

## **China Everbright Limited**

### **Staff Development and Training Statement**

#### **I. Recruitment and Talent Pool**

##### **(I) Recruitment Plan**

In the fourth quarter of each year, the Human Resources and Corporate Administration of China Everbright Limited (“CEL” or the “Company”) will formulate a recruitment plan for the next year together with other department heads, to ensure the Company is reasonably staffed that the number of employees and their labor costs match the Company’s financial performance.

In terms of graduate recruitment, the Company actively responds to and supports the “New Graduates - New Opportunities Scheme” launched by the Labor Department of the HKSAR Government and the Hong Kong Chinese Enterprises Association, providing employment and training opportunities to university graduates. In 2021, the Company created several new positions including Accounting Officer of Finance Department, Basic Operation and Maintenance Officer of Operation Center, and Application Development Officer of Operation Center, targeting Hong Kong residents who are employable locally and hold a bachelor’s degree or above awarded by local or non-local universities in 2019 to 2021.

##### **(II) Talent Pool**

By building and maintaining a talent pool, the Company keeps excellent potential job candidates, who can be mobilized to fill any job vacancies in a timely manner, hence ensuring a stable workforce.

The Company also builds an international talent pool with qualified international talents and outstanding young managers. In selecting and hiring employees, the Company gives priority to candidates in the pool; in personnel development, the Company strengthens their training through the training platform of the Group, arranges internal and external professional training for them, and broadens their practical experience.

In addition, to further enhance professional competence, the Company started in June 2021 to build talent pools for different areas of expertise including technology innovation, financial management, and legal risks. The name list of these talents and their management will also be improved gradually.

#### **II. Staff Development and Training**

##### **(I) Business Training**

The Company regularly conducts specific business training for business personnel to improve their professional competence. The training mainly includes courses on tax rules and laws and regulations, themed around such topics as anti-money laundering, tax concessions for carried

interest, private fund policies, and the civil code. Additionally, each department may organize other training based on its business needs, setting training objectives and topics according to the development goals of its business team.

The Company encourages business personnel to participate in job-related seminars or short courses held by professional organizations, and provides financial support for employees who attend business training in their own names.

[Example] In March 2021, the Company invited external experts to elaborate on the *Several Provisions on Strengthening the Regulation of Private Investment Funds*, including its background, content, and implications for practice. Attended by 115 employees, including relevant business personnel, the training gave some insight into the new regulations in the private fund industry.

## (II) Management and Leadership Training

The Company gives training on management skills and other skills to middle and senior managers every two years to further enhance the leadership of managers at all levels and to strengthen cross-department communication and team collaboration. The Company also offers annual exchange training that focuses on personal improvement and team building for new employees in the mainland and Hong Kong, in a bid to deepen their understanding of business in both places and foster team cohesion.

The company delivers management skills-related training on 10 topics including communication skills and team motivation for all employees through the e-Learning platform every year.

[Example] In November 2020, the Company invited external experts to give training on cross-department communication and collaboration, particularly on the importance of efficient communication to an organization, barriers to consensus in cross-department communication, basics for cross-department communication, and strategic communication skills. The training had 25 attendants, mainly middle and senior managers. It helped the management better capturing the essence of cross-department communication, improved communication effectiveness, and enhanced operational efficiency.

## (III) Collaborative Training with Academic Institutions

The Company actively cooperates with experts from academic institutions to provide professional training for employees. University professors would be invited from time to time to assess macroeconomic development based on research data, deepening employees' understanding of the market environment.

[Example] In June 2020, the Company invited an associate professor from the Department of Economics of the Chinese University of Hong Kong to analyze the post-pandemic global economic outlook, including the macroeconomic prospect of the world at large and

of the mainland and Hong Kong, potential development of US-China trade relations, and asset allocation. Attended by 76 employees, the training aimed to help employees responding to the rapid changes in global context, especially the pandemic, and enable employees to make quick judgment and response by enhancing their understanding of the market environment.

