

# CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

## Connected Transactions Management Measures

### Chapter 1 General Provisions

**Article 1** In order to regulate the connected transactions of China Communications Construction Company Limited (hereinafter referred to as the “Company”), protect the legitimate interests of the Company, Shareholders (especially minority Shareholders) and creditors, and ensure the fairness of the decision making of the Company relating to connected transactions, these Measures are formulated in accordance with laws, regulations and regulatory documents including the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules of the Two Stock Exchanges”), the Shanghai Stock Exchange Self-regulatory Supervision Guidelines for Listed Companies No. 1 – Standardized Operation (Shang Zheng Fa [2023] No. 193) (《上海證券交易所上市公司自律監管指引第 1 號——規範運作》(上證發〔2023〕193 號)), the Shanghai Stock Exchange Self-regulatory Supervision Guidelines for Listed Companies No. 5 – Transactions and Connected Transactions (Shang Zheng Fa [2023] No. 6) (《上海證券交易所上市公司自律監管指引第 5 號——交易與關聯交易》(上證發〔2023〕6 號)) and the relevant provisions of the Articles of Association of China Communications Construction Company Limited (hereinafter referred to as the “Articles of Association”).

**Article 2** In view of the listing of the Shares of the Company on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited (hereinafter respectively referred to as the “SSE” and “SEHK”), the Company shall strictly comply with the relevant requirements on connected transactions management under the Rules Governing the Listing of Securities on the two exchanges and relevant legal provisions in the two jurisdictions at the same time. Where there is any inconsistency between the listing rules of the two exchanges or between legal provisions of the two jurisdictions, the more stringent provisions shall prevail. Where the requirements under the Measures and any laws and regulations applicable from time to time or the Listing Rules of the Two Stock Exchanges are inconsistent or conflicting, the applicable laws and the Listing Rules of the Two Stock Exchanges shall prevail.

**Article 3** These Measures apply to the management of connected transactions between the Company and its subsidiaries and their connected persons.

### Chapter 2 Identification of Connected Transactions and Connected Persons

**Article 4** A connected transaction of the Company refers to any transfer of resources or obligations between the Company and its subsidiaries, and a connected person of the Company, including:

- (1) the purchase or sale of any assets;
- (2) the purchase of raw materials, fuel and energy and the sale of products and commodities;
- (3) the provision or acceptance of labor services;
- (4) the entrusted or commissioned sale;
- (5) the external investment, including entrusted wealth management, entrusted loans, etc;

- (6) the joint investment with connected persons;
- (7) the provision of financial assistance;
- (8) the placement of deposits with or the taking of loans from the financial companies of connected persons;
- (9) the provision of guarantee;
- (10) the lease of assets from/to connected persons;
- (11) the entrusted or commissioned management of assets and business;
- (12) the donation of assets to/from connected persons;
- (13) the restructuring of creditor's rights and liabilities;
- (14) the entering into of licensing agreements;
- (15) the transfer or assignment of research and development projects;
- (16) the issuance of new securities, or sale or transfer of treasury shares, including underwriting or sub-underwriting issuance of securities or sale or transfer of treasury shares;
- (17) the waiver of rights (including waiver of pre-emptive right, priority for invited capital contribution and other rights);
- (18) such other matters that may lead to the transfer of resources or obligations as agreed by all parties;
- (19) other matters identified as connected transactions in accordance with the Listing Rules of the Two Stock Exchanges and relevant guidelines, including but not limited to transactions of a specified category with a third party, which may confer benefits on connected persons through their interests in the entities involved in the transactions.

**Article 5** The connected persons of the Company include connected legal persons and connected natural persons.

- (I) Any of the following legal persons or entities as specified by SSE shall be regarded as connected persons of the Company:
  - 1. legal persons or other organizations which have direct or indirect control over the Company;
  - 2. legal persons or other organizations which have direct or indirect control over the Company, and legal persons or other organizations (other than the Company and subsidiaries) controlled directly or indirectly by any of the above legal persons or other organizations;
  - 3. legal persons or other organizations (other than the Company and subsidiaries) under direct or indirect control of such connected natural persons, or in which such connected natural persons hold the office of directors or senior management;

4. legal persons or other organizations and their parties acting in concert holding more than 5% of the Shares of the Company;
5. legal persons or other organizations that have such a special relationship with the Company as may make the Company tilted towards its interests, as determined by the CSRC, the SSE or the listed company in accordance with the principle that essence is more important than form.

