
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

**PROPOSAL ON THE ELECTION OF EXECUTIVE DIRECTOR
PROPOSAL ON AMENDMENTS TO THE CONNECTED TRANSACTION
MANAGEMENT RULES
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024**

A notice convening the EGM of the Company to be held by way of on-site meeting at 9:30 a.m. on Thursday, 22 February 2024 at Conference Room 1616, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC is set out on pages 8 to 9 of this circular. A letter from the Board is set out on pages 3 to 7 of this circular.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy should be returned in person or by post not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (i.e. before 9:30 a.m. on Wednesday, 21 February 2024) to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the Board's office of the Company (for holders of Domestic Shares). Completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the EGM or any adjournment thereof in person if such Shareholder so wishes.

6 February 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024	8
APPENDIX I – COMPARISON TABLE OF THE AMENDMENTS TO THE CONNECTED TRANSACTION MANAGEMENT RULES	10

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this circular:

“Articles of Association”	the Articles of Association of ZHONGTAI FUTURES Company Limited, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, in this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	ZHONGTAI FUTURES Company Limited (中泰期貨股份有限公司) (formerly known as LUZHENG FUTURES Company Limited (魯証期貨股份有限公司)), a joint stock limited company incorporated in the PRC and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01461)
“Connected Transaction Management Rules”	the Connected Transaction Management Rules of ZHONGTAI FUTURES Company Limited, as amended from time to time
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued in the share capital of the Company, with a nominal value of RMB1.00 each, subscribed for and fully paid-up in RMB
“EGM” or “First Extraordinary General Meeting of 2024”	the first extraordinary general meeting of 2024 of the Company to be held by way of on-site meeting at 9:30 a.m. on Thursday, 22 February 2024 at Conference Room 1616, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of Hong Kong Stock Exchange and is/are subscribed for and traded in HK\$
“HK\$”	the lawful currency of Hong Kong
“holder(s) of Domestic Share(s)”	the holder(s) of the Domestic Share(s)
“holder(s) of H Share(s)”	the holder(s) of H Share(s)

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	31 January 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“RMB”	the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	the share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including the Domestic Shares and the H Shares
“Shareholder(s)”	the holder(s) of the Share(s)
“%”	percentage

In case of any discrepancy between the Chinese version and the English version of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

Executive Directors:

ZHONG Jinlong (*Chairman*)
LIANG Zhongwei

Registered office & Headquarters in the PRC:

15-16/F, No. 86 Jingqi Road
Shizhong District, Jinan
Shandong Province, 250001, the PRC

Non-executive Directors:

HU Kainan
ZHENG Hanyin
MING Gang
LIU Feng

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Independent Non-executive Directors:

ZHENG Jianping
CHEN Hua
LUO Xinhua

6 February 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSAL ON THE ELECTION OF EXECUTIVE DIRECTOR
PROPOSAL ON AMENDMENTS TO THE CONNECTED TRANSACTION
MANAGEMENT RULES**

AND

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

INTRODUCTION

This circular contains the notice of EGM, which sets out the details of the resolutions to be proposed at the EGM, which enable you to make informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

MATTERS TO BE RESOLVED AT THE EGM

Ordinary resolutions will be proposed at the EGM to approve: (1) Proposal on the election of executive Director; and (2) Proposal on amendments to the Connected Transaction Management Rules.

ORDINARY RESOLUTIONS

1. Proposal on the Election of Executive Director

Reference is made to the announcement of the Company dated 24 August 2023 in relation to (among others) the proposed election of executive Director. The Board has passed the resolution of the election of Mr. LIU Qingbin (“**Mr. Liu**”) as an executive Director of the Company on 24 August 2023. The Company has approved the nomination of Mr. Liu as a candidate for executive Director of the Company.

The biographical details of Mr. Liu as required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out below:

Mr. Liu (without former name), aged 54, joined the Company in May 2014. At present, he is a deputy secretary of the party committee and the general manager of the Company. He is also a deputy director of the Legal Committee of China Futures Association, a member of the Talent Development Committee of China Futures Association, a member of Trading Committee of Dalian Commodity Exchange (大連商品交易所), the director of the Metal Variety Committee of Shanghai Futures Exchange (上海期貨交易所). Mr. Liu served as an employee of Jinan First Machine Tool Plant (濟南第一機床廠) from July 1992 to July 1997; served as a section member of Jinan Securities Administration Office (濟南市證券管理辦公室) from July 1997 to August 1998; served as a section member, deputy principal section member of Department of Integration, deputy principal section member and principal section member of Department of Intermediary Supervision of Jinan Securities Administration Office of China Securities Regulatory Commission (the “CSRC”) in succession from August 1998 to March 2004; served as a principal section member and the deputy director of Institutional Supervision Division, and deputy director and director of Futures Supervision Division of the Shandong Regulatory Bureau of the CSRC (中國證監會山東監管局) in succession from March 2004 to August 2008; served as a department cadre and the director of company supervision department I of Futures Supervision Division, and director of the audit office and director of the general office of the Futures Supervision Division II of the CSRC in succession from August 2008 to April 2014; served as the secretary to the party committee of the Company from July 2014 to August 2016; served as the chairman of Luzheng Trading Co., Ltd. from August 2015 to March 2020; served as a director of ZHONGTAI HUIRONG INVESTMENT (HK) COMPANY LIMITED from August 2015 to July 2020; has been the general manager of the Company since August 2016; served as a member of the party committee of the Company from August 2016 to July 2023; has been deputy secretary of the party committee of the Company since July 2023; has been the director of the Metal Variety Committee of Shanghai Futures Exchange since August 2018; has been a member of the trading committee of Dalian Commodity Exchange since July 2019; has been the deputy director of the Legal Committee of the Council of China Futures Association since May 2021; has been a member of the Talent Training Committee of China Futures Association since December 2021. Mr. Liu graduated from Luoyang Institute of Technology (洛陽工學院) majoring in marketing and obtained a bachelor’s degree in July 1992. Mr. Liu obtained the qualification of certified public accountant issued by the Institute of Certified Public Accountants of Shandong Province (山東省註冊會計師協會) in January 2005, and obtained the qualification of senior economist issued by the High Review Commission of Professional Title in Economics of Shandong Province (山東省經濟專業職務高級評審委員會) in February 2005.

LETTER FROM THE BOARD

Save as disclosed above, Mr. Liu has confirmed that: (1) he had not held directorships in other listed companies, nor had other major appointments and professional qualifications in the past three years; (2) he had not held any positions with the Company or the Company's subsidiaries; (3) he had no relationship with any Director, supervisor, senior management personnel, substantial Shareholder or controlling Shareholder of the Company or any subsidiary of the Company; (4) as at the Latest Practicable Date, he does not have any interests in the Shares of the Company within the meaning of Part XV of the SFO; and (5) there is no other information required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his appointment that need to be brought to the attention of the Shareholders of the Company.

