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中煙國際（香港）有限公司
China Tobacco International (HK) Company Limited
(incorporated in Hong Kong with limited liability)
(Stock code: 6055)

CONTINUING CONNECTED TRANSACTIONS
UPDATE ON PROCUREMENT TRANSACTIONS IN
NEW TOBACCO PRODUCTS EXPORT BUSINESS

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New Tobacco Products Export Business is one of the Group's core business segments. The Company procures new tobacco products from entities under CNTC (being its connected persons) and sells such products to customers worldwide (excluding Mainland China).

As disclosed in the Prospectus, prior to the Company's listing on the Stock Exchange, the Company had entered into Framework Agreements with each of the Original Parties, which set out the specific terms and conditions with respect to the Company's procurement of new tobacco products from the Original Parties. The Stock Exchange granted the Existing Waivers to the Company, pursuant to which the continuing connected transactions under the Framework Agreements with the Original Parties are not subject to the requirements in relation to announcement, annual cap and independent shareholders' approval and the term of such transactions shall be indefinite.

The new tobacco products business is an emerging business. After the Company's listing on the Stock Exchange, the Subsequent Parties started to develop and ramp up their new tobacco products business and sought to export new tobacco products through the Company. In the meantime, the Group is seeking to increase its market share in the overseas new tobacco products markets.

The Board is pleased to announce that:

- (i) as a result of expansion of the New Tobacco Products Export Business, after its listing on the Stock Exchange and as of the date of this announcement, the Company has entered into Framework Agreements with each of the Subsequent Parties on the same terms and conditions as those of the Framework Agreements with the Original Parties; and
- (ii) the Company has applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a modification of the Existing Waivers to cover the Framework Agreements with the Subsequent Parties from strict compliance with the requirements in relation to annual cap and independent shareholders' approval and the term of such transactions shall be indefinite, subject to the same conditions of the Existing Waivers.

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FRAMEWORK AGREEMENTS WITH THE SUBSEQUENT PARTIES

Parties

The Company and each of the Subsequent Parties below:

- (i) China Tobacco Hunan Industrial Co., Ltd. (湖南中煙工業有限責任公司),
- (ii) China Tobacco ZheJiang Industrial Co., Ltd. (浙江中煙工業有限責任公司),
- (iii) Shenzhen Tobacco Industrial Co., Ltd. (深圳煙草工業有限責任公司),
- (iv) Jilin Tobacco Industrial Co., Ltd. (吉林煙草工業有限責任公司),
- (v) China Tobacco Hebei Industrial Co., Ltd. (河北中煙工業有限責任公司),
- (vi) China Tobacco Jiangxi Industrial Co., Ltd. (江西中煙工業有限責任公司),
- (vii) China Tobacco Guangxi Industrial Co., Ltd. (廣西中煙工業有限責任公司),
- (viii) China Tobacco Guizhou Industrial Co., Ltd. (貴州中煙工業有限責任公司),
- (ix) China Tobacco Fujian Industrial Co., Ltd. (福建中煙工業有限責任公司) and
- (x) Inner Mongolia Kunming Cigarette Co., Ltd (內蒙古昆明捲煙有限責任公司).

Principal Terms

Pursuant to the Framework Agreements, the Subsequent Parties shall provide long-term supply of new tobacco products to the Company as part of the New Tobacco Products Export Business. Each of the Subsequent Parties undertakes not to, and to procure its group members not to, enter into any agreement or arrangement with any other entity with respect to the New Tobacco Products Export Business after June 30, 2018. The principal terms of the Framework Agreements are as follows:

- (i) **Individual Agreements to be entered into pursuant to the Framework Agreements:** Specific terms of transactions relating to the long-term supply arrangements contemplated under the Framework Agreements shall be separately determined through arm's length negotiation between the Subsequent Parties and the Company in the individual agreements to be entered into pursuant to the Framework Agreements.
- (ii) **Term:** The term of the Framework Agreements shall be indefinite, unless terminated by the Company in accordance with the terms and conditions therein.
- (iii) **Amendment and Termination:** During the term of the Framework Agreements, in the event that (i) there shall be any fundamental changes to the currently effective State Monopoly Regime, or (ii) any terms or conditions of the agreement violate any applicable rules and regulations of competent

regulatory authorities, so that it becomes impossible for any party to continue carrying on the transactions contemplated in the Framework Agreements, either party shall have the right to propose to amend the Framework Agreements. In the event that both parties cannot agree on the amendment of the Framework Agreements, the Company shall have the unilateral right to terminate the Framework Agreements.