(II) Any of the following natural persons as specified by SSE shall be regarded as connected natural persons of the Company:

1. natural persons directly or indirectly holding more than 5% of the Shares of the Company;
2. the Directors and senior management of the Company;
3. the directors and senior management of the legal persons or other organizations which have direct or indirect control over the Company;
4. close family members of the natural persons directly or indirectly holding more than 5% of the Shares of the Company and the Directors and senior management of the Company;
5. any other natural persons who have such a special relationship with the Company as may make the Company tilted towards his/her interests, as determined by the CSRC, the SSE and the Company in accordance with the principle that essence is more important than form.

(III) Any of the following legal persons or other organizations or natural persons shall be regarded as connected persons of the listed company as specified by SSE:

1. legal persons or other organizations or natural persons shall be those as specified in Clause (I) or (II) within twelve months upon the commencement of such agreements or the arrangements;
2. legal persons or other organizations or natural persons shall be those as specified in Clause (I) or (II) within the last twelve months.

(IV) Any of the following persons as specified by SEHK shall be regarded as connected persons of the Company:

1. the Directors, chief executives or substantial shareholders (holding over 10% of the Shares of the Company) of the Company (excluding any Insignificant Subsidiaries);
2. the persons who held the office of Directors of the Company (excluding any Insignificant Subsidiaries) in the last twelve months;
3. associates of any of the above persons;
4. connected subsidiaries;
5. the persons who are deemed to be connected by SEHK.

**Article 6** The Company shall compile and issue a list of major connected legal persons, and update the same in a timely manner where circumstances require, so as to facilitate the identification and recognition of connected transactions by the Company and its subsidiaries.

**Article 7** In the event that different judgments are made on connected transactions and connected persons in accordance with provisions of the laws and regulations, and the listing rules of the stock exchange(s) of the place(s) of listing, the relevant principles shall apply, respectively.

**Article 8** The related personnel of the Company and its subsidiaries shall perform duties and obligations to conduct investigation on the detailed background of each counterparty in the ordinary course of business, and make prudent judgments on whether the transaction involved constitutes a connected transaction.

### **Chapter 3 Basic Principles of Connected Transactions**

**Article 9** In order to guarantee the business independence of the listed company and avoid the horizontal competition, the Company shall avoid and reduce the occurrence of connected transactions as much as possible.

**Article 10** The Company shall strictly follow the good faith and the principles of “lawfulness, necessity, reasonableness and fairness” in connected transactions that cannot be evaded due to the normal conduct of its business.

**Article 11** The pricing of connected transactions shall not deviate significantly from the fair standards of independent third parties in the market. For connected transactions where it is difficult to compare market prices or where pricing is limited, pricing should be based on a reasonable component price, which should be a reasonable cost plus a reasonable profit, and the criteria for such cost and profit should be specified in a written agreement.

**Article 12** When considering the connected transactions, the Company shall gain a detailed understanding of the true status of the subject matters of the transaction and the trustworthiness, creditworthiness and performance capability of the counterparty, etc., prudently assess the necessity, reasonableness and impact of the relevant transaction on the Company and determine the transaction price based on adequate pricing basis. It shall focus on whether there are problems such as unclear ownership of the subject matters of the transaction, unclear performance ability of the counterparty, unfair transaction price, etc., and engage intermediaries to audit or evaluate the subject matters of the transaction in accordance with the Listing Rules of the Two Stock Exchanges.

**Article 13** The implementation of connected transactions shall not impair the lawful rights and interests of all shareholders, especially minority shareholders.

**Article 14** Connected transactions should be entered into by signing a written agreement and implemented after relevant consideration and approval.