If Mr. Liu is appointed as the executive Director of the Company, the Company will enter into a service contract with him, and his term of office shall commence on the date of approval at the EGM and end on the expiry of the fourth session of the Board of the Company. He is eligible for re-election and re-appointment upon expiry of his term. During his tenure, Mr. Liu will not receive any Director's emoluments from the Company, but will be entitled to a remuneration for serving as the general manager of the Company, the amount of which will be determined according to the Company's Measures for the Compensation and Performance Appraisal of Senior Management, and based on his annual performance and in line with the market practices. The specific amount of remuneration of Mr. Liu will be disclosed in the annual reports of the Company.

The above proposal has been approved by the Board, and is hereby put forward to the EGM for consideration and approval.

2. Proposal on Amendments to the Connected Transaction Management Rules

In order to further regulate the corporate governance structure, control operational risks, ensure the legality, fairness and rationality of connected transactions of the Company, and safeguard the legitimate rights and interests of the Company and all Shareholders of the Company, the Company proposes amendments to the Connected Transaction Management Rules in accordance with the Listing Rules, and with reference to the practices of our controlling Shareholder, Zhongtai Securities Co., Ltd., and based on the market case examples and the actual conditions of the Company. Major amendments are set out as follows:

(1) To amend corresponding provisions pursuant to the Listing Rules

According to the latest version of the Listing Rules, amendments are proposed to the Connected Transaction Management Rules regarding the definition of connected person(s), exemption of connected transactions, ratio test, signing of agreement and statement in annual reports.

(2) To add a new section of "Pricing of Connected Transactions"

The pricing principle and method of connected transactions are further clarified according to the provisions of the Listing Rules on the pricing principle of connected transactions, and referring to the standard wordings on the domestic A-share market.

LETTER FROM THE BOARD

(3) Others

Firstly, the provisions that have been clearly stipulated in the Implementation Measures for the Connected Transactions Management of the Company are deleted for future implementation and adjustment; secondly, in order to facilitate the approval process, such provision is added that “the general manager’s office can further delegate certain authority within its power, except as otherwise provided by laws, administrative regulations, the Articles of Association and these Rules.”; thirdly, standard wordings are provided for certain contents in line with the actual conditions of the Company.

Please refer to Appendix 1 of this circular for the further details of the amendments to the Connected Transaction Management Rules.

The above proposal has been approved by the Board, and is hereby put forward to the EGM for consideration and approval.

EGM

A notice convening the EGM of the Company to be held by way of on-site meeting at 9:30 a.m. on Thursday, 22 February 2024 at Conference Room 1616, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC is set out on pages 8 to 9 of this circular.

All the resolutions proposed at the EGM will be taken by poll. As at the Latest Practicable Date, no Shareholder, to the knowledge and belief of the Directors having made all reasonable enquiries, will be required to abstain from voting at the EGM in respect of relevant resolutions.

A form of proxy for use at the EGM is also enclosed herein and published on the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.com.hk) and the website of the Company (www.ztqh.com). Shareholders who intend to appoint a proxy to attend the EGM shall complete, sign and return the appropriate form of proxy in accordance with the instructions printed thereon.

For holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the EGM (i.e. before 9:30 a.m. on Wednesday, 21 February 2024) in order for such documents to be valid. For holders of Domestic Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Board’s office of the Company in the PRC at Room 1608, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC, not later than 24 hours before the time appointed for holding the EGM (i.e. before 9:30 a.m. on Wednesday, 21 February 2024) in order for such documents to be valid. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the EGM or any adjournment thereof in person if such Shareholder so wishes.

LETTER FROM THE BOARD

Pursuant to the Articles of Association, for the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM, the register of members of H Shares is closed from Tuesday, 23 January 2024 to Thursday, 22 February 2024 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of the Company on Thursday, 22 February 2024 will be entitled to attend and vote at the EGM.

In order to be eligible to attend and vote at the EGM, holders of H Shares shall lodge all their transfer documents, accompanied by the relevant share certificates, to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 22 January 2024.

RECOMMENDATION

The Directors believe that all the resolutions to be proposed at the EGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of all the resolutions to be proposed at the EGM.

By order of the Board
ZHONGTAI FUTURES Company Limited
ZHONG Jinlong
Chairman

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2024 (the “EGM”) of ZHONGTAI FUTURES Company Limited (the “Company”) will be held by way of on-site meeting at Conference Room 1616, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the People's Republic of China (the “PRC”) at 9:30 a.m. on Thursday, 22 February 2024 for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the proposal on the election of Mr. LIU Qingbin as executive director of the Company; and
2. To consider and approve the proposal on amendments to the Connected Transaction Management Rules of ZHONGTAI FUTURES Company Limited.

By order of the Board
ZHONGTAI FUTURES Company Limited
ZHONG Jinlong
Chairman

Jinan, the PRC, 6 February 2024

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, each of the resolutions set out in the notice of EGM will be voted by poll. After the conclusion of the EGM, results of the poll will be published on the Company's website at www.ztqh.com and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.
2. Any shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting instead of him/her. A proxy need not be a Shareholder.
3. In order to be valid, the form of proxy together with a notarially certified copy of power of attorney or other documents of authorization of the appointer, if any, must be completed and returned to the Board's office of the Company (for holders of domestic shares) or the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H shares), not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof (i.e. before 9:30 a.m. on Wednesday, 21 February 2024). The address of the Board's office of the Company is Room 1608, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.
4. In order to ascertain the entitlements of the Shareholders to attend and vote at the EGM, the register of members of the Company is closed from Tuesday, 23 January 2024 to Thursday, 22 February 2024 (both days inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Thursday, 22 February 2024 will be entitled to attend and vote at the EGM.

In order to be eligible to attend and vote at the EGM, holders of H shares of the Company shall lodge all their transfer documents, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited, the Company's H share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 22 January 2024.

5. In case of joint holders of any shares, the one whose name stands first in the register of members of the Company shall be entitled to attend and vote at the EGM in respect of such shares.
6. Below is the principal place of business of the Company in the PRC:

15-16/F, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC
Tel: +86-531-81678629
Fax: +86-531-81916777

Below is the contact of Computershare Hong Kong Investor Services Limited, the H share registrar of the Company:

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: +852-28628555
Fax: +852-28650990

As at the date of this notice, the board of directors of the Company comprises Mr. ZHONG Jinlong and Mr. LIANG Zhongwei as executive directors; Mr. HU Kainan, Mr. ZHENG Hanyin, Mr. MING Gang and Mr. LIU Feng as non-executive directors; and Mr. ZHENG Jianping, Mr. CHEN Hua and Mr. LUO Xinhua as independent non-executive directors.

