieved in the scientific empowerment. Based upon which, it will gradually increase its investment in technology in the future, vigorously promote the application of new technologies, enhance the overall technological strength, strengthen the digital transformation, and intensify the investment in technology services. The annual caps in 2021 to 2023 are mainly based on the business scale of the previous year and the expectation of future business development needs. Taking into consideration of the Company's future business development needs and the signing of technology-related project contracts and framework settlement quotas of the credit card center, Tianjin back-office center, other departments of the headquarter and branches, it is expected that the year-on-year growth rate with Everbright Group and/or its associates in 2021 to 2023 years will be approximately 51%, 22% and 18%, respectively, and the corresponding proposed annual caps as at the end of 2021, 2022 and 2023 will be RMB460 million, RMB560 million and RMB660 million, respectively.

**5. Provision of comprehensive marketing services by Everbright Group and/or its associates to the Company**

Pursuant to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates could provide comprehensive marketing services to the Company, such as financial information services, data processing services and others.

***Reasons for and benefits of the transaction***

Provision of comprehensive marketing services by Everbright Group and/or its associates to the Company is an important business channel for the Company's credit card marketing, which is conducive to strengthening the construction of credit card sales team, improving the quality and efficiency of business development, and realizing the high-quality development of credit card business.

***Pricing policy***

The determination of the pricing principle for the service of the comprehensive marketing business adopts the prevailing market price. The Company will make comparison with companies which provide similar services, take into account factors including financial condition, business experience, professional ability, cooperation history, and conduct sufficient market research, upon which the Company will conduct cooperation with partners under the method conforming to the fair pricing in the market. The price will be negotiated by both parties on an arm's length basis and determined on normal commercial terms. Specifically, both parties will determine the prices adopted by both parties for their services based on market prices and taking into account the service content of cooperation and the establishment of sales system and others.

## *Historical figures and proposed annual caps*

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
4.5	5.6	5.2	6.07	6.07	6.07

### *Determination basis for annual caps*

Under the strategic vision of “building a first-class wealth management bank” and centering on the credit card strategic business, through promoting the cooperation of the comprehensive marketing business since 2017, the Company achieved the increase in both volume and quality of credit card clients, accelerated the progress of high-quality transformation, focused on the optimization of client structure, identified the potential of growth of income, advanced the improvement of operation level and management capability with “client acquisition - client activation - access” as its main line, and in accordance with the strategic positioning and requirements of the Company's business development, in calculating the above annual caps, the Company has considered the client acquisition cost of the comprehensive marketing business and the business scale. Affected by the following factors, the amounts showed a year-on-year upward trend generally: (1) with the business development of the Company, in order to achieve comparable operating fundamentals with the peers, forecasts are made based on the credit card market and industry conditions in the future, it is expected that the comprehensive marketing cost, including staff cost, card issuance cost, will increase slightly; (2) as the Company's strategic transformation continues to deepen, the Company comprehensively promoted the transformation of the comprehensive marketing cooperation from traditional client acquisition to comprehensive marketing, the variety of services will be further enriched, including the client acquisition, mobile channel service, fee-based income and client operation products business. The Company is committed to provide more professional services to clients, continuously improve the service level and experience for clients, as well as the business scale is improving and the proportion of business contribution is increasing on year-on-year basis; and (3) as the improving of high quality development capability which contributed to the sustainable development of the Company as a stabilizer, meanwhile with reference to the historical business scale and other factors, the annual caps are determined accordingly.

## **6. Provision of cloud payment services by Everbright Group and/or its associates to the Company**

Pursuant to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates could provide cloud payment services to the Company, mainly provision of market expansion and introduction of major projects, industries and customers; platform output, system docking services; customer marketing service; development and management of software and platforms; intellectual property rights management and protection; talent management; capital cooperation and other services by Everbright Cloud Payment Technology Co., Ltd. (“**Cloud Payment**”), a subsidiary of Everbright Group, to the Company. Cloud Payment is a limited liability company incorporated in the PRC, and is primarily engaged in internet information services, software development and other businesses.

### ***Reasons for and benefits of the transaction***

Cloud Payment could meet the Company’s needs for market expansion, platform output, system docking, platform development and management, customer marketing services, intellectual property rights protection, capital cooperation, talent management and other relevant services.