### **Chapter 4 Categories of Connected Transactions**

**Article 15** Connected transactions are generally divided into two categories: continuing connected transactions (routine connected transactions) and one-off connected transactions according to the review and decision-making procedures.

**Article 16** The routine connected transactions mainly refer to the connected transactions which are

expected to occur continuously or frequently for a period of time in the routine business, including but not limited to the transactions related to the routine business, involving providing construction services, accepting labor services and subcontracting, providing assets management and leasing services to connected persons, accepting assets management and leasing services provided by connected persons, sales and material procurement agency services, providing financial services to connected persons, finance lease and commercial factoring between connected persons.

**Article 17** One-off connected transactions mainly refer to connected transactions other than routine connected transactions, including but not limited to the transactions of purchasing or selling assets, equity transfer, creditor's rights or liabilities restructuring, joint investment with connected persons, establishing joint ventures for cooperative development projects, and increase or decrease in capital of joint ventures.

## **Chapter 5 Review Procedure and Disclosure of Information on Connected Transactions**

**Article 18** According to the standard for calculating the cap of connected transaction amount based on the Listing Rules of the Two Stock Exchanges (see appendix 1 for details), connected transactions are divided into connected transactions exempt from disclosure, general connected transactions and major connected transactions.

For connected transactions exempt from disclosure, they are signed and centralized by the management department, after approval by the president of the Company and the signing of a written agreement before implementation, and shall complete filing in the connected transaction system within three days.

For general connected transactions, after consideration and approval by the president office meeting and the Board of Directors of the Company, fulfilment of the information disclosure procedures and the signing of a written agreement with before implementation.

For major connected transactions, after consideration and approval by the president office meeting and the Board of Directors, fulfilment of the information disclosure procedures, the signing of a written agreement, and the submission to the general meeting for consideration and approval before implementation.

**Article 19** For connected transactions that require disclosure, they shall be submitted to special meetings of independent directors for consideration, and approved by a majority of all independent directors before submission to the Board of Directors for consideration. The special meetings of independent directors may engage an independent financial advisor to issue a report as the basis for judgment.

**Article 20** If a Director of the Company has a connected relationship with the enterprise or individual involved in the matters resolved at the Board of Directors' meeting, he/she shall promptly submit a written report to the Board of Directors. When the Board of Directors reviews such matters, the connected Directors shall abstain from voting on the relevant resolutions, either for himself/herself or as a proxy of other Directors. The quorum for such Board meeting is more than half of all the non-connected Directors and any resolution passed at the meeting shall be approved by more than half of the non-connected Directors. If the number of non-connected Directors attending the meeting is less than three, such transactions shall be submitted to the Shareholders' general meeting for approval.

**Article 21** When the general meeting considers and reviews matters of major connected transactions, the connected Shareholders shall abstain from voting, and the number of shares with voting rights represented by

them shall not be included in the total number of valid votes.

**Article 22** For one-off connected transactions of the same category or conducted by the same connected person within consecutive twelve months, the amount of general connected transactions and the amount of major connected transactions shall be calculated in accordance with the principle of cumulative calculation.

The same aforesaid connected person shall include other connected persons controlled by the same entity or having a mutual equity control relationship with the connected person.

**Article 23** The Board of Directors shall make timely information disclosure in accordance with the requirements of the Listing Rules of the Two Stock Exchanges after reviewing the connected transactions.

## **Chapter 6 Administration Organization and Division of Responsibilities**

**Article 24** The Board of Directors shall perform the responsibilities of connected transaction control and routine management of the Company.