- (iv) **Consequences of Default:** If the Company becomes aware of the fact that the Subsequent Parties has breached its obligation to not enter into any agreements or arrangements with any other entity with respect to the New Tobacco Products Export Business, the Company shall promptly notify such breaching entity by written notice. The breaching entity shall immediately cure such breach. After curing such breach, the Company and the breaching entity shall discuss in good faith with respect to any losses sustained by the Company as a result of the breach and any amount of damages that such breaching entity shall pay to the Company as compensation. Where the parties fail to reach an agreement through negotiation, the parties shall submit the dispute to the Hong Kong International Arbitration Centre.
- (v) **Dispute Resolution:** All disputes arising under or relating to the Framework Agreements shall be resolved by the parties through arm's length and good faith negotiation. Where the parties cannot agree on any solution through arm's length and good faith negotiation, the parties shall submit such disputes to the Hong Kong International Arbitration Centre, which shall then be resolved in accordance with the then effective Administered Arbitration Rules of Hong Kong International Arbitration Centre. The results of such arbitration process shall be final and binding upon all parties.

Pricing Policies

With respect to the New Tobacco Products Export Business, (i) it is an emerging, new business worldwide; and (ii) since sale of heat-not-burn tobacco products is currently prohibited within the borders of China, there is no reference price on domestic sale of new tobacco products for relevant domestic suppliers. Thus, to ensure fair dealings the Company contacts potential third party customers in the international markets and gets indication on the terms of sales (including sales price). The Company then negotiates with relevant new tobacco products manufacturing entities under CNTC at arm's length with respect to the indicative terms of procurement including procurement prices. Procurement by the Company is subject to the pricing formulae as below:

$$P = A \times (1 - \text{applicable margin})$$

Where

P = Procurement price from domestic suppliers of new tobacco products;

A = Price at which the Company sells the new tobacco products to independent third parties.

The prices at which the Company sells new tobacco products are determined through arm's length negotiation with third party customers. Specifically, the Company's sales prices comprise: (i) the suppliers' costs associated with the manufacturing of new tobacco products, which include cost of raw material, storage expenses, R&D expenses or patent royalties, staff costs, utility cost, rent of factory premises and others; (ii) prevailing market price of shipping costs and insurance costs; (iii) applicable premium or discount in relation to product quality and the corresponding market status of a particular brand of new tobacco products; and (iv) other factors, including sales price of competitors, marketing strategies of the Company (such as offering competitive price to expand market presence), prevailing supply and demand in relevant new tobacco products market, relationship with the relevant counterparties. New tobacco products are not subject to any export tariff. Currently, the margins utilized in the New Tobacco Products Export Business are at least 1%. Such margins were determined taking into consideration, among others, the relevant operating costs of the Company and the cost of early-stage marketing. These margins may be adjusted by the Company in response to changes in the international market conditions and the Company's relevant operating costs.

Historical Amounts

The historical amounts of the Company's procurement of new tobacco products from the Original Parties and the Subsequent Parties as part of the New Tobacco Products Export Business are set out below.