### ***Pricing policy***

Cloud Payment is a key enterprise worthy of support in the creation of innovative business format and strengthening of service brands since the inauguration of the Beijing Financial Technology and Professional Service Innovation Demonstration Zone. At present, it has obtained the national high-tech enterprise certification and the Zhongguancun high-tech enterprise certification. It is one of the first tranche of certified financial technology enterprises of the national financial technology new district. The company is committed to building an inclusive ecosystem of “finance + lifestyle + service”, proactively practicing financial technology empowering inclusive finance, enabling the organic integration of convenient payment with financial services, forming the “dual platforms” with the Company, and facilitate the convenience services and inclusive financial industries in the PRC together. The service price rules are determined based on relevant conditions including the distribution of staff, techniques and intellectual property rights as well as responsibilities and allocation of both parties. The final service price of specific project is determined according to the staffing requirements, technical and intellectual property rights support requirements and the responsibilities and allocation of both parties.

## *Historical figures and proposed annual caps*

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
–	0.46	0.77	0.98	1.3	1.5

### *Determination basis for annual caps*

As a pilot field for the strategic transformation and financial technology innovation of Everbright Group and the Company, and after years of construction, especially the rapid development in recent years, Cloud Payment has become the leader of convenient payment industry and the pioneer of Internet inclusive finance in the PRC. On the one hand, in accordance with the central spirit of “Do practical things for the masses” and in accordance with the relevant policy requirements of “Deepening the reform of delegate power, improve regulation, and upgrade services” proposed by the State Council, Cloud Payment will further expand the scope of convenient payment services to benefit more people; besides, it will continue to help government agencies at all levels and localities to implement the “delegate power, improve regulation, and upgrade services” policy, accelerate the improvement of the online service capabilities of “one network to provide all services”, achieve “online enterprise services, mobile convenient services”, so as to solve the problem of “difficult and sorrowful” for the masses in key areas. On the other hand, with the normalization of pandemic prevention and control, the online customers’ daily lives, the obvious acceleration of integrated service demand, and the comprehensive migration, layout and development of various industries to online channels such as mobile terminals and small programs, the online service system has become a new trend in the development of convenient services; besides, with the rapid development of technologies such as the Internet and big data, building a complete and distinctive life scenarios services system has become the focus of the convenient service industry. By building a comprehensive convenient service platform based on diversified life scenarios, the efficiency and value of convenient services will be improved, and a sustainable customer acquisition and activation model will be formed. According to the development of cloud payment business, the average increase in service fee expenditures in the past two years has been 15% to 50%. It is expected that the cloud payment business will maintain a rapid development trend in the future. The annual caps were determined combined with the improvement of service providers' service cooperation, business contribution and service provider qualifications (including but not limited to national certification, various awards and intellectual property acquisition status) in terms of operation and maintenance, business development and system docking.

## 7. Provision of channel business services by Everbright Group and/or its associates to the Company

Pursuant to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates could provide channel business services to the financial products issued by the Company and Everbright Wealth Management Co., Ltd. ("**Everbright Wealth**") mainly covering the management fees for asset securitization investment business and asset management products, etc.

### *Reasons for and benefits of the transaction*

According to the regulatory requirements, the wealth management products issued by commercial banks and their wealth management subsidiaries could invest in other asset management products. Everbright Group has a number of influential asset managers in the industry. The business cooperation between the Company and the excellent asset managers of Everbright Group will be not only in compliance with the regulatory provisions on the investment and operation of wealth management funds, but also conducive to improving the efficiency of communication, strengthening risk control, saving transaction costs and forming group collaboration.

### *Pricing policy*

Regarding the pricing of management fees for asset management business with Everbright Group and/or its associates, the Company adheres to the principle of market-oriented pricing and adopts industry-standard fair prices for cooperation. There are many participating institutions in the market for this type of business, and the relevant pricing and fee rates are relatively open and transparent. The Company strictly follows the internal system and procedures for approval, and the fee rates are implemented with reference to market pricing and similar businesses of other non-connected institutions to ensure that the fee rate is not higher than that of similar services. Regarding the asset securitization investment business with Everbright Group and/or its associates (as the manager), rate of the management fee varies according to the market, and its degree of marketization is relatively high, and the competition among managers is fierce.