**Article 25** The Office of the Board of Directors (Capital Operation Department) of the Company shall be responsible for centralized management of connected transactions, and the Finance and Treasury Department, the Legal and Risk Control Department shall be responsible for associate management according to their responsibilities, and each institution with business needs for connected transactions shall promote and conduct connected transactions in compliance with these Measures. The division of specific responsibilities is as follows:

- (I) The Office of the Board of Directors (Capital Operation Department) shall be responsible for maintenance of the List of Connected Legal Persons, organization and planning of the approval procedures for submitting connected transactions to the Board of Directors and the general meeting, and the disclosure of relevant information, mainly including:
  - 1. organize the formulation of the Company's management system of connected transactions and the management shall be conducted at different levels according to the enterprise level;
  - 2. issue the List of Major Connected Legal Persons on a regular basis through the organization management system for the purpose of the identification and confirmation of the transaction counterparties by the Company and its subsidiaries;
  - 3. organize the Board of Directors and the general meeting to consider the connected transaction;
  - 4. organize the independent directors to express their independent views on connected transactions in the annual report;
  - 5. Keep contact with and communicate with securities regulators and stock exchanges, submit various notices on related connected transactions to the regulators, and arrange information disclosure of the connected transactions that are required to be disclosed, disclosure of exemption applications, etc;
  - 6. According to the actual operation, make arrangement to compile and revise the routine

connected transaction plan, and to conclude the routine connected transaction framework agreement after the review and approval of the Board of Directors or the general meeting of the Company;

7. Conduct pre-decision review of one-off connected transactions according to the actual operation;
  8. When the disclosed connected transactions have major changes, start the connected transaction progress announcement procedure according to the specific requirements of the Listing Rules of the Two Stock Exchanges;
  9. Organize training and propaganda on relevant laws and regulations of connected transactions;
  10. organize the construction, training and reporting of the connected transaction management system, and rely on the system for online monitoring, analysis and early warning of connected transaction management information, and take timely countermeasures;
  11. organize research, inspection and follow-up on the management of connected transactions.
- (II) The Finance and Treasury Department of the Company shall be responsible for the accounting record, accounting and reporting and other matters, mainly including:
1. Direct and implement the accounting evidence, books of account, reports and other accounting information;
  2. Prepare the statements of final account and semi-annual interim reports as required in accordance with financial accounting standards, and ensure the accuracy of the financial report data.
- (III) The Legal and Risk Control Department shall be responsible for the legal and compliance audit for all types of contracts concluded in the name of the Company, and when a transaction is considered as a potential connected transaction, legal opinions shall be put forward and feedback shall be made.
- (IV) Each institution with business needs for connected transactions shall, within the scope of their duties, strengthen the identification of connected transactions, organize the preparation of information of connected transactions, conduct discussions and judgments on the necessity and reasonableness of the occurrence of the connected transaction, the fairness of the transaction pricing, as well as the positive significance of such transaction to the Company before the implement of relevant approval procedures for such transaction, perform the corresponding decision and approval procedures, execution and monitoring, regular self-examination and timely rectification, etc.

**Article 26** Each department and business unit shall, according to the division of responsibilities, clearly identify their respective leaders and part-time connected transaction supervisors and report to the Office of the Board of Directors (Capital Operation Department) for record, and establish a smooth communication and cooperation mechanism among departments.

**Article 27** Each subsidiary of the Company shall organize the construction of a system for connected transactions within the scope of its responsibilities, and conduct works including identification, preparation for decision making and approval, execution and monitoring, regular self-examination and timely rectification in respect of connected transactions.

**Article 28** Each subsidiary of the Company shall identify the person in charge, the department in charge and the staff for connected transactions, and report to the Office of the Board of Directors (Capital Operation Department) of the Company for filing.

## **Chapter 7 The Execution of Connected Transactions**

**Article 29** After the relevant review and approval procedures in respect of a connected transaction have been fulfilled, the Company and its subsidiaries shall enter into a written agreement (or contract) in respect of the connected transaction with the connected persons, in which the rights, obligations and legal responsibilities of all parties shall be explicitly set out. The contents of the agreement shall reflect the normal commercial terms and conditions and list the basis for calculating the payment amount. The connected transaction will not be implemented until a written agreement has been signed.