	Historical amount for the year ended 31 December <i>(in millions of HK\$)</i>		
	2019	2020	2021
From the Original Parties	25.8	36.3	94.4
From the Subsequent Parties	0.1	0.9	3.8

No Annual Monetary Cap

As it would be impracticable and extremely difficult for the Company to set annual caps for the transactions under the Framework Agreements with the Subsequent Parties, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, a waiver from strict compliance with the annual cap requirements under Rule 14A.53 of the Listing Rules. Please refer to the section headed "Waivers from Strict Compliance with the Listing Rules" below for details of the waiver.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the following businesses: (i) export of tobacco leaf products to Southeast Asia, Hong Kong, Macau, and Taiwan; (ii) import of tobacco leaf products in Mainland China from origin countries or regions around the world (other than from sanctioned countries and regions, including Republic of Zimbabwe); (iii) export of cigarettes from CNTC Group directly to the duty-free outlets in the Kingdom of Thailand, the Republic of Singapore, Hong Kong, Macau, as well as duty-free outlets within the borders, but outside the customs area, of Mainland China or sales of cigarettes from CNTC Group through distributors; (iv) export of new tobacco products to overseas market worldwide; and (v) procurement, processing, sale of tobacco leaves and sale of agricultural materials inherent to tobacco production in the Republic of Brazil and from the Republic of Brazil to regions around the world (except China).

The Subsequent Parties

Each of the Subsequent Parties is ultimately wholly-owned by CNTC and is a connected person of the Company under Listing Rules. Further information about the Subsequent Parties are set out below.

China Tobacco Hunan Industrial Co., Ltd. (湖南中煙工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is wholly-owned by CNTC and is principally engaged in the production and sale of tobacco products.

China Tobacco ZheJiang Industrial Co., Ltd. (浙江中煙工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is wholly-owned by CNTC and is principally engaged in the production, sale and export of tobacco products and tobacco-related products and other businesses.

Shenzhen Tobacco Industrial Co., Ltd. (深圳煙草工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is owned as to 70% by China Tobacco Industrial Development Center (中國煙草實業發展中心) (a wholly-owned subsidiary of CNTC) and 30% by China Tobacco Guangdong Industrial Co., Ltd. (廣東中煙工業有限責任公司) (which is owned as to 95.124% by CNTC and 4.876% by China Tobacco Guangxi Industrial Co., Ltd.) and is principally engaged in the production and sale of cigarettes.

Jilin Tobacco Industrial Co., Ltd. (吉林煙草工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is owned as to 50.6% by China Tobacco Industrial Development Center (中國煙草實業發展中心) (a wholly-owned subsidiary of CNTC) and 49.4% by Hongta Tobacco (Group) Co., Ltd. (紅塔煙草(集團)有限責任公司) (an indirect wholly-owned subsidiary of CNTC) and is principally engaged in the procurement, production and sale of tobacco products and tobacco-related products.

China Tobacco Hebei Industrial Co., Ltd. (河北中煙工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is wholly-owned by CNTC and is principally engaged in the sale, import and export of tobacco products and tobacco-related products and other businesses.

China Tobacco Jiangxi Industrial Co., Ltd. (江西中煙工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is wholly-owned by CNTC and is principally engaged in the production and sale of tobacco products.

China Tobacco Guangxi Industrial Co., Ltd. (廣西中煙工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is owned as to 84.76% by CNTC and 15.24% by China Tobacco Guangdong Industrial Co., Ltd. (廣東中煙工業有限責任公司) (which is owned as to 95.124% by CNTC and 4.876% by China Tobacco Guangxi Industrial Co., Ltd.) and is principally engaged in the production and sale of cigarettes, the procurement of tobacco products and tobacco-related products and other businesses.

China Tobacco Guizhou Industrial Co., Ltd. (貴州中煙工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is wholly-owned by CNTC and is principally engaged in the production, sale, import and export of tobacco products and other businesses.

China Tobacco Fujian Industrial Co., Ltd. (福建中煙工業有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is wholly-owned by CNTC and is principally engaged in the procurement, production, sale, import and export of tobacco products and tobacco-related products.

Inner Mongolia Kunming Cigarette Co., Ltd (內蒙古昆明捲煙有限責任公司) is a limited company incorporated under the laws of the PRC. As at the date of this announcement, it is owned as to 51% by Hongyun Honghe Tobacco (Group) Co., Ltd. (紅雲紅河煙草(集團)有限責任公司) (an indirect wholly-owned subsidiary of CNTC) and 49% by China Tobacco Industrial Development Center (中國煙草實業發展中心) (a wholly-owned subsidiary of CNTC) and is principally engaged in the production and sale of cigarettes.