Before amendment	After amendment
<p>Article 4 A written agreement shall be signed for a connected transaction of the Company with its connected persons. The agreement shall be signed in the principles of equality, willingness, equivalence, and be supported by a consideration, and containing well-defined and definite contents that comply with the Listing Rules. The senior management shall ensure that all connected transactions are conducted pursuant to the connected transaction agreements that have been legally considered.</p>	<p>Article 4 A written agreement shall be signed for a connected transaction of the Company with its connected persons. The agreement shall be signed in the principles of equality, willingness, equivalence, and be supported by a consideration, and containing well-defined and definite contents that comply with the <u>Hong Kong</u> Listing Rules. The senior management personnel shall ensure that all connected transactions are conducted pursuant to the connected transaction agreements that have been legally considered.</p>
<p>Article 5 Connected transactions of the Company shall be subject to laws and regulations, accounting regulations applicable to the Company as well as relevant regulatory requirements of the place where the shares of the Company have been listed. For connected transactions discloseable under the Listing Rules, the Company shall make disclosure in accordance with relevant requirements about the signing, novation, termination or performance of such connected transaction agreements.</p>	<p>Article 5 Connected transactions of the Company shall be subject to laws and regulations, accounting regulations applicable to the Company as well as relevant regulatory requirements of the place where the shares of the Company have been listed. For connected transactions discloseable under the <u>Hong Kong</u> Listing Rules, the Company shall make disclosure in accordance with relevant requirements about the signing, novation, termination or performance of such connected transaction agreements.</p>
<p>Article 6 Connected transactions shall be entered in the principles of impartiality, fairness, and openness. In principle, the price of a connected transaction shall not deviate from the price or fee standard of an independent third party in the market. The Company shall fully disclose the pricing basis of connected transactions discloseable under the Listing Rules.</p>	<p>Article 6 Connected transactions shall be entered in the principles of impartiality, fairness, and openness. In principle, the price of a connected transaction shall not deviate from the price or fee standard of an independent third party in the market. The Company shall fully disclose the pricing basis of connected transactions discloseable under the Listing Rules.</p>

Before amendment	After amendment
<p>Article 8 Under the Listing Rules, a connected person is:</p> <p>(I) a director (including anyone who was a director of the Company or any of its subsidiaries in the last 12 months), supervisor, chief executive or substantial shareholder of the Company or any of its subsidiaries (hereinafter referred to as Basic Connected Person(s));</p> <p>A “substantial shareholder” means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company or each of its subsidiaries.</p> <p>(II) any “associate” of the above Basic Connected Persons:</p> <p>1. in connection with an individual, an “associate” of a Basic Connected Person means:</p> <p>(1) his/her spouse or a person cohabiting with him/her as a spouse;</p> <p>(2) a natural or adopted child of the person or his/her spouse specified in above (1), under the age of 18 years;</p> <p>(the persons specified in the above (1) and (2) are collectively referred to as “immediate family members”.)</p>	<p>Article 78 Under the <u>Hong Kong</u> Listing Rules, a connected person is:</p> <p>(I) a director (including anyone who was a director of the Company or any of its subsidiaries in the last 12 months), supervisor, chief executive <u>general manager</u> or substantial shareholder of the Company or any of its subsidiaries (hereinafter referred to as Basic Connected Person(s));</p> <p>A “substantial shareholder” means a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company or each of its subsidiaries.</p> <p>(II) any “associate” of the above Basic Connected Persons:</p> <p>1. in connection with an individual, an “associate” of a Basic Connected Person means:</p> <p>(1) his/her spouse or a person cohabiting with him/her as a spouse;</p> <p>(2) a natural or adopted child <u>or step-child</u> of the person or his/her spouse specified in above (1), under the age of 18 years;</p> <p>(the persons specified in the above (1) and (2) are collectively referred to as “immediate family members”.)</p>

Before amendment	After amendment
<p>(3) the trustees, acting in their capacity as trustees, of any trust of which he/she or any of his/her family interests is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “trustees”);</p> <p>(4) children, parent, stepparent, brother, sister, step-brother or step-sister of such person;</p>	<p>(3) the trustees, acting in their capacity as trustees of any trust of which he/she or any of his/her family interests <u>his/her immediate family member</u> is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object <u>(other than a trust which is an employees’ share scheme or occupational pension scheme established for a wide scope of participants and the connected persons’ aggregate interests in the scheme are less than 30%)</u> (the “trustees”);</p> <p>(4) children a person cohabiting with such person as a spouse, or his/her child, step-child, parent, stepparent, brother, step-brother, sister or step-sister <u>(each a “family member”)</u>;</p> <p><u>(5) a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual, his/her immediate family members and/or the trustees, or any of its subsidiaries;</u></p>

Before amendment	After amendment
<p>(5) any of the following relatives of such person who may be deemed as an associate by the Hong Kong Stock Exchange: father in-law, mother-in-law, son-in-law and daughter-in-law; grandparents; grandson (granddaughter); uncle and aunt and his/her spouse; brother-in-law and sister-in-law; and nephew and niece;</p> <p>(the persons specified in the above (4) and (5) are collectively referred to as “relatives”.)</p> <p>(6) any company in the equity capital of which he/she, his/her family interest and/or relatives, taken together are interested so as to exercise or control the exercise of 50% or more of the voting power at general meetings of the company, or to control the composition of a majority of the board of directors (in determining whether the majority control is held, the interests of the party and the person will be aggregated);</p>	<p>(5) any of the following relatives of such person who may be deemed as an associate by <u><i>The Stock Exchange of Hong Kong Limited (hereinafter referred to as</i></u> the Hong Kong Stock Exchange): <u><i>a father in-law, mother-in-law, son-in-law, daughter-in-law, brother-in law, sister-in-law, grandparent, grandchild, uncle, aunt, cousin, nephew or niece (each a “family member”)</i></u>; father in-law, mother-in-law, son-in-law and daughter-in-law; grandparents; grandson (granddaughter); uncle and aunt and his/her spouse; brother-in-law and sister-in-law; and nephew and niece;</p> <p>(the persons specified in the above (4) and (5) are collectively referred to as “relatives”.)</p> <p>(6) <u><i>a majority-controlled company held, directly or indirectly, by the relatives (individually or together) or held by the relatives together with the basic connected person, the trustees, his/her immediate family members and/or relatives, or any subsidiary of that majority-controlled company</i></u> any company in the equity capital of which he/she, his/her family members and/or relatives, taken together are interested so as to exercise or control the exercise of 50% or more of the voting power at general meetings of the company, or to control the composition of a majority of the board of directors (in determining whether the majority control is held, the interests of the party and the persons will be aggregated);</p>