**Article 30** In the course of execution of the connected transaction, the connected transaction shall be carried out in strict accordance with the contents considered and the resolutions of the Board of Directors and the general meeting. If the subsequent arrangement is inconsistent with the contents considered and the resolutions, or if a new connected transaction arises or the terms of the transaction need to be changed as a result of a change in business, the decision making process shall be re-executed and a written agreement shall be signed and information disclosure shall be made before implementation.

**Article 31** Each department, business unit and subsidiary of the Company shall fill in the connected transaction management system of the Company in a timely and careful manner, and properly monitor and manage the connected transactions.

## **Chapter 8 Tracing Accountability**

**Article 32** The controlling Shareholders, actual controllers and other connected persons of the Company shall not use their connected relations to damage the interests of the Company. In case of any loss caused to the Company as a result of violation of the regulations on their part, they shall be liable for compensation.

**Article 33** Where Directors and senior management of the Company violate laws and regulations and the provisions of these Measures, assisting and conniving with the controlling Shareholders and other connected persons to encroach upon the assets of the Company and damage the interests of the Company, the Company shall have the right to claim appropriate compensation according to the degree of loss of the Company; in case of crime, it shall be transferred to the judicial authority.

**Article 34** When the controlling Shareholders and other connected persons of the Company engage in acts that harm the interests of the Company and other Shareholders, which causes economic losses and leads to civil compensation litigation according to the law, the Company shall be obligated to provide relevant information and other support to the extent it is in compliance with the laws and regulations and the Articles of Association.

**Article 35** If any department, business unit or subsidiary violates the laws and regulations and the provisions of these Measures, or even causes losses to the Company or damages the Company's image and brand influence in the capital market, the Company will, depending on the severity of the act, impose sanctions such as interview, criticism, warning or notification, and reserves the right to pursue legal responsibility.



## Chapter 9 Supplementary Provisions

### Article 36 Interpretation

**Subsidiary** refers to a company that meets any of the following conditions: (1) the Company holds or is able to control more than 50% of its voting rights; (2) the Company shall have the right to appoint or remove more than half of the members of its board of directors; (3) the Company has effective control or dominant influence over the company through agreements or other arrangements; (4) in accordance with the Hong Kong Financial Reporting Standards or the International Financial Reporting Standards, its accounts are consolidated in the audited consolidated statements of the Company as a subsidiary.

**Insignificant Subsidiaries:** refers to a subsidiary whose percentage ratios of total assets, revenue and profit before tax, as compared to the listed groups, meet the following conditions: (1) the relevant percentage ratios for the most recent three audited years (or from the date of registration or establishment of such subsidiary if the audited years involved are less than three years) are all less than 10%; or (2) the relevant percentage ratio for the most recent audited year is less than 5%.

**Connected Subsidiary** refers to a company whose connected person(s) at company level may exercise, individually or jointly, 10% or more of the voting rights at the shareholders' general meeting of the subsidiary (such 10% level does not include any indirect interest of the connected person(s) in such subsidiary through the Company); or any subsidiary of the aforesaid non-wholly-owned subsidiary.

**Associate:** If the connected person refers to natural person under Clauses 1-2 of Article 5 (4), the associate includes (1) immediate family members and dependents; (2) a company directly or indirectly controlled by the connected person and/or his immediate family members as to 30% (i.e. can exercise 30% or more of the voting rights at the general meetings or control the composition of a majority members of the board of that company), or any subsidiary of such company; (3) a company directly or indirectly held by the dependents or a company under the majority control of the dependents together with himself and his immediate family members (i.e. can exercise more than 50% of the voting rights at the general meetings or control the composition of a majority members of the board of that company), or any subsidiary of such company.

If the connected person refers to a company under Clauses 1-2 of Article 5 (4), the associate includes (1) its subsidiary or holding company, or the fellow subsidiary of that holding company; (2) a controlled company whose 30% shares are held directly or indirectly by the company and/or the company referred to in (1) above, or any subsidiary of such controlled company.

**Article 37** Connected transactions referred to in these Measures are defined in accordance with the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, while connected transactions in the financial reports in the periodic reports are defined in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards.

**Article 38** Unless otherwise stated, terms used in these Measures shall have the same meanings as in the Articles of Association of the Company.