REASONS FOR AND BENEFITS OF ENTERING INTO FRAMEWORK AGREEMENTS WITH THE SUBSEQUENT PARTIES

New Tobacco Products Export Business is one of the main business segments of the Group. The Directors are of the view that entering into the Framework Agreements with the Subsequent Parties is a natural expansion of the emerging New Tobacco Products Export Business and it broadens supply of new tobacco products and leads to increase of revenue from the New Tobacco Products Export Business.

The Directors (including the independent non-executive Directors) believe that the Framework Agreements with the Subsequent Parties are entered into in the ordinary and usual course of business of the Group and are on normal commercial terms or better, and the terms of the Framework Agreements with the Subsequent Parties are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Shao Yan had declared his interest in the transactions under the Framework Agreements with the Subsequent Parties by virtue of him being a director of CTIG, and had abstained from voting on the relevant Board resolution in respect of the Framework Agreements with the Subsequent Parties. Save as disclosed above, to the best knowledge of the Company, none of the Directors have any material interest in the transactions under the Framework Agreements with the Subsequent Parties, and therefore no other Directors were required to abstain from voting on the Board resolutions approving the Framework Agreements with the Subsequent Parties.

LISTING RULES IMPLICATIONS

As of the date of this announcement, CNTC, through CTIG, holds 72.29% of the total issued shares of the Company and is the ultimate controlling shareholder of the Company. Each of the Subsequent Parties is a subsidiary of CNTC and a connected person of the Company by virtue of it being an associate of CNTC pursuant to the Listing Rules. Accordingly, the transactions under the Framework Agreements with the Subsequent Parties constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

During the period from the Company's listing on the Stock Exchange to the date of this announcement, the Group had procured certain new tobacco products from the Subsequent Parties. As the highest applicable percentage ratio in respect of the Group's procurement of new tobacco products from the Subsequent Parties (calculated based on the aggregated annual transaction amount) was less than 0.1%, such transactions were fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

The Company has applied to the Stock Exchange for a modification of the Existing Waivers to cover the Framework Agreements with the Subsequent Parties and transactions thereunder for the following reasons:

- (i) ***Framework Agreements with Original Parties and Subsequent Parties are identical:*** The terms of the Framework Agreements with the Subsequent Parties are identical to those with the Original Parties. The Company also applies identical pricing policies and identical corporate governance measures equally to all procurement transactions in the New Tobacco Products Export Business, whether with the Original Parties or the Subsequent Parties, so as to ensure the fairness and reasonableness of all such connected transactions.

- (ii) ***Entering into Framework Agreements with Subsequent Parties is in the interests of the Company and its shareholders as a whole:*** Entering into the Framework Agreements with the Subsequent Parties is a natural expansion of the emerging New Tobacco Products Export Business as it broadens supply of new tobacco products and leads to increase of revenue from the New Tobacco Products Export Business. It is in the interests of the Company and its shareholders as a whole, and not done with an intention to benefit any connected person.
- (iii) ***Entering into Framework Agreements with Subsequent Parties is consistent with Prospectus disclosures:*** As disclosed in the section headed “Business – Our Business Strategies – Enhance the Quality of Our New Tobacco Products and Increase Market Share in the New Tobacco Products Market” of the Prospectus, the New Tobacco Products Export Business is an emerging business and the Company intends to timely seize strategic development resources through strategic cooperation with entities under CNTC. Therefore, the Company’s shareholders and potential investors have already been informed of the plan for entering into the Framework Agreements with entities under CNTC beyond the Original Parties.