### *Historical figures and proposed annual caps*

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.475	0.3365	1.1	4.5	4.5	4.5

### ***Determination basis for annual caps***

Reasons for the large gap between the actual amount of this type of business and the preset annual cap are: (1) in the context of the rapid development of the domestic asset management market, the Company, as an important platform for the asset management business of Everbright Group, has built the “Colorful Sunshine” product system with a high market reputation, and has built a high degree of customer recognition and loyalty. At present, the overall size of assets under management of Everbright Wealth, a wholly-owned subsidiary of the Company exceeded trillions, it is expected in the future, through continuous improvement of influence and brand, and the enlarging of the business scale will maintain a rapid growth rate; (2) under the strategic guidance of Everbright Group’s E-SBU, the Company continues to strengthen cooperation with Everbright Group and/or its associates, enhance business exchanges, and achieve complementary advantages and win-win results. Therefore, it is expected that the scale of future cooperation will also maintain a rapid growth; (3) the Company has always adhered to the enrichment and improvement of business strategies. In terms of equity investments, the Company continues to expand and deepen cooperation. In various businesses such as public funds, stock accounts, quantification, subscription, private placement, there is still relatively large room for participation. It is expected that the variety and scale of cooperative business will continue to be enriched and expanded in the future; (4) in order to promote the growth of the overall business scale of the Company in the future, the investment demand for asset management products is also gradually expanding.

### **8. Provision of securitization product investment services by Everbright Group and/or its associates to the Company**

Pursuant to the Comprehensive Services Framework Agreement, Everbright Group and/or its associates could provide securitization product investment services to the Company, mainly including entrusted service fee and underwriting service fee, etc.

### ***Reasons for and benefits of the transaction***

Provision of securitization product investment services by Everbright Group and/or its associates to the Company will be conducive to deepening the cooperation among internal enterprises within Everbright Group and meeting the sales needs of projects in the process of issuing of credit asset securitization.

### ***Pricing policy***

The Company conducts adequate market research on qualified intermediary agencies with better market rankings. In accordance with the relevant management measures for the selection and employment of credit asset securitization intermediary agencies, after comprehensively considering factors such as financial status, business experience, professional capabilities, and cooperation history, the Company selects and engages

intermediary agencies and performs internal approval procedures in accordance with regulations. The pricing of service remuneration is determined in accordance with the Company's regulations and with reference to the price level of comparable peers. Regarding the issuance of credit asset securitization, the specific interest rate for the issuance of asset securitization projects is determined by factors such as market supply and demand, credit demand, risk-free interest rate, risk premium of underlying assets, and the efficiency of the Company's asset transfer channel. After comparing similar financial products with similar maturities and interest rates, and referring to the yields of similar products in the inter-bank market disclosed by China Bond Information Network and China Currency Network, based on the investors' inquiries, in accordance with the relevant regulations of the regulatory agency, the Company and the trust contracts, and with the principle of market-based pricing, the Company will determine the final transaction price.

***Historical figures and proposed annual caps***

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.006	0.008	1.546	12.75	12.75	12.75

***Determination basis for annual caps***

The reasons for the large gap between the actual amount of this type of business and the preset annual caps in the future are: (1) the Company issued the first credit asset securitization project in 2017. From 2018 to 2020, the business was in the exploratory stage. In recent years, the Company has continued to improve its credit asset securitization business management system and has built a securitization system with full coverage of underlying assets to lay a solid foundation for the development of various types of underlying asset securitization projects. It is expected that the asset securitization business will usher in rapid development in the future; (2) with the rapid development of the market, the number of participating institutions in the credit asset securitization business has gradually increased, and the scope of cooperative business has expanded year-on-year therefore there was a great increase in the preset annual caps; (3) the annual cap of this connected transaction is the total number of transaction caps between the Bank and certain connected persons of Everbright Group. The transaction amount of intermediary agency service is estimated by multiplying the comparable market price in the industry by the project issuance scale; the investment amount equals to a certain proportion of the project issuance scale. According to our historical issuance of projects, it is expected that multiple credit asset securitization projects will be issued each year in the future, with the total issuance scale exceeding RMB10 billion; (4) in recent years, under the environment of



streamlining administration and delegating powers, the authority no longer requires the filing and registration of credit asset securitization products, and began to implement the information registration of credit asset securitization. The issuance efficiency of credit asset securitization projects will be improved, and future market expectations are good; (5) in the future, the Company will continue to increase asset securitization, promote securitization projects such as credit card installment assets, personal consumption loans, personal housing mortgage loans and non-performing assets, activate our credit assets, and accelerate asset circulation.