**Article 39** Matters not covered in these Measures shall be carried out in accordance with the relevant provisions of national laws and regulations, the rules governing securities in the place of listing and the Articles of Association and other regulatory documents.

**Article 40** With regard to the provisions concerning the names of organizations and institutions in these Measures, if the names or duties of the relevant institutions or departments are changed, the institutions or departments that have inherited the duties for the management of connected transactions under these Measures shall continue to perform the relevant duties.

**Article 41** These Measures shall be interpreted by the Board of Directors.

**Article 42** These Measures shall come into force after review and approval at the general meeting, and the Management Measures for Connected Transactions of China Communications Construction Company Limited (2021) shall be abolished.

- Appendices:
1. Calculation Standard of Connected Transactions
  2. List of Connected Transaction Information Disclosure Documents

## Appendix 1:

### Calculation Standard of Connected Transactions

In accordance with the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the connected transactions are divided into connected transactions exempt from disclosure, general connected transactions and major connected transactions by calculating the cap of the transaction amount.

#### I. Connected Transactions Exempt from Disclosure

1. The transaction amount occurred between the Company and the connected legal person is less than RMB3 million, or accounts for less than 0.5% of the absolute value of the last audited net assets of the Company;
2. According to the calculation of percentage ratio applicable to the nature of connected transactions, the connected transaction, the following four indexes (A1, A2, A3, and A4) fail to reach 0.1% (the exchange rate conversion shall be paid attention to in the calculation):

A1 = Total value of assets involved in the transaction ÷ Total assets of the Company (based on the most recent audited annual or unaudited interim financial report, whichever is later, and the amount of dividends distributed needs to be deducted) × 100%

A2 = Revenue attributable to the assets involved in the transaction of the Company ÷ Revenue of the Company (based on the most recent audited annual financial report) × 100%

A3 = Transaction consideration amount ÷ Total market value of the Company (The total shares of H Share multiplied by the average five-day share price of H Share + The total shares of A Share multiplied by the average five-day share price of A Share) × 100%

A4 = Number of new shares issued involved in the transaction ÷ Number of original total shares of the Company × 100% (A4 applies only when new shares are issued as consideration)

3. For one-off connected transactions of the same category or entered into with the same connected person within twelve months, the total amount is calculated to fall short of the disclosure standard.

The connected transactions that meet the above measurement standards and other connected transactions that are exempted from disclosure according to the requirements of the SSE and the Stock Exchange shall be subject to the consideration and approval of the president of the Company and the signing of a written agreement before implementation.

#### II. General Connected Transactions

1. The connected transactions whose transaction amount occurred between the Company and the connected legal person is more than RMB3 million, and accounts for 0.5% or more of the absolute value of the last audited net assets of the Company.
2. According to the calculation of percentage ratio applicable to the nature of connected transactions, the connected transaction, any one of the following five indexes (A1, A2, A3, and A4) of which reaches 0.1% or more (the exchange rate conversion shall be paid attention to in the calculation):

A1 = Total value of assets involved in the transaction ÷ Total assets of the Company (based on the most recent audited annual or unaudited interim financial report, whichever is later, and the amount of dividends distributed needs to be deducted)  
×100%

A2 = Revenue attributable to the assets involved in the transaction of the Company ÷ Revenue of the Company (based on the most recent audited annual financial report) ×100%

A3 = Transaction consideration amount ÷ Total market value of the Company (The total shares of H Share multiplied by the average five-day share price of H Share  
+ The total shares of A Share multiplied by the average five-day share price of A Share)  
×100%

A4 = Number of new shares issued involved in the transaction ÷ Number of original total shares of the Company ×100% (A4 applies only when new shares are issued as consideration)

For connected transactions meeting any of the above calculation standards, the Company shall disclose such transactions in time.