Before amendment	After amendment
<p>(7) any company in the equity capital of which he/she, his/her immediate family members and/or trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any other percentage ratios specified from time to time in the applicable Takeovers Codes for triggering a mandatory open offer) or more of the voting power at general meetings of the company, or to control the composition of a majority of the board of directors of the company;</p> <p>(8) Any subsidiary of the companies specified in above (7).</p> <p>2. in connection with a legal person, an “associate” of a basic connected person means:</p> <p>(1) its controlling shareholders, the subsidiaries of its controlling shareholders, or each subsidiary of the company;</p> <p>(2) the trustees, acting in their capacity as trustees, of any trust in favor of the company or, in the case of a discretionary trust, is (to the knowledge of the company) a discretionary object (the “trustees”);</p>	<p>(7) any company in the equity capital of which he/she, his/her immediate family members and/or trustees, taken together <u>(individually or jointly)</u> are directly or indirectly interested so as to exercise or control the exercise of 30% (or any other percentage ratios specified from time to time in the applicable Takeovers Codes for triggering a mandatory open offer) <u>or for establishing legal or management control over a business enterprise under the PRC law</u> or any other percentage ratios specified from time to time in the applicable Takeovers Codes for triggering a mandatory open offer) or more of the voting power at general meetings of the company, or to control the composition of a majority of the board of directors of the company;</p> <p>(8) Any subsidiary of the companies specified in above(7).</p> <p>2. in connection with a legal person, an “associate” of a basic connected person means:</p> <p>(1) its controlling shareholders, the subsidiaries of its controlling shareholders, or each subsidiary of the company;</p> <p>(2) the trustees, acting in their capacity as trustees, of any trust in favor of the company or, in the case of a discretionary trust, is (to the knowledge of the company) a discretionary object (the “trustees”);</p>

Before amendment	After amendment
<p>(3) any company in the equity capital of such basic connected company and /or any other company specified in above (1) and (2), taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or any other percentage ratios specified from time to time in the applicable Takeovers Codes for triggering a mandatory open offer) or more of the voting power at general meetings of the company, or to control the composition of a majority of the board of directors of the company;</p> <p>(4) Any subsidiary of the companies specified in above (3).</p> <p>3. Save as specified above, other individuals and legal persons who are determined as an associate under the Listing Rules.</p>	<p>(3) any company in the equity capital of which the basic connected company and /or any other company specified in above (1) and (2), taken together <u>(individually or jointly)</u> are directly or indirectly interested so as to exercise or control the exercise of 30% (or <u>any other percentage ratios for triggering a mandatory open offer, or for establishing legal or management control over a business enterprise under the PRC law</u> any other percentage ratios specified from time to time in the applicable Takeovers Codes for triggering a mandatory open offer) or more of the voting power at general meetings of the company, or to control the composition of a majority of the board of directors of the company;</p> <p>(4) Any subsidiary of the companies specified in above (3).</p> <p>3. Save as specified above, other individuals and legal persons who are determined as an associate under the <u>Hong Kong</u> Listing Rules.</p>

Before amendment	After amendment
<p>(III) any non wholly-owned company the equity capital of which any basic connected person of the Company and their associates (other than the basic connected person of the subsidiaries and their associates), are individually or jointly interested so as to exercise or control the exercise of 10% or more of the voting power at general meetings of the company;</p> <p>(IV) subsidiaries at all levels subordinated to these non wholly-owned subsidiaries;</p> <p>(V) associates of insignificant subsidiaries do not constitute connected persons of the Company. An insignificant subsidiary is a subsidiary of the Company whose total assets, profits and revenue in the size test calculation are (i) less than 10% for each of the latest three financial years; or (ii) less than 5% for the latest financial year.</p>	<p>(III) any non wholly-owned company the equity capital of which any basic connected person of the Company and their associates (other than the basic connected person of the subsidiaries and their associates), are individually or jointly interested so as to exercise or control the exercise of 10% or more of the voting power at general meetings of the company;</p> <p>(IV) subsidiaries at all levels subordinated to these non wholly-owned subsidiaries;</p> <p>(V) persons<u>associates related with</u> of insignificant subsidiaries do not constitute connected persons of the Company. An insignificant subsidiary is a subsidiary of the Company whose <u>relevant percentage ratios of</u> total assets, profits and revenue in the size test calculation are (i) less than 10% for each of the latest three financial years; or (ii) less than 5% for the latest financial year.;</p>
	<p><u>(VI) who has entered into, or proposes to enter into: (a) a transaction with the Company or its subsidiary; and (b) an agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with the basic connected persons with respect to the transaction; and who, in the Hong Kong Stock Exchange’s opinion, should be considered as a connected person;</u></p> <p><u>(VII) a person deemed as a connected person by the Hong Kong Stock Exchange.</u></p>

Before amendment	After amendment
<p>Article 9 Except for the non wholly-owned subsidiaries and their subsidiaries at all levels stipulated in Article 8(III) and (IV), other subsidiaries of the Company are not “connected persons” under the Listing Rules.</p> <p>Article 10 In addition to the above persons, connected persons also includes any individual or legal person identified as a connected person under the rules of the Hong Kong Stock Exchange that come into effect at any time subsequently.</p>	<p>Article 9<u>8</u> Except for the non wholly-owned subsidiaries and their subsidiaries at all levels stipulated in Article 8<u>7</u>(III) and (IV), other subsidiaries of the Company are not “connected persons” under the <u>Hong Kong</u> Listing Rules.</p> <p>Article 10—In addition to the above persons, connected persons also includes any individual or legal person identified as a connected person under the rules of the Hong Kong Stock Exchange that come into effect at any time subsequently.</p>

Before amendment	After amendment
Additions	<u>Chapter 4 Pricing of Connected Transactions</u>
Additions	<u>Article 12 Connected transactions shall be entered in the principles of impartiality, fairness, and openness. In principle, the price of a connected transaction shall not deviate from the price or fee standard of an independent third party in the market. For connected transactions where there is no comparable market prices or the pricing is restricted, the standard for the cost and profit of the relevant transactions shall be specified in a written contract. The Company shall fully disclose according to the requirements of the Hong Kong Stock Exchange the basis of pricing for such connected transactions discloseable under Hong Kong Listing Rules.</u>
Additions	<u>Article 13 Pricing method of connected transaction:</u> <u>(I) where a transaction is subject to a government prescribed price, such price shall be applied directly;</u> <u>(II) where a government-guided price is available, the transaction price may be reasonably determined within the range of the government-guided price;</u> <u>(III) in addition to the government-prescribed price and the government-guided price, where a comparable independent third party market price is available, reference may be made first to such prices or standards in determining the transaction price;</u> <u>(IV) where no comparable independent third party market price is available, reference may be made to the price of an unconnected transaction between a connected person and a third party independent of such connected person in determining the transaction price;</u>