## **9. Provision of asset custody services by the Company to Everbright Group and/or its associates**

Pursuant to the Comprehensive Services Framework Agreement, the Company could provide asset custody services to Everbright Group and/or its associates, mainly covering security investment fund (public) custody business, private fund custody, trust asset custody, insurance fund entrustment, administrative outsourcing business, corporate annuity custody, etc.

### ***Reasons for and benefits of the transaction***

Provision of asset custody services by the Company to Everbright Group and/or its associates will be conducive to strengthening the cooperation between the Company and the subsidiaries of Everbright Group. The highly efficient communication and smooth cooperation between relevant subsidiaries and the Company will be conducive to improving customer experience, expanding the Company's asset custody scale and increasing the income of intermediary business.

### ***Pricing policy***

The prices of the asset custody services provided by the Company to Everbright Group and/or its associates are comparable to the prices of similar asset custody services provided by the Company to independent third parties in the open market, which is in line with the fair pricing method in the market. (1) fee rates for the securities investment fund (public) custody business are based on the specific circumstances such as product size and whether the resources of the Company are involved, and in accordance with market principles, and the pricing ranges from 0.01% to 0.25%, which is in line with the pricing range of market rate; (2) the pricing of private equity custody fee rates ranges from 0 to 1%, and varies with market changes according to the qualifications and requirements of investors; (3) the fee rates of trust asset custody range from 0.01% to 2%, and the specific custody fee rates will vary according to the custody services provided for products and the pricing of the trust custody market; (4) the fee rates of insurance fund entrustment range from 0.005% to 0.2%, and the specific custody fees will vary according to the custody services provided for products and the market pricing; (5) the pricing of the administrative outsourcing business fee rates ranges from 0 to 1.5%, which is determined through

negotiation with managers within the indicated price range according to the different service items and the complexity of services, and varies with market changes; (6) the corporate annuity custody fee rate is determined comprehensively based on the size of corporate annuity fund property and other factors, and the pricing ranges from 0.07% to 0.12% of the net value of corporate annuity fund property.

***Historical figures and proposed annual caps***

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
1.8	1.9	2.0	3.2	3.5	4

***Determination basis for annual caps***

When determining the above annual caps, the Company considered the historical transaction amount, the current cooperation between the Company and Everbright Group and/or its associates in asset custody and third-party supervision business, the development trend of future cooperation and the development strategies of the Company. The contribution of the asset custody income of the Company to the overall operating income has greater room for growth. In the process of transformation and development of the banking industry, the asset custody business is an emerging strategic business that relies on professional services to obtain “green” intermediate business income with the characteristics of no capital occupation and high derived income, which is an important direction for commercial banks to transform to integrated development and has huge development potential. The proportions of scale of banking asset custody in total banking assets and in total deposits of financial institutions are showing an upward trend. In the process of the transformation and development of the banking industry, the development potential and institutional advantages of asset custody business have gradually emerged. The cooperation in asset custody and third-party supervision business between the Company and the above connected persons will maintain reasonable growth. In order to strengthen internal coordination and give full play to the advantages of internal linkage of Everbright Group, the Company's custody business actively integrates into the E-SBU collaborative development ecosystem of Everbright Group. The Company will rely on the synergistic development advantages of financial conglomerate and make full use of various resources under Everbright Group to vigorously promote the rapid development of asset custody and increase the contribution of intermediary business income.

## 10. Provision of agency sales services by the Company to Everbright Group and/or its associates

According to the Comprehensive Services Framework Agreement, the Company could provide agency sales services to Everbright Group and/or its associates, which mainly covering trusts and family trusts agency sales, insurance agency sales, asset management plans agency sales, funds agency sales, private equity funds agency sales, etc.

### *Reasons for and benefits of the transaction*

The Company will cooperate with Everbright Group and/or its associates to carry out agency sales services. By promoting in-depth cooperation with Everbright Group and/or its associates in agency sales, product innovation and customer migration, the Company will achieve the strategic goals of “building a first-class wealth management bank” and ranking among the domestic advanced private banks.

### *Pricing policy*

The pricing is based on market-oriented principles, and the relevant rates will be determined in accordance with the Company’s requirements and with reference to the price level of comparable peers, ensuring that they are not favorable than the pricing standards of independent third parties in the market.

