

## Amendments to Main Board Listing Rules

1.01 Throughout this book, the following terms, save where the context otherwise requires, have the following meanings:

...

- “associate”**
- (a) in relation to an individual means:—
    - (i) his spouse;
    - (ii) any child or step-child, natural or adopted, under the age of 18 years of such individual or of his spouse (together with (a)(i) above, the “family interests”);
    - (iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object ~~and any company (“trustee controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);~~ and
    - (iv) ~~a holding company of a trustee controlled company or a subsidiary of any such holding company; and [Repealed 3 June 2010]~~
    - (v) any company in the equity capital of which he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, ~~and/or any trustee interests taken together~~ are directly or indirectly

interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company; and

(b) in relation to a company means:—

- (i) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company ~~or one in the equity capital of which it and/or such other company or companies taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors;~~
- (ii) the trustees, acting in their capacity as such trustees, of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the company's knowledge) a discretionary object ~~and any company ("trustee controlled company") in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the "trustee interests");~~

and

- (iii) ~~a holding company of a trustee controlled company or a subsidiary of any such holding company; and [Repealed 3 June 2010]~~
  - (iv) any other company in the equity capital of which the company, such other companies referred to in (b)(i) above, and/or any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, ~~and/or any trustee interests~~ taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary ~~or holding company or a fellow subsidiary of any such holding company;~~
- (c) Insofar as a depositary is acting in its capacity as a depositary for depositary receipts, it shall not be treated as an associate of holders of the depositary receipts for the purposes of (a) and (b) merely by reason of the fact that it is holding the shares of the issuer for the benefit of the holders of the depositary receipts.

*Notes (1) This definition is modified in the context of connected transactions by virtue of rules 14A.11, ~~and 14A.12~~ and 14A.12A.*

*(2) In the case of a PRC issuer, its ~~promoters~~, directors, supervisors, chief executive and substantial shareholders, the definition is amended to have the same meaning as in rule 19A.04.*

...

**connected person”**

- (a) in relation to a company other than a PRC issuer, and other than any subsidiaries of a PRC issuer, means a director, chief executive or substantial shareholder of such company or any of its subsidiaries or an associate of any of them; and
- (b) in relation to a PRC issuer means a ~~promoter~~, director, supervisor, chief executive or substantial shareholder of the PRC issuer or any of its subsidiaries or an associate of any of them

*Note: This definition is modified in the case of Chapter 14A only by the provisions of rules 14A.11, ~~and~~ 14A.12 and 14A.12A.*

...

**Winding-up and liquidation**

13.25 (1) An issuer shall inform the Exchange on the happening of any of the following events as soon as the same shall come to the attention of the issuer:—

- (a) the appointment of a receiver or manager either by any court having jurisdiction or under the terms of a debenture or any application to any court having jurisdiction for the appointment of a receiver or manager, or equivalent action in the country of incorporation or other establishment, in respect of the business or any part of the business of the issuer or the property of the issuer, its holding company or any ~~major~~-subsidiary falling under rule 13.25(2);
- (b) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator, or equivalent action in the country of incorporation or other establishment, against or in respect of the issuer, its holding company or any ~~major~~ subsidiary falling under rule 13.25(2);
- (c) the passing of any resolution by the issuer, its holding company or any ~~major~~-subsidiary falling under rule 13.25(2) that it be wound-up by way of members’ or creditors’ voluntary winding-up, or equivalent action in the country of incorporation or other establishment;

...

- (2) ~~For the purposes of r~~Rules 13.25(1)(a), (b) and (c) will apply to a subsidiary of the issuer if, a “major subsidiary” means a subsidiary where the value of its that subsidiary’s total assets, profits or revenue represents 5% or more under any of the percentage ratios as defined under rule 14.04(9). For the purpose of this rule 13.25(2), 100% of that subsidiary’s total assets, profits or revenue (as the case may be) or, where that subsidiary itself has subsidiaries, the consolidated total assets, profits or revenue (as the case may be) of that subsidiary is to be compared to the total assets, profits or revenue (as the case may be) shown in the issuer’s latest-published audited consolidated financial statements irrespective of the interest held in the subsidiary.

*Notes: ...*

...

### **Definitions**

14.04 For the purposes of this Chapter:—

...

- (5) “de minimis ratio” means the ratio determined in accordance with rules 14A.31(2), 14A.32, 14A.33(3), 14A.34, 14A.65(2), ~~14A.65(3)(a), 14A.65(3)(b)(ii),~~ 14A.66(1) or 14A.66(2) (as the case may be);

...