Before amendment	After amendment
	<p><i><u>(V) where there is neither an independent third party market price nor an independent unconnected transaction price for reference, a reasonable component price may be used as the basis for pricing. Component price shall be the reasonable cost plus reasonable mark-up.</u></i></p> <p><i><u>(VI) transactions shall be priced on normal commercial terms or terms no less favorable to those offered by independent third parties.</u></i></p> <p><i><u>In case the Company is unable to price its connected transaction in the above principles, the entity who enters into such connected transaction shall state the principles and methods for determining the price of the connected transaction, and justify whether the pricing is fair and on normal commercial terms or on terms no less favorable than those offered by independent third parties.</u></i></p>

Before amendment	After amendment
	<p><i><u>(III) comparable uncontrolled price method, under which the price of a connected transaction shall be determined using the price for a same or similar transaction conducted between unconnected persons. This method applies to all types of connected transactions;</u></i></p> <p><i><u>(IV) transactional net profit method, under which the net profit of a connected transaction is determined using the profit indicator of comparable unconnected transactions. This method applies to procurement, sale, transfer and use of tangible assets, provision of labour services, and other connected transactions;</u></i></p> <p><i><u>(V) profit split method, under which the amount of profit split between the Company and a connected person is calculated according to their respective contribution to the consolidated profit from the connected transactions. This method applies where a connected transaction involves high degree of integration of each participant and makes it difficult to conduct stand-alone assessment of the transactional results attributable to each party.</u></i></p>

Before amendment	After amendment
<p>Article 17 Relevant department shall report a proposed transaction to the General Office/Board Office before signing any transaction agreement. The General Office/Board Office shall identify the type of such transaction according to relevant provisions of these Rules, and perform procedures in accordance with these Rules and relevant laws and regulations.</p>	<p>Article 17 Relevant department shall report a proposed transaction to the General Office/Board Office before signing any transaction agreement. The General Office/Board Office shall identify the type of such transaction according to relevant provisions of these Rules, and perform procedures in accordance with these Rules and relevant laws and regulations.</p>
<p>Chapter 5 Treatment of Connected Transactions</p>	<p>Chapter 5<u>6</u> Treatment of Connected Transactions</p>
<p>Article 18 One-off connected transactions of the following types are exempted connected transactions, and are not subject to the requirements of reporting, announcement and independent shareholders' approval:</p> <p>(I) trading between the Company and its subsidiaries, and between its subsidiaries (other than those transactions involving non-wholly-owned subsidiaries as stipulated in Article 8(III) and (IV);</p> <p>(II) issuance or repurchase of securities that complies with the requirements of the Listing Rules;</p> <p>(III) a service agreement of the Company or a subsidiary of the Company with the Directors;</p> <p>(IV) consumer goods or services or sharing of administrative services that comply with the requirements of the Listing Rules;</p>	<p>Article 18<u>7</u> One-off connected transactions of the following types are exempted connected transactions, and are not subject to the requirements of reporting, announcement and independent shareholders' approval:</p> <p>(I) trading between the Company and its subsidiaries, and between its subsidiaries (other than those transactions involving non-wholly-owned subsidiaries as stipulated in Article 8<u>7</u>(III) and (IV);</p> <p>(II) issuance or repurchase of securities that complies with the requirements of the <i>Hong Kong</i> Listing Rules;</p> <p>(III) a service agreement of the Company or each of its subsidiaries with the Directors; <i>or purchase or renewal of insurance policies by the Company or each of its subsidiaries in respect of the third party liability that its directors may incur in performing their duties;</i></p> <p>(IV) <i>purchase or sale of</i> consumer goods or services or sharing of administrative services that comply with the requirements of the <i>Hong Kong</i> Listing Rules;</p>

Before amendment	After amendment
<p>(V) each of the test ratios calculated in the ratio test specified in Article 23 is (i) less than 0.1%; (ii) less than 1%, and the transaction is a connected transaction only because it involves connected person(s) related to or connected with a subsidiary of the listed company; or (iii) less than 5% and the total consideration is less than HK\$3,000,000.</p> <p>(VI) a transaction (on normal commercial terms or better terms) involving connected person(s) at the subsidiary level that complies with the requirements of the Listing Rules, may be exempt from general meeting' approval requirement, provided that (i) it is approved by the board of directors, and (ii) the independent non-executive Directors have confirmed that the terms of the transaction are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole;</p> <p>(VII) a transaction between the Company and a connected person who is connected with the Company solely by virtue of his or her relationship with an insignificant subsidiary of the Company, may be exempted; and</p>	<p>(V) each of the test ratios calculated in the ratio test specified in Article 23<u>23I</u> is (i) less than 0.1%; (ii) less than 1%, and the transaction is a connected transaction only because it involves connected person(s) related to or connected with a subsidiary of the listed company; or (iii) less than 5% and the total consideration is less than HK\$3,000,000.</p> <p>(VI) a transaction (on normal commercial terms or better terms) involving connected person(s) at the subsidiary level that complies with the requirements of the <u>Hong Kong</u> Listing Rules, may be exempt from general meeting' approval requirement, provided that (i) it is approved by the board of directors, and (ii) the independent non-executive Directors have confirmed that the terms of the transaction are fair and reasonable, on normal commercial terms <u>or better terms</u> and in the interests of the Company and its shareholders as a whole;</p> <p>(VII) a transaction between the Company and a connected person who is connected with the Company solely by virtue of his or her relationship with an insignificant subsidiary of the Company, may be exempted; and</p>
<p>(VIII) transactions with associates of passive investors (defined in the Listing Rules) that comply with the requirements of the Listing Rules.</p>	<p>(VIII) transactions with associates of passive investors (defined in the <u>Hong Kong</u> Listing Rules) that comply with the requirements of the <u>Hong Kong</u> Listing Rules.</p> <p><u>(IX) financial assistance that complies with the requirements of the Hong Kong Listing Rules;</u></p> <p><u>(X) purchase and sale of securities in the stock exchange that complies with the requirements of the Hong Kong Listing Rules.</u></p>