When charging or paying service fees from or to Everbright Group and/or its associates, with reference to comparable price levels in the same industry as well as the needs of agency sales business and the cost of providing agency sales services, the Company subsequently determined the agency sales service charges. The price applies to both independent third parties in the market and also connected persons. The pricing standard of service fee varies according to different types of business. When both parties entering into a specific service agreement, pricing will be made based on general commercial terms and in accordance with market prices and industry practices, through fair negotiations, and according to the type and scope of agency services. The terms of these transactions are no less favourable than those provided by independent third-party customers in the market, and adjustments will be made in a timely manner according to changes in market prices.

### *Historical figures and proposed annual caps*

*Unit: RMB’00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
2.9	3.76	5.62	11.05	13.72	17.04

### ***Determination basis for annual caps***

Reasons for the large gap between the actual amount of this type of business and the preset annual cap are: (1) according the regulatory spirit, the banking agency business faces net worth transformation; (2) the continuous improvement of the domestic capital market, residents' investment awareness has increased continually. The retail management assets of the Company have exceeded RMB2 trillion, and investment demand for funds, insurance and trusts has grown rapidly; (3) in accordance with the strategic requirement of "building a first-class wealth management bank" and the overall requirement of deepening the E-SBU ecosystem coordination of Everbright Group, the business coordination between the Company and Everbright Group will be further promoted, the scope of cooperation will be further expanded, the agency sales volume will be increasing. Within the scope of the agency sales service management of the Company, the Company will conduct agency sales of asset management plans for Everbright Securities Company Limited, agency sales of fund products for Everbright Pramerica, agency sales of private and family trusts for Everbright Xinglong Trust and agency sales of insurance products for Sun Life Everbright, the average growth rate of the size of agency sales to be conducted among the Bank and the connected persons of Everbright Group in the future is expected to be not higher than 50% every year.

### **11. Provision of comprehensive services by the Company to Everbright Group and/or its associates**

According to the Comprehensive Services Framework Agreement, the Company could provide comprehensive services to Everbright Group and/or its associates, mainly including house rental service.

#### ***Reasons for and benefits of the transaction***

Provision of comprehensive services by the Company is conducive to improving service quality and work efficiency, and to strengthening the communication and cooperation between the Company and Everbright Group and/or its associates.

#### ***Pricing policy***

The Company conducts comprehensive pricing through price comparison, market research, visiting intermediaries, competitive negotiations, etc., to ensure that the rental prices of houses leased to Everbright Group and/or its associates are comparable to the prices of similar services provided by the Company to independent third parties in the open market.

#### ***Historical figures and proposed annual caps***

*Unit: RMB'00 million*

Historical amount for the year ended 31 December			Proposed annual caps for the year ending 31 December		
2018	2019	2020	2021	2022	2023
0.42	0.54	0.71	1.15	1.15	1.15

***Determination basis for annual caps***

According to the strategic requirement of “building a first-class wealth management bank” and the overall work policy of deepening the E-SBU ecosystem coordination of Everbright Group, as the demand of Everbright Group and/or its associates for improving the efficiency of daily work, ensuring the timeliness of business communication and centralized office to improve efficiency have gradually increased, there are objective conditions for conducting housing leasing services with Everbright Group and/or its associates. The Company determined the transaction caps comprehensively based on the overall market situation for housing leasing services with the Company, the year-on-year increase trend of housing leasing costs, large differences due to different regions as well as the development trend of business cooperation, and considering the objective factors of rising costs.

**12. Provision of securitization product investment services by the Company to Everbright Group and/or its associates**

According to the Comprehensive Services Framework Agreement, the Company could provide securitization product investment services to Everbright Group and/or its associates, mainly including bond underwriting services.

***Reasons for and benefits of the transaction***

Provision of securitization product investment services by the Company to Everbright Group and/or its associates is conducive to strengthening the cooperation between the Company and other member enterprises of Everbright Group, achieving synergy within Everbright Group and effectively improving work efficiency.

***Pricing policy***

For bond underwriting service fee, it is charged at the annual underwriting rate between 0.5% to 2% generally for the transactions between the Company and the connected persons, and relevant transaction pricing is based on market principles, and the relevant conditions are not favorable than the terms of similar services provided by the Company to independent third parties in the market. The connected transactions between the Company and the above connected persons are carried out on normal commercial terms.