#### (IV) Employee Ethics Training

The Company conducts training on anti-corruption, anti-bribery, and other business ethics for all employees, including those under contract for services and dispatched workers.

To enhance awareness of integrity and cultivate a clean corporate culture, the Company organizes lectures on integrity for all employees from time to time and invites the Hong Kong Independent Commission Against Corruption (ICAC) to give anti-corruption sessions for Hong Kong employees.

[Example] In September 2020, the Company invited ICAC to give a lecture on the *Prevention of Bribery Ordinance* and related regulations and the significance of compliance to 50 employees.

In June 2021, the company invited the Discipline Inspection and Supervision Team sent to the Everbright Group to give a lecture on integrity to all employees.

#### (V) Educational Assistance

The educational assistance program is designed to encourage employees to attend courses beneficial to their self-improvement or career development, thereby increasing their professional knowledge and skills. The program covers all employees, including those under contract for services and dispatched workers.

If an employee completes a certain course and passes the corresponding examination, the Company will offer financial support depending on the employee's seniority and rank, which is 50% - 100% of the capped course fees.

In 2020, the Company supported 307 employees to participate in internal or external training courses, legal professional qualification examination courses, MBA education, and CSRC licensing examinations, among others. A total of RMB 1.2717 million were granted for their 8,560.5 hours of continuing education.

The Hong Kong Employees Retraining Board has selected the Company as a Manpower Developer for three consecutive years since 2018, in recognition of its commitment to promoting on-the-job training and self-improvement, as well as its corporate culture of personnel training and development.

### III. Evaluation and Feedback on Employee Performance

In order to evaluate the capacity, achievement, and performance of employees, the Company formulates a *Department and Employee Performance Evaluation Measures and Application* each year, which serves as a performance development plan for all employees, including those under contract for services and dispatched workers.

Department heads or the supervisors-in-charge conduct performance plans, guidance, reviews, and rewards for employees each year, including semi-annual review and year-end evaluation:

- (I) Semi-annual review is held in the middle of a year. A department head or supervisor-in-charge will discuss with the employee about the progress towards each planned target, which may be revised as necessary upon mutual agreement;
- (II) Year-end evaluation is held between December and the next February. The evaluation is expected to motivate employees to unlock full potential and maintain excellent performance over time, as a way to achieve corporate goals and promote personal career development.

The processes of department and employee performance evaluation are as follows:

- (I) Department performance evaluation and comprehensive assessment. Department performance evaluation combines quantitative and qualitative approaches. Quantifiable indicators will be scored based on actual performance; other indicators will be scored by the management according to the given weight. Comprehensive assessment for a department is made by all other departments anonymously from six dimensions – work efficiency, communication and collaboration, teamwork, sense of responsibility, discipline, and innovation and improvement.
- (II) Employee year-end evaluation. Evaluation is conducted within the online performance evaluation system for all employees. This evaluation mainly focuses on employees' completion of their assigned work and their capacity. Capacity evaluation covers an employee's skills, quality of work, output, and communication skills, etc.

Results of employee evaluation are fully published in the electronic performance evaluation system, through which employees can view their final evaluation score and supervisors' comments. The system implements a mandatory "confirm evaluation" step. Employees who disagree with the evaluation results can submit an appeal within the system or talk directly to their supervisors.

Department heads or the supervisors-in-charge should go over the evaluation results with employees to help them understand their performance in personal development over the year and make targeted improvements in the next year, and to set training goals and preliminary performance targets for the next year. Any employee who disagrees with his/her performance evaluation results can discuss them with the department head, supervisor-in-charge, or Human Resources and Corporate Administration.

The Company determines whether an employee should be rewarded based on the Group's overall performance and the employee's performance evaluation results. This reward may take the form of a raise, performance bonus, or non-monetary reward such as promotion.

Year-end evaluation is the main basis for pay adjustment, disbursement of performance bonus, promotion, and lateral transfer. At the same time, inferior or poor performance may result in reduced pay, demotion, or even dismissal.