Before amendment	After amendment
<p>Article 19 For a one-off connected transaction of the types described in Article 18 (other than those mentioned in Article 18(VI)), the General Office/Board Office shall notify the general manager's office of the transaction in a timely manner, and the general manager's office shall make a decision, and report the same to the General Office/Board Office for record. If it is the type of transactions described in Article 18(VI), the General Office/Board Office shall inform the board of directors of the transaction in a timely manner, and the board of directors shall approve whether it can be exempt from the requirements of the Listing Rules.</p>	<p>Article 19<u>198</u> For a one-off connected transaction of the types described in Article 18<u>187</u> (other than those mentioned in Article 18<u>187</u>(VI)), the General Office/Board Office shall notify the general manager's office of the transaction in a timely manner, and the general manager's office shall make a decision, and report the same to the General Office/Board Office for record. If it is the type of transactions described in Article 18<u>187</u>(VI), the General Office/Board Office shall inform the board of directors of the transaction in a timely manner, and the board of directors shall approve <i>and the independent non-executive directors shall confirm</i> whether it can be exempt from the requirements of the <i>Hong Kong</i> Listing Rules. <i>The general manager's office can further delegate certain authority within its power, except those otherwise stipulated by laws, administrative regulations, the Articles of Association and these Rules.</i></p>
<p>Article 20 For a one-off connected transaction, if each test ratio under the ratio tests specified in Article 23 is less than 5%, or is equal to or higher than 5% but less than 25%, and the total transaction value is less than HK\$10,000,000, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner. Subject to approval by the board of directors, disclosure shall be made and an announcement shall be issued in accordance with the requirements of the Listing Rules.</p>	<p>Article 20<u>2019</u> For a one-off connected transaction, if each test ratio under the ratio tests specified in Article 23<u>231</u> is less than 5%, or is equal to or higher than 5% but less than 25%, and the total transaction value is less than HK\$10,000,000, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner. Subject to approval by the board of directors, <i>information</i> disclosure shall be made and an announcement shall be issued <i>by the Board Office</i> in accordance with the requirements of the <i>Hong Kong</i> Listing Rules and the requirements of the Company.</p>

Before amendment	After amendment
<p>Article 21 For a one-off connected transaction that is not of the types described in Articles 18 and 20 under the ratio tests specified in Article 23 of these Rules, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner. The board of directors shall issue an announcement and a circular to shareholders, convene a general meeting of shareholders, and seek the approval of independent shareholders for the implementation of these connected transactions according to the requirements of the Listing Rules, and the board of directors shall make disclosure according to the requirements of the Listing Rules.</p>	<p>Article 21<u>20</u> For a one-off connected transaction not of the types described in Articles 18 and 20<u>19</u> under the ratio tests specified in Article 23<u>1</u> of these Rules, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner. <i>Subject to consideration and approval by the board of directors,</i> the board of directors <i>Board Office</i> shall issue an announcement and a <i>notice of meeting</i> and a circular to shareholders, convene a general meeting of shareholders, and seek the approval of independent shareholders for the implementation of these connected transactions according to the requirements of the <i>Hong Kong Listing Rules and the requirements of the Company,</i> and the board of directors <i>Board Office</i> shall make disclosure according to the requirements of the <i>Hong Kong Listing Rules and the requirements of the Company.</i></p>
<p>Article 22 Before signing any transaction agreement, each subsidiary shall report the proposed transaction to the General Office/Board Office of the Company. The General Office/Board Office of the Company shall proceed according to the above rules if after preliminary analysis and research, it finds any one-off connected transaction exceed the relevant percentage ratios under the ratio test.</p>	<p>Article 22 Before signing any transaction agreement, each subsidiary shall report the proposed transaction to the General Office/Board Office of the Company. The General Office/Board Office of the Company shall proceed according to the above rules if after preliminary analysis and research, it finds any one-off connected transaction exceed the relevant percentage ratios under the ratio test.</p>

Before amendment	After amendment
<p>Article 23 Ratio test</p> <p>Pursant to the Listing Rules, the following ratio tests shall be conducted for connected transactions:</p> <p>(I) total asset test: the total assets involved in relevant transactions divided by the audited or unaudited total assets of the listed company for the latest period which are disclosed;</p> <p>(II) revenue test: the revenue attributable to assets involved in relevant transactions (excluding non-recurring revenue or income) divided by the audited revenue of the listed company for the latest year which is disclosed;</p> <p>(III) consideration test: the transaction consideration divided by the total market capitalisation of the listed company (calculated as the average closing price of the Shares of the listed company as quoted on the Hong Kong Stock Exchange for 5 trading days prior to the date of the transaction agreement multiplied by the total number of the shares); and</p> <p>(IV) equity capital test: the nominal value of the consideration shares in the transaction divided by the nominal value of the entire share capital in issue of the listed company prior to the transaction if the consideration is to be satisfied by issuing shares of the listed company.</p>	<p>Article 23<u>1</u> Ratio test</p> <p>Pursant to <u>Hong Kong</u> Listing Rules, the following ratio tests shall be conducted for connected transactions:</p> <p>(I) total asset test: the total assets involved in relevant transactions divided by the audited or unaudited total assets of the listed<u>e</u>Company for the latest period which are disclosed;</p> <p>(II) revenue test: the revenue attributable to assets involved in relevant transactions (excluding non-recurring revenue or income) divided by the audited revenue of the listed<u>e</u>Company for the latest year which is disclosed;</p> <p>(III) consideration test: the transaction consideration divided by the total market capitalisation of the listed<u>e</u>Company (calculated as the average closing price of the Shares of the listed<u>e</u>Company as quoted on the Hong Kong Stock Exchange for 5 trading days prior to the date of the transaction agreement multiplied by the total number of the shares); and</p> <p>(IV) equity capital test: the nominal value<u>number</u> of the consideration shares in the transaction divided by the nominal value<u>number</u> of the entire share capital in issue of the listed<u>e</u>Company prior to the transaction if the consideration is to be satisfied by issuing shares of the listed<u>e</u>Company.</p>

Before amendment	After amendment
<p>Article 24 The following continuing connected transactions are exempted connected transactions, and are not subject to the requirements of reporting, annual review, announcement and independent shareholders' approval:</p> <p>(I) consumer goods or consumer services and sharing of administrative services that comply with the requirements of the Listing Rules, transactions with associates at the subsidiary level that comply with the requirements of the Listing Rules, and transactions with an associate as a passive investor that comply with the requirements of the Listing Rules; and</p> <p>(II) each of the percentage ratios calculated in the ratio test specified in Article 23 is (i) less than 0.1%; (ii) less than 1%, and the transaction is a connected transaction only because it involves connected person(s) related to or connected with a subsidiary of the listed company; or (iii) less than 5% and the total annual consideration is less than HK\$3,000,000;</p>	<p>Article 242 The following continuing connected transactions are exempted connected transactions, and are not subject to the requirements of reporting, annual review, announcement and independent shareholders' approval:</p> <p>(I) <i>purchase or sale of</i> consumer goods or consumer services and sharing of administrative services that comply with the requirements of the <i>Hong Kong</i> Listing Rules, transactions with associates at the subsidiary level that comply with the requirements of the Listing Rules, and transactions with an associate as a passive investor that comply with the requirements of the <i>Hong Kong</i> Listing Rules; and</p> <p>(II) each of the percentage ratios calculated in the ratio test specified in Article 231 is (i) less than 0.1%; (ii) less than 1%, and the transaction is a connected transaction only because it involves connected person(s) related to or connected with a subsidiary of the listed company; or (iii) less than 5% and the total annual consideration is less than HK\$3,000,000;</p>
<p>(III) a transaction involving connected person(s) at the subsidiary level which complies with the requirements of the Listing Rules (on normal commercial terms or better terms) may be exempt from general meeting's approval requirement, provided that (i) it is approved by the board of directors, and (ii) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole; and</p> <p>(IV) a transaction between the Company and a connected person who is connected with the Company solely by virtue of his or her relationship with an insignificant subsidiary of the Company may be exempted.</p>	<p>(III) a transaction involving connected person(s) at the subsidiary level which complies with the requirements of the <i>Hong Kong</i> Listing Rules (on normal commercial terms or better terms) may be exempt from general meeting's approval requirement, provided that (i) it is approved by the board of directors, and (ii) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, on normal commercial terms <i>or better terms</i> and in the interests of the Company and its shareholders as a whole; and</p> <p>(IV) a transaction between the Company and a connected person who is connected with the Company solely by virtue of his or her relationship with an insignificant subsidiary of the Company may be exempted.</p>