### III. Major Connected Transactions

1. The connected transactions whose transaction amount of the transaction occurred between the Company and connected person is more than RMB30 million (except the guarantee provided by the Company, cash assets donated, and debts deducted for the Company's obligations only), and accounts for 5% or more of the absolute value of the last audited net assets of the Company.
2. According to the calculation of percentage ratio applicable to the nature of connected transactions, the connected transaction, any one of the following five indexes (A1, A2, A3, and A4) of which reaches 5% or more (the exchange rate conversion shall be paid attention to in the calculation):

A1 = Total value of assets involved in the transaction ÷ Total assets of the Company (based on the most recent audited annual or unaudited interim financial report, whichever is later, and the amount of dividends distributed needs to be deducted)  
×100%

A2 = Revenue attributable to the assets involved in the transaction of the Company ÷ Revenue of the Company (based on the most recent audited annual financial report) ×100%

A3 = Transaction consideration amount ÷ Total market value of the Company (The total shares of H Share multiplied by the average five-day share price of H Share  
+ The total shares of A Share multiplied by the average five-day share price of A Share)  
×100%

A4 = Number of new shares issued involved in the transaction ÷ Number of original total

shares of the Company  $\times 100\%$  (A4 applies only when new shares are issued as consideration)

For connected transactions meeting any of the above calculation standards, the Company shall submit such transactions to the general meeting of Shareholders for consideration and approval after the review of the Board of Directors and the Board of Supervisors.

## Appendix 2:

### **List of Connected Transaction Information Disclosure Documents**

In accordance with the information disclosure requirements of connected transactions in the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the requirements of the contents of documents submitted to the Company for review and information disclosure shall be as follows:

- I. The connected transaction between the Company and its connected persons shall be disclosed in the form of interim report. The disclosure contents include but are not limited to:
  - (1) Overview of connected transactions;
  - (2) Introduction of connected person(s);
  - (3) Basic information on the subject matters of connected transactions;
  - (4) Main contents and pricing policy of connected transactions;
  - (5) The purpose of the connected transaction and its influence on the listed company;
  - (6) The agreement or letter of intent relating to the transaction;
  - (7) Commitment of controlling shareholders (if any).
- II. The Company shall disclose connected transactions related to routine operation, and the disclosure contents include but are not limited to:
  - (1) The parties of the connected transactions;
  - (2) The contents of the connected transactions;
  - (3) The pricing policy;
  - (4) Transaction price, where the market price of same category could be gained, the market reference price shall be disclosed, and if the actual transaction price is significantly different from the market reference price, the reason shall be provided;
  - (5) The transaction amount and its proportion in the transaction amount of same category, and the settlement method;
  - (6) The agreement or letter of intent related to the transaction;
  - (7) Details of large amounts of returned commodities (if any);

- (8) The necessity for and continuity of the connected transactions, the reasons for choosing to conduct the transaction with the connected persons (instead of other trading parties in the market), the influence of the connected transaction on the independence of the Company, the degree of dependence of the Company on the connected persons, and the relevant measures (if any);
- (9) Where the total amount of routine connected transactions that will occur in the current year is estimated by category, information of the actual performance of routine connected transactions within the reporting period (if any) shall be disclosed.

III. The Company shall disclose connected transactions related to the sale or acquisition of assets, and the disclosure contents include but are not limited to:

- (1) The parties of the connected transactions;
- (2) The contents of the connected transactions;
- (3) The pricing policy;
- (4) Appraisal report, which includes book value, appraisal value, market fair value and transaction price of assets; if the transaction price is significantly different from the book value or the appraisal value and the fair value of the market, the reasons shall be provided;
- (5) Settlement method and the impact of transaction on the Company's operating results and financial position;
- (6) The agreement or letter of intent related to the transaction.

IV. The Company discloses the connected transactions occurring in the joint outbound investment with the connected persons, and the disclosure contents include but not limited to:

- (1) Joint investors;
- (2) Name, main business, registered capital, total assets, net assets and net profit of the invested enterprise;
- (3) Progress of major projects under construction (if any);
- (4) The agreement or letter of intent related to the transaction.

V. If there exist credit and debt business, guarantee and other matters between the Company and the connected persons, the cause of formation and its impact on the Company shall be disclosed.