## *Historical figures and proposed annual caps*

*Unit: RMB'00 million*

<b>Historical amount for the year ended 31 December</b>			<b>Proposed annual caps for the year ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.12	0.12	0.14	0.47	0.61	0.69

### *Determination basis for annual caps*

The forecast is based on the current bond underwriting issuance scale of the Company and related enterprises of Everbright Group, the charging standard of bond underwriting and the expected growth of bond underwriting business in the future. (1) From the perspective of market financing demand, it is expected that direct financing of Chinese enterprises will accelerate, and the demand for bond underwriting services will continue to grow with market development; (2) with the maturity and development of market financing and the bond market, the market space for the development of the Company's bond underwriting business will further expand; (3) based on the historical and existing bond underwriting cooperation between the Company and Everbright Group, the Company and Everbright Group and its connected persons have been relatively close in bond underwriting business cooperation. Their future cooperation will further strengthen the synergy within Everbright Group, and further enhance the business cooperation among members under Everbright Group. They will continue to carry out related businesses in accordance with market-based charging standards.

### **III. INTERNAL CONTROL MEASURES**

The Company has adopted a series of internal control measures to ensure that the above framework agreements comply with the requirements of the Listing Rules, which mainly include:

- (1) the Company will procure to establish the trans-departmental related party transaction management office at the management level, the members of which will comprise of relevant personnel of compliance, business, risk control and financial departments, etc., and clarify the leading department, set up designated positions responsible for daily work including identification and maintenance of connected transactions, management of connected transactions;

- (2) all transactions entered into with connected persons which exceed the discloseable threshold will be provided to external lawyers for review and confirmation of whether or not further disclosure is required to be made to the public. The discloseable threshold will be reviewed by external lawyers with reference to the Company's financial statements and market value;
- (3) the Company initiated a consulting project on connected transaction management, and with the help of external lawyers' expertise, further improved the connected transaction organization structure, management responsibilities and internal systems of the Company, improved the internal control measures of connected transactions as soon as possible by checking the omissions and filling the gaps, improved the management level of connected transactions, to avoid the occurrence of violations;
- (4) the Company will further promote the update and upgrade of the connected transaction management system of the Company based on the regulatory requirements and the consulting project results, strengthen the technological empowerment on connected transaction management, and continue to improve the systematic control ability of connected transaction management;
- (5) the Company organizes a special internal audit and year-end audit on connected transactions once a year, and will disclose the connected transaction data of the Company during the financial year in accordance with the requirements of the Listing Rules;
- (6) the Company issues the notice to continuously strengthen the connected transactions management, requiring institutions at all levels to combine internal and external inspections to find problems, increase the attention to connected transaction management, and strictly follow regulatory requirements to perform work procedures such as consideration, approval and disclosure so as to ensure the compliance of connected transactions; and
- (7) the Company will organize the Directors, senior management to participate in more training courses relevant to the disclosing transactions and connected transactions under the Listing Rules.

The Company will further establish and improve a sound management system for connected transactions, improve the operating mechanism for connected transactions and enhance the management of connected transactions in compliance with the regulatory requirements of the Stock Exchange and pursuant to the Management Measures for Related Party Transactions of China Everbright Bank Company Limited.

#### **IV. OPINIONS OF THE BOARD**

The Directors, including the independent non-executive Directors, are of the opinion that the terms and annual caps of the transactions contemplated under the Comprehensive Services Framework Agreement are conducted on normal commercial terms, in the usual course of business of the Company and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board has considered and approved the resolution regarding the continuing connected transaction. Li Xiaopeng, Wu Lijun and Fu Wanjun, all being Directors, have abstained from voting on the Board resolution approving the continuing connected transactions. Save as mentioned above, none of the other Directors have material interest in the matter and hence no other Director has abstained from voting on such Board resolution.

#### **V. IMPLICATIONS UNDER THE LISTING RULES**

Everbright Group is the controlling shareholder of the Company and directly and indirectly holds approximately 49.999% of the issued ordinary shares of the Company in aggregate as of the date of this announcement. Therefore, Everbright Group and its associates constitute connected persons of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated in respect of the annual caps for the transactions of the provision of (i) product management services; (ii) comprehensive services; (iii) sales of supplementary medical insurance; (iv) technology services; (v) comprehensive marketing services; (vi) cloud payment services; (vii) channel business services; and (viii) securitization product investment services by Everbright Group and/or its associates to the Company, as well as the provision of (ix) asset custody services; and (x) agency sales services by the Company to Everbright Group and/or its associates under the Comprehensive Services Framework Agreement exceed 0.1% but do not exceed 5% under Chapter 14A of the Listing Rules, such transactions constitute continuing connected transactions under Chapter 14A of the Listing Rules and are subject to the annual reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated in respect of the annual caps for the transactions of the provision of (xi) the comprehensive services; and (xii) securitization product investment services by the Company to Everbright Group and/or its associates under the Comprehensive Services Framework Agreement are less than 0.1%, such transactions constitute continuing connected transactions under Chapter 14A of the Listing Rules, but are exempt from the annual reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