Before amendment	After amendment
<p>Article 25 For a type of continuing connected transaction of the types described in Article 24(other than those mentioned in Article 24(III)), the General Office/Board Office shall notify the general manager's office of the transaction in a timely manner, and the general manager's office shall make a decision, and submit the same to the General Office/Board Office for record. If it is of the type described in Article 24(III), the General Office/Board Office shall inform the board of directors of the transaction in a timely manner, and the board of directors shall approve whether it can be exempt from the requirements of the Listing Rules.</p>	<p>Article 25<u>3</u> For a type of continuing connected transaction of the types described in Article 24<u>2</u>(other than those mentioned in Article 24<u>2</u>(III)), the General Office/Board Office shall notify the general manager's office of the transaction in a timely manner, and the general manager's office shall make a decision, and submit the same to the General Office/Board Office for record. If it is of the type described in Article 24<u>2</u>(III), the General Office/Board Office shall inform the board of directors of the transaction in a timely manner, and the board of directors shall approve <i>and the independent non-executive directors shall confirm</i> whether it can be exempt from the requirements of the <i>Hong Kong</i> Listing Rules. <i>The general manager's office can further delegate certain authority within its power, except as otherwise provided by laws, administrative regulations, the Articles of Association and these Rules.</i></p>

Before amendment	After amendment
<p>Article 26 For a type of continuing connected transaction, if each test ratio under the ratio tests specified in Article 23 is less than 5%, or is equal to or higher than 5% but less than 25%, and the total annual transaction value is less than HK\$10,000,000, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner, and subject to approval by the board of directors, issue an announcement and give annual reporting in accordance with the disclosure requirements under the Listing Rules.</p>	<p>Article 26<u>4</u> For a type of continuing connected transaction, if each test ratio under the ratio tests specified in Article 21<u>3</u> is less than 5%, or is equal to or higher than 5% but less than 25%, and the total annual transaction value is less than HK\$10,000,000, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner, and subject to approval by the board of directors, the Board Office shall issue an announcement and give annual reporting make <u>information</u> disclosure in accordance with the disclosure requirements under the <u>Hong Kong</u> Listing Rules <u>and the requirements of the Company.</u></p>
<p>Article 27 For a type of continuing connected transaction not of the types described in Articles 25 and 26 under the ratio tests specified in Article 23, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner. The board of directors shall issue an announcement and a circular to shareholders, convene a general meeting to seek the approval of independent shareholders for the implementation of these connected transactions according to the requirements of the Listing Rules, and the board of directors shall make disclosure according to the requirements of the Listing Rules.</p>	<p>Article 27<u>5</u> For a type of continuing connected transaction not of the types described in Articles 25<u>3</u> and 26<u>4</u> under the ratio tests specified in Article 23<u>1</u> of these Rules, the General Office/Board Office shall notify the board of directors of the transaction in a timely manner. <u>Subject to consideration and approval by</u> the board of directors, the Board Office shall issue an announcement and <u>a notice of meeting and</u> a circular to shareholders, convene a general meeting to seek the approval of independent shareholders for the implementation of these connected transactions according to the requirements of the <u>Hong Kong</u> Listing Rules <u>and the requirements of the Company,</u> and the Board Office of directors shall make <u>information</u> disclosure according to the requirements of the <u>Hong Kong</u> Listing Rules <u>and the requirements of the Company.</u></p>

Before amendment	After amendment
<p>Article 28 For each continuing connected transaction stipulated in Articles 26 and 27 of these Rules, the Company or each of its subsidiaries shall sign a written agreement with the connected persons, stating the calculation basis of the transaction price. The agreement must have a fixed term and reflect the normal commercial terms. Except for special circumstances, the term of the agreement shall not exceed three years. Where a connected transaction agreement needs renewal upon expiration, it shall be approved and signed again in accordance with the procedures stipulated in the Listing Rules and these Rules, and such renewal shall meet the relevant requirements of the Listing Rules.</p>	<p>Article 28<u>6</u> For each continuing connected transaction stipulated in Articles 26 and 27 of these Rules, The Company or each of its subsidiaries shall sign a written agreement with the connected persons <i>in respect of each continuing connected transaction</i>, stating the calculation basis of the transaction price. The agreement must have a fixed term and reflect the normal commercial terms <i>or better terms</i>. Except for special circumstances, the term of the agreement shall not exceed three years. Where a connected transaction agreement needs renewal upon expiration, it shall be approved and signed again in accordance with the procedures stipulated in the <i>Hong Kong</i> Listing Rules and these Rules, and such renewal shall meet the relevant requirements of the <i>Hong Kong</i> Listing Rules.</p>
<p>Article 29 The Company may determine the annual exemption caps for the next three years for each continuing connected transaction specified in Articles 26 and 27 above.</p> <p>If it is a type of continuing connected transaction as stipulated in Article 26, an announcement shall be issued in accordance with the relevant provisions of the Listing Rules to disclose the annual exemption caps so determined.</p> <p>If it is a type of continuing connected transaction as stipulated in Article 27, an announcement shall be issued in accordance with the relevant provisions of the Listing Rules to disclose the annual exemption caps so determined, and such annual exemption caps shall not become effective until it is approved by independent shareholders.</p> <p>The annual exemption caps shall be determined based on the historical transaction amount in the past three years in accordance with the relevant provisions of the Listing Rules.</p>	<p>Article 29<u>7</u> The Company may determine the annual exemption caps for the next three years for each continuing connected transaction specified in Articles 26<u>4</u> and 27<u>5</u> above.</p> <p>If it is a type of continuing connected transaction as stipulated in Article 26<u>4</u>, an announcement shall be issued in accordance with the relevant provisions of the <i>Hong Kong</i> Listing Rules to disclose the annual exemption caps so determined.</p> <p>If it is a type of continuing connected transaction as stipulated in Article 27<u>5</u>, an announcement shall be issued in accordance with the relevant provisions of the <i>Hong Kong</i> Listing Rules to disclose the annual exemption caps so determined, and such annual exemption caps shall not become effective until it is approved by independent shareholders.</p> <p>The annual exemption caps shall be determined based on the historical transaction amount in the past three years in accordance with the relevant provisions of the <i>Hong Kong</i> Listing Rules.</p>