In addition, the application for a modification of the waiver from strict compliance with Rule 14A.36 (independent shareholders’ approval requirement) of the Listing Rules to cover the Framework Agreements with the Subsequent Parties is made in light of the following:

- (i) ***The occurrence of connected transactions is inevitable as a result of the Tobacco Monopoly Law, the No. 60 Notice and the State Monopoly Regime:*** Pursuant to the No. 60 Notice, the Company has been designated as the exclusive operating entity of New Tobacco Products Export Business for CNTC Group in the globe (excluding Mainland China). All entities under CNTC (including the Subsequent Parties) shall export new tobacco products through the Company only and shall not directly deal with any other entity in this regard. The No. 60 Notice further prescribes that the Company and relevant entities under CNTC shall enter into legal documents to effectuate the orders of the No. 60 Notice. Accordingly, the connected transactions under the Framework Agreements between the Company and relevant entities under CNTC (including the Subsequent Parties) are the inevitable results of compliance with the Tobacco Monopoly Law, the No. 60 Notice and the State Monopoly Regime. Subjecting the Framework Agreements with the Subsequent Parties to independent shareholders’ approval would defeat CNTC’s underlying purpose in setting forth such exclusive operation arrangement as applicable to the Subsequent Parties.
- (ii) ***No basis to distinguish between the Original Parties and the Subsequent Parties:*** Other than the dates of the relevant Framework Agreements, the terms and conditions of the Company’s procurement of new tobacco products from the Subsequent Parties are the same as those from the Original Parties. Accordingly, the basis of and rationale for the Existing Waivers equally applies to the Company’s procurement of new tobacco products from the Subsequent Parties. The Company is the sole platform through which CNTC Group exports new tobacco products pursuant to the No. 60 Notice. The Subsequent Parties have no alternative but to transact with the Company to export their new tobacco products. If the Framework Agreements with the Subsequent Parties are subject

to independent shareholders' approval and such approval is not obtained, the Subsequent Parties will not be able to export new tobacco products through other wholesalers or agents, which will unduly constrain their business and operation. There is no basis to distinguish the Framework Agreements with the Subsequent Parties from those with the Original Parties which would result in unfair and unequal treatment between the Original Parties and the Subsequent Parties.

- (iii) ***Strict compliance with independent shareholders' approval requirement would unduly hinder the Company's continued development and growth:*** New Tobacco Products Export Business is one of the Group's main business segments. Currently, all of the Group's revenue and profits derived from the New Tobacco Products Export Business involve procurement of new tobacco products from CNTC Group. Procurement of new tobacco products from the Subsequent Parties is expected to form a significant part of the New Tobacco Product Export Business going forward. If the Framework Agreements with the Subsequent Parties are subject to independent shareholders' approval and such approval is not obtained, it will be practically impossible for the Company to procure same brands of new tobacco products from sources other than the Subsequent Parties to satisfy demand for such products from independent third-party customers. Accordingly, subjecting the Framework Agreements with the Subsequent Parties to independent shareholders' approval would unduly hinder the continued development of the New Tobacco Products Export Business as well as the Company's ability to continue to grow and create value for all its shareholders.
- (iv) ***Unique background of the Company and the Existing Waivers:*** As disclosed in the Prospectus, the Company has a unique role and business model as part of CNTC Group's monopoly in the PRC. Under the State Monopoly Regime, CNTC Group is the only entity authorized to engage in the production, distribution, sale, import and export of tobacco monopoly commodities in the PRC. The Company has no feasible alternative but to procure from its connected persons for its New Tobacco Export Business, as it is practically impossible for the Company to procure same brands of new tobacco products from independent third parties. The Framework Agreements further provide the Company with exclusivity as well as protection against competition in the New Tobacco Products Export Business, which is in the interest of the Company and its shareholders as a whole. It was in recognition of this that the Stock Exchange agreed to grant the Existing Waivers on a unique set of terms. As the business model of New Tobacco Products Export Business and the State Monopoly Regime remain unchanged, it would be unfairly prejudicial to the Company, if the same waiver from strict compliance with independent shareholders' approval requirement were not granted in respect of the Framework Agreements with the Subsequent Parties. Instead, such waiver for the Framework Agreements with the Subsequent Parties would be in the interest of the Company and its shareholders as a whole. Further, due to the unique nature of the State Monopoly Regime, this waiver would be specific to the Company and would not be of general application to other listed issuers.