Services or products have been provided to each other from time to time between Everbright Group and/or its associates with the Company. During the process of reviewing the past transaction information of the Company, the Company noticed that, during certain of the years ended 31 December 2018, 2019 and 2020, as the highest applicable percentage ratio of historical amounts calculated annually on a consolidated basis of (i) product management services; (ii) comprehensive services; (iii) comprehensive marketing services and (iv) securitization product investment services provided by Everbright Group and/or its associates to the Company; as well as (v) asset custody services; and (vi) agency sales services provided by the Company to Everbright Group and/or its associates exceeded 0.1% but did not exceed 5% under Chapter 14A of the Listing Rules. Such past transactions constituted connected transactions under Chapter 14A of the Listing Rules and were subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but were exempt from independent shareholders' approval requirement. However, due to unintentional mistakes, the Company unfortunately failed to properly comply with the annual reporting and announcement requirements under Chapter 14A of the Listing Rules for such past transactions. In this regard, the Company has been in non-compliance with the requirements of Rules 14A.35, 14A.49, 14A.53, 14A.68, 14A.71, 14A.81 and 14A.82 under the Listing Rules.

The Company deeply regrets the failure to comply with the relevant requirements under Chapter 14A of the Listing Rules, and would like to emphasize that the non-compliance is unintentional. In order to ensure timely compliance with the Listing Rules and prevent similar incidents from recurring, the Company will take further remedial measures to strengthen its internal control procedures. These measures include: (i) arranging relevant internal training courses for the Directors and senior management/relevant personnel of the Company and its subsidiaries to learn about the relevant requirements under Chapter 14A of the Listing Rules; (ii) strengthening the reporting and monitoring procedures for the amounts of connected transactions, and improving the procedures and frequency of data collection and cross-checking to ensure that the transaction amounts do not exceed the relevant annual caps or any minimum exemption level; (iii) monitoring the effectiveness and adequacy of internal control measures by the internal audit department of the Company, and regularly making recommendations and reports to the audit committee of the Company; and (iv) consulting legal counsel and the Stock Exchange in a timely manner (if necessary) before entering into such transactions that may constitute new connected transactions of the Company.

## **VI. GENERAL INFORMATION**

The Company is a joint stock company incorporated in the PRC with limited liability and one of the major commercial banks in the PRC mainly engaged in commercial banking operations, including retail banking, corporate banking and treasury operations.

Everbright Group was established on 12 November 1990, and its substantial shareholders are Central Huijin Investment Ltd. and the Ministry of Finance. It mainly engaged in investment and management operations of banks, securities companies, insurance companies and other financial institutions.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of directors of the Company
“Company”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H shares and A shares of which are listed on the Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: 601818), respectively
“Comprehensive Services Framework Agreement”	the comprehensive services framework agreement entered into between the Company and Everbright Group on 15 December 2021
“Director(s)”	the director(s) of the Company
“E-SBU”	Ecosphere Strategic Business Unit, i.e. the business coordinated development ecosphere of Everbright Group
“Everbright Group”	China Everbright Group Limited (中國光大集團股份公司), a joint stock company incorporated under the laws of the PRC with limited liability and a controlling shareholder of the Company, and its ultimate beneficial owner is the State Council of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

On behalf of the Board  
**China Everbright Bank Company Limited**  
**LI Xiaopeng**  
*Chairman*

Beijing, the PRC  
15 December 2021

*As at the date of this announcement, the Executive Directors of the Company are Mr. Fu Wanjun and Mr. Qu Liang; the Non-executive Directors are Mr. Li Xiaopeng, Mr. Wu Lijun, Mr. Yao Zhongyou, Mr. Yao Wei, Mr. Liu Chong and Mr. Li Wei; and the Independent Non-executive Directors are Mr. Xu Hongcai, Mr. Wang Ligu, Mr. Shao Ruiqing, Mr. Hong Yongmiao, Mr. Li Yinquan and Mr. Han Fuling.*