### **Definition of connected person**

14A.11 Rule 1.01 contains a general definition of “connected person”. In this Chapter, the definition of “connected person” includes:

- (1) a director, chief executive or substantial shareholder of the listed issuer;
- (2) any person who was a director of the listed issuer within the preceding 12 months;
- (3) a ~~promoter or~~ supervisor of a PRC issuer;
- (4) any associate of a person referred to in rules 14A.11(1), (2) or (3). The definitions of “associate” (in the context of non-PRC issuers and PRC issuers) are contained in rules 1.01 and 19A.04, respectively. In this Chapter, an “associate” of a person referred to in rules 14A.11(1), (2) or (3) includes the following additional persons:

- (a) ...
- (b)
  - (i) any person cohabiting as a spouse with, and any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister of, a person referred to in rules 14A.11(1), (2) or (3); and
  - (ii) a company which the party referred to in rule 14A.11(4)(b)(i) can exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors; and
- (c)
  - (i) a father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, uncle, aunt, cousin, brother-in-law, sister-in-law, nephew and niece of a person referred to in rules 14A.11(1), (2) or (3); and
  - (ii) a company which the party referred to in rule 14A.11(4)(c)(i) can exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors.

whose association with the person referred to in rules 14A.11(1), (2) or (3) is such that, in the opinion of the Exchange, the proposed transaction should be subject to the requirements of this Chapter. Listed issuers must notify the Exchange of any proposed transaction with these parties unless the transaction is exempt under rules 14A.31 or 14A.33. Listed issuers must also provide information to the Exchange to demonstrate whether or not these parties should be regarded as associates of the person referred to in rules 14A.11(1), (2) or (3);

*Notes: 1. A company which is an “associate” of a person referred to in rules 14A.11(1), (2) or (3) only because that person has an indirect interest in the company through its shareholding in the listed issuer is not a connected person.*

*2. ~~A non wholly owned subsidiary will not be regarded as an associate of a substantial shareholder of that non wholly owned subsidiary if such substantial shareholder is a connected person only by virtue of being a director of the non wholly owned subsidiary and/or is a substantial shareholder in the non wholly owned subsidiary concerned.~~ [Repealed 3 June 2010]*

3. For the purpose of rules 14A.11(4)(b)(ii) and 14A.11(4)(c)(ii), the Exchange may aggregate the interests of a person referred to in rule 14A.11(1), (2) or (3) and his relatives in a company to determine whether they together have a majority control over the company.

- (5) any non wholly-owned subsidiary of the listed issuer where any connected person(s) of the listed issuer (other than at the level of its subsidiaries) as defined under rules 14A.11(1) to (4) is/are (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of such non wholly-owned subsidiary; and

Notes: 1 *It follows that a non wholly owned subsidiary is not a connected person where:*

~~(a) — no connected person(s) of the listed issuer (other than at the level of its subsidiaries) as defined under rules 14A.11(1) to (4) is/are (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of such non wholly owned subsidiary; and~~

~~(b) — the non wholly owned subsidiary is not an associate of a person referred to in rules 14A.11(1), (2) or (3).~~

[Repealed 3 June 2010]

- 2 *An interest of a connected person of the listed issuer (other than at the level of its subsidiaries) in the subsidiary which is held through the listed issuer is to be excluded from the 10% referred to in this rule.*

- (6) any subsidiary of a non wholly-owned subsidiary referred to in rule 14A.11(5).

14A.12A For the purpose of this Chapter,

(1) a non wholly-owned subsidiary will not be regarded as a connected person by virtue of being:

(a) a substantial shareholder of another subsidiary; or

(b) an associate of any connected persons (at the level of the issuer's subsidiaries only) as defined in rules 14A.11(1) to (3); and

- (2) the Exchange will not normally treat a PRC Governmental Body (see definition in rule 19A.04) as a connected person of a listed issuer. If requested by the Exchange the issuer must make written representations to the Exchange explaining its legal, commercial or other relationships with the PRC Governmental Body and must satisfy the Exchange that it should not be treated as a connected person, or if the Exchange determines that it should be treated as a connected person, the issuer must agree to comply with any additional obligations arising from such treatment as may be requested by the Exchange.

### **Definition of connected transaction**

14A.13 A connected transaction is:

- (1) (a) any transaction between a listed issuer and a connected person; or

*Acquisition or disposal of interest in a company*

- (b) (i) any transaction between a listed issuer and a person who is not a connected person and the transaction involves the listed issuer acquiring or disposing of an interest in a company where a substantial shareholder of that company is, or is proposed to be, a controller or is (or will become as a result of the transaction) an associate of a controller. The Exchange may aggregate the interests of any person and his associates (as defined in rule 14A.11(4)) in determining whether together they are a “substantial shareholder” of any company. Where assets (as opposed to businesses) account for 90% or more of such a company’s net assets or total assets, the Exchange will treat the acquisition or disposal of such assets as a connected transaction and an acquisition or disposal of an interest in that company; or