The Stock Exchange has agreed to modify the Existing Waivers and extend the waivers to cover the Framework Agreements with the Subsequent Parties for the Company's procurement of new tobacco products from strict compliance with the requirements under Rules 14A.36, 14A.52 and 14A.53 of the Listing Rules, subject to the same conditions of the Existing Waivers. Accordingly, the continuing connected transactions under the Framework Agreements with the Subsequent Parties will not be subject to the requirements in relation to annual cap and independent shareholders' approval, and the term of such transactions shall be indefinite. For further details of the Existing Waivers and the conditions thereof, please refer to the section headed "Connected Transactions" of the Prospectus.

DEFINITIONS

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

"Board"	the board of directors of the Company;
"CNTC"	China National Tobacco Corporation* (中國煙草總公司), an enterprise incorporated in the PRC, and the ultimate controlling shareholder of the Company;
"CNTC Group"	CNTC and its subsidiaries;
"Company"	China Tobacco International (HK) Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 6055);
"CTIG"	China Tobacco International Group Limited (中煙國際集團有限公司), the controlling shareholder of the Company and a wholly-owned subsidiary of CNTC;
"Directors"	the directors of the Company;
"Existing Waivers"	the waiver from strict compliance with the requirement to set a term of not exceeding three years under Rule 14A.52 and requirements to set monetary annual caps under Rule 14A.53 under the Listing Rules, and a waiver from strict compliance with the requirements of announcement and independent shareholders' approval in accordance with Rule 14A.105 of the Listing Rules in respect of, among others, the transactions under the Framework Agreements with the Original Parties. Details of the Existing Waivers are set out in the section headed "Connected Transactions" of the Prospectus;

“Framework Agreement(s)”	the new tobacco products export business exclusive operation and long-term supply framework agreement(s) entered into between the Company and each of the Original Parties and the Subsequent Parties;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“New Tobacco Products Export Business”	the Group’s exclusively operated export business of new tobacco products (mainly including heat-not-burn tobacco products), which are procured from entities under CNTC and sold to customers worldwide (excluding Mainland China);
“No. 60 Notice”	the Notice Regarding the Operations of China Tobacco International (HK) Company Limited (Zhongyanban [2018] No. 60) (中國煙草總公司關於中煙國際(香港)有限公司運營的通知(中煙辦[2018]60號)) issued by CNTC on March 22, 2018;
“Original Parties”	collectively, the relevant entities under CNTC with which the Company had entered into the Framework Agreements on or before April 10, 2019;
“PRC” or “China”	the People’s Republic of China;
“Prospectus”	the prospectus of the Company dated May 28, 2019;
“State Monopoly Regime”	State tobacco monopoly regime of the PRC prescribed by the Tobacco Monopoly Law and the Implementation Measures of the Tobacco Monopoly Law of the PRC (中華人民共和國煙草專賣法實施條例), in accordance to which the production, sale, import and export of tobacco monopoly commodities in the PRC are subject to state monopoly under law;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsequent Parties”	collectively, the relevant entities under CNTC as set out in the section headed “Framework Agreements with the Subsequent Parties – Parties” of this announcement;

“Tobacco Monopoly Law” Tobacco Monopoly Law of the PRC (中華人民共和國煙草專賣法);
“%” percent.

By order of the board
China Tobacco International (HK) Company Limited
Shao Yan
Chairman

Hong Kong, 31 October, 2022

As at the date of this announcement, the Board comprises Mr. Shao Yan, as Chairman and non-executive director of the Company, Ms. Yang Xuemei, Mr. Wang Chengrui, Mr. Xu Zengyun and Ms. Mao Zilu as executive directors of the Company, and Mr. Chow Siu Lui, Mr. Wang Xinhua, Mr. Chau Kwok Keung and Mr. Qian Yi as independent non-executive directors of the Company.