Before amendment	After amendment
<p>Article 30 At the beginning of each calendar year, each department shall produce a written report on the daily connected transactions, which having been signed and confirmed by the responsible persons and leaders in charge of each department, will be sent to the General Office/Board Office. The General Office/Board Office shall analyze the connected transaction data received as a whole, and understand the use of the annual exemption caps, and make recommendation to the senior management and the board of directors in a timely manner.</p>	<p>Article 30<u>28</u> At the beginning of each calendar year, each department, <i>branch and subsidiary</i> shall produce a written report on the daily connected transactions, which having been signed and confirmed by the responsible persons and leaders in charge of each department, <i>branch and subsidiary</i> will be sent to the General Office/Board Office. The General Office/Board Office shall analyze the connected transaction data received as a whole, and understand the use of the annual exemption caps, and make recommendation to the senior management and the board of directors in a timely manner.</p>
<p>Article 31 For continuing connected transactions that comply with Article 26 of these Rules, if the General Office/ Board Office estimate that the amount of a connected transaction is likely to exceed the pre-approved annual exemption cap based on the reported connected transaction data, the General Office/ Board Office shall quickly summarize the transaction data and report to the general manager's office and the board of directors. The general manager's office will review the transaction or annual exemption cap, and report to the board of directors after its preliminary consideration and approval. Subject to approval by the board of directors, announcements shall be issued according to the applicable requirements of the Listing Rules.</p>	<p>Article 31<u>29</u> For continuing connected transactions that comply with Article 26<u>4</u> of these Rules, if the General Office/ Board Office estimates that the amount of a connected transaction is likely to exceed the pre-approved annual exemption cap based on the reported connected transaction data, the General Office/ Board Office shall quickly summarize the transaction data and report to the general manager's office and the board of directors. The general manager's office will review the transaction or annual exemption cap, and report to the board of directors after its preliminary consideration and approval. Subject to approval by the board of directors, announcements shall be issued <i>by the Board Office</i> according to the applicable requirements of the <i>Hong Kong</i> Listing Rules <i>and the requirements of the Company</i>.</p>

Before amendment	After amendment
<p>Article 32 For continuing connected transactions that comply with Article 27 of these Rules, if the General Office/ Board Office estimate that the amount of a connected transaction is likely to exceed the pre-approved annual exemption cap based on the reported connected transaction data, the General Office/ Board Office shall quickly summarize the transaction data and report to the general manager's office, who will review the transaction or annual exemption cap, and report to the board of directors after its preliminary consideration and approval. Subject to approval by the board of directors, announcements, shareholder's circular shall be issued, and a general meeting shall be convened to seek independent shareholders approval of increasing the annual exempt cap for such continuing transactions according to the applicable requirements of the Listing Rules. Connected transactions exceeding the pre-approved annual caps of which the new annual caps have not been approved by the general meeting shall not be implemented.</p>	<p>Article 32<u>320</u> For continuing connected transactions that comply with Article 27<u>275</u> of these Rules, if the General Office/ Board Office estimate that the amount of a connected transaction is likely to exceed the pre-approved annual exemption cap based on the reported connected transaction data, the General Office/Board Office shall quickly summarize the transaction data and report to the general manager's office, who will review the transaction or annual exemption cap, and report to the board of directors after its preliminary consideration and approval. Subject to approval by the board of directors, announcements, <u>a notice of</u> shareholder's <u>meeting and a</u> circular shall be issued, and a general meeting shall be convened <u>by the Board Office</u> to seek independent shareholders approval of increasing the annual exempt cap for such continuing transactions according to the applicable requirements of the <u>Hong Kong</u> Listing Rules <u>and the requirements of the Company</u>. Connected transactions exceeding the pre-approved annual caps of which the new annual caps have not been approved by the general meeting shall not be implemented.</p>
<p>Article 34 The auditors of the Company shall send a letter to the board of directors of the Company each year containing their opinions on the continuing connected transactions of the Company and its subsidiaries. The Company shall allow the auditors to check the relevant accounts of the Company so that the auditors can express their opinions in this regard.</p>	<p>Article 34<u>342</u> The auditors of the Company shall send a letter to the board of directors of the Company each year containing their opinions on the continuing connected transactions of the Company and its subsidiaries. The Company shall allow <u>(and ensure that the counterparty in the continuing connected transaction allows)</u> the auditors to check the relevant accounts of the Company so that the auditors can express their opinions in this regard. <u>Annual reports shall include a statement of the board of directors of the Company on whether the Company's auditors have made the above confirmation.</u></p>

Before amendment	After amendment
Chapter 6 Disclosure and Daily Monitoring of Connected Transactions	Chapter 6 <u>7</u> Disclosure and Daily Monitoring of Connected Transactions
Article 36 The General Office/Board Office are responsible for the disclosure of connected transaction information.	Article 36 <u>4</u> The General Office/Board Office <u>are</u> responsible for the disclosure of connected transaction information.
<p>Article 38 The General Office/Board Office are responsible for monitoring connected transactions of the Company, with specific monitoring duties including:</p> <p>(I) ensuring the completeness of the list of connected persons and keeping abreast of the use of the annual exemption caps for connected transactions;</p> <p>(II) checking the consistency, accuracy and completeness of connected transaction data, conduct ratio test for each connected transaction, and prepare and submit connected transaction analysis report to relevant departments in a timely manner;</p> <p>(III) checking whether there is a pricing explanation for connected transactions in the connected transaction agreement, whether the pricing of connected transactions and relevant clauses in the agreement comply with the relevant provisions of the Company's policies, the laws and regulations and the Listing Rules, and monitoring any handling procedures that do not comply with the Company's connected transaction pricing principles and the laws and regulations.</p>	<p>Article 38<u>6</u> The General Office/Board Office <u>are</u> responsible for monitoring connected transactions of the Company, with specific monitoring duties including:</p> <p>(I) ensuring the completeness of the list of connected persons and keeping abreast of the use of the annual exemption caps for connected transactions;</p> <p>(II) checking the consistency, accuracy and completeness of connected transaction data, conduct ratio test for each connected transaction, and prepare and submit connected transaction analysis report to relevant departments in a timely manner;</p> <p>(III) checking whether there is a pricing explanation for connected transactions in the connected transaction agreement, whether the pricing of connected transactions and relevant clauses in the agreement comply with the relevant provisions of the Company's policies, the laws and <u>administrative</u> regulations and the <u>Hong Kong</u> Listing Rules, and monitoring any handling procedures that do not comply with the Company's connected transaction pricing principles and the laws and <u>administrative</u> regulations.</p>