*Notes: 1 A listed issuer itself will not be considered an “associate” of a controller when the listed issuer is acquiring or disposing of an interest in a company of which it is already a substantial shareholder.*

*2 A controller whose only interest in a company is through its interest in the listed issuer will not be taken to be a “substantial shareholder” of that company.*

*3 This rule does not apply where all the following*

*conditions are met:*

- (i) the listed issuer acquires an interest in a company;*
- (ii) the substantial shareholder of the company being acquired is a director, chief executive or controlling shareholder of the company being acquired (or an associate of such director, chief executive or controlling shareholder) immediately prior to the acquisition;*
- (iii) it is proposed that the substantial shareholder will remain a director, chief executive or controlling shareholder of the company being acquired (or an associate of such director, chief executive or controlling shareholder) following the acquisition; and*
- (iv) following the acquisition, the only reason why he is still a controller is that he remains a director, chief executive or controlling shareholder of the company being acquired (or an associate of such director, chief executive or controlling shareholder), as the case may be. Where he remains a controlling shareholder, there must not be any increase in his interest in such company as a result of the acquisition.*

4 For a disposal of interest in a company, this rule does not apply if (i) the disposal falls within this rule only because the substantial shareholder of the company being disposed of is a director, chief executive or controlling shareholder of this company (or an associate of such director, chief executive or controlling shareholder) immediately prior to the disposal; and (ii) there is no change in the substantial shareholder's

interest in such company as a result of the disposal or any related arrangement.

...

## General rules

### *Categories*

14A.16 The categories of connected transactions are:

- (1) connected transactions exempt from the reporting, announcement and independent shareholders' approval requirements (see rule 14A.31);
- (2) connected transactions exempt from the independent shareholders' approval requirements (see rule 14A.32);
- (3) continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders' approval requirements (see rule 14A.33);
- (4) continuing connected transactions exempt from the independent shareholders' approval requirements (see rule 14A.34); and
- (5) connected transactions, including continuing connected transactions, not falling under any of the categories set out in rules 14A.16(1) to (4).

14A.17 Transactions falling under rule 14A.16(5) are subject to the reporting, announcement and independent shareholders' approval requirements, and in the case of continuing connected transactions, the annual review requirements of this Chapter.

...

14A.29 Certain types of continuing connected transactions, described in rule 14A.33, are exempt from all disclosure, annual review and independent shareholders' approval requirements. The continuing connected transactions described in rule 14A.34 are not required to be approved by independent shareholders but must in every case be disclosed by way of an announcement published in accordance with rule 2.07C when the listed issuer enters into the transaction. The transaction must also be reported on in the listed issuer's subsequent published annual report and accounts for the financial years during which the listed issuer undertakes the transaction pursuant to the relevant written agreement.

...

**Connected transactions**  
**(other than those involving financial assistance or the granting of options)**  
**exempt from the reporting, announcement and**  
**independent shareholders' approval requirements**

14A.31 The following connected transactions will be exempt from all the reporting, announcement and independent shareholders' approval requirements contained in this Chapter:

*Intra-group transactions*

(1) ...

*Note:* ...

(1A) a transaction between a listed issuer's non wholly-owned subsidiary referred to in rule 14A.11(5) and any of its subsidiaries which are connected persons only by virtue of being the subsidiaries of the non wholly-owned subsidiary; or a transaction between any of these subsidiaries;

*De minimis transactions*

(2) a connected transaction on normal commercial terms where each or all of the percentage ratios (other than the profits ratio) is/are:

(a) ~~each of the percentage ratios (other than the profits ratio) is less than 0.1%; or~~

(b) less than 1% and the transaction is a connected transaction only because it involves a person who is a connected person of the listed issuer by virtue of its/his relationship(s) with the issuer's subsidiary or subsidiaries;  
or

~~(bc) each of the percentage ratios (other than the profits ratio) is equal to or more than 0.1% but less than 2.5-5% and the total consideration is less than HK\$1,000,000;~~

*Note:* This exemption does not apply to the issue of new securities by a listed issuer (other than its subsidiaries) to a connected person, which is governed by rule 14A.31(3).

...

*Consumer goods or consumer services*

(7) the acquisition as consumer or realisation in the ordinary and usual course of business of consumer goods or consumer services by a listed issuer from or to a connected person of the listed issuer on normal commercial terms. Such goods and services:—

(a) must be of a type ordinarily supplied for private use or consumption;

(b) must be for the acquirer's own consumption or use, and not be

(i) not be processed into products of the acquirer or for resale; or

(ii) otherwise for the purpose of or in connection with any business or contemplated business of the acquirer (whether for consideration or otherwise), except for the case where the issuer is the acquirer and there is an open market and transparency in the pricing of these goods or services;

*Note: Examples include utilities provided by a listed issuer to a connected person, meals consumed by a connected person at a restaurant owned by the listed issuer, ~~and the acquisition of groceries for its own use by a connected person from a listed issuer involved in the retailing of groceries,~~ and utilities provided by a connected person to a listed issuer where the prices are published or publicly quoted and apply to other independent consumers.*

(c) must be consumed or used by the acquirer in the same state as when they were acquired;

(d) must be of a total consideration or value that is or represents less than 1% of the total revenue or total purchases, as the case may be, of the listed issuer as shown in its latest published audited accounts or where consolidated accounts have been prepared, its latest published audited consolidated accounts; and

(e) the transactions concerned must be on terms no more favourable to the connected person than those available to independent third parties or no less favourable to the listed issuer than those available from independent third parties (as the case may be); ~~and~~

*Note: Listed issuers are encouraged to consult the Exchange at an early stage to determine whether a transaction falls within the scope of this rule.*

...

Transactions with persons connected at the level of subsidiaries

- (9) a connected transaction on normal commercial terms where
- (a) the transaction is a connected transaction only because it involves a person who is a connected person of the listed issuer by virtue of its/his relationship(s) with the issuer's subsidiary or subsidiaries;
  - (b) the value of the relevant subsidiary's total assets, profits and revenue (or the aggregate value of the relevant subsidiaries' total assets, profits and revenue) represents:
    - (i) less than 10% under the relevant percentage ratios as defined under rule 14.04(9) for each of the latest three financial years (or if less, the period since the incorporation or establishment of the subsidiary or subsidiaries); or
    - (ii) less than 5% under the relevant percentage ratios as defined under rule 14.04(9) for the latest financial year.

For this purpose, 100% of the subsidiary's or subsidiaries' total assets, profits and revenue will be used to calculate the relevant percentage ratios. Where any of the calculations of the percentage ratios produces an anomalous result, the Exchange may disregard the calculation and the listed issuer must provide alternative tests which it considers appropriate to the Exchange for consideration; and

- (c) if any relevant subsidiary (or any of its subsidiaries) is a party to the transaction or if the securities or assets of the relevant subsidiary (or any of its subsidiaries) are the subject of the transaction, the consideration ratio is less than 10%. This requirement will not apply if the transaction is of a revenue nature in the issuer's ordinary and usual course of business; and

Transactions with associates of a passive investor

- (10) a connected transaction of a revenue nature in the ordinary and usual course of the listed issuer's business and on normal commercial terms where
- (a) the transaction is a connected transaction only because it involves an associate (the "Relevant Associate") of a substantial shareholder of the

listed issuer; and

(b) the substantial shareholder is a passive investor in the listed issuer and meets the following criteria:

(i) it is a sovereign fund, or a unit trust or mutual fund authorised by the Commission or an appropriate overseas authority;

(ii) it has a wide spread of investments other than the securities of the listed issuer and the Relevant Associate;

(iii) it and the Relevant Associate are connected persons only because it is a substantial shareholder of the listed issuer;

(iv) it is not a controlling shareholder of the listed issuer;

(v) it does not have any representative on the board of directors of the listed issuer, and is not involved in the management of the listed issuer (including any influence over the listed issuer's management through negative control (e.g. its veto rights) on material matters of the listed issuer); and

(vi) it is independent of the directors, chief executive, controlling shareholder(s) and any other substantial shareholder(s) of the listed issuer.

**Connected transactions (~~other than those involving financial assistance, the granting of options or Qualified Property Acquisitions under a General Property Acquisition Mandate~~) exempt from the independent shareholders' approval requirements**

14A.32 A connected transaction on normal commercial terms where each or all of the percentage ratios (other than the profits ratio) is/are:

- (1) ~~each of the percentage ratios (other than the profits ratio) is less than 2.5~~ 5%; or
- (2) ~~each of the percentage ratios (other than the profits ratio) is equal to or more than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000~~

is only subject to the reporting and announcement requirements set out in rules 14A.45 to 14A.47 and is exempt from the independent shareholders' approval requirements of this Chapter.

*Note: This exemption does not apply to the issue of new securities by a listed issuer (other than its subsidiaries) to a connected person, which is governed by rule 14A.31(3).*

**Continuing connected transactions  
exempt from the reporting, annual review, announcement and  
independent shareholders' approval requirements**

14A.33 The following continuing connected transactions will be exempt from the reporting, annual review, announcement and independent shareholders' approval requirements of this Chapter:

...

(2) ...; ~~and~~

*De minimis transactions*

(3) a continuing connected transaction on normal commercial terms where each or all of the percentage ratios (other than the profits ratio) is/are on an annual basis:

(a) ~~each of the percentage ratios (other than the profits ratio) is on an annual basis less than 0.1%; or~~

(b) less than 1% and the transaction is a connected transaction only because it involves a person who is a connected person of the issuer by virtue of its/his relationship(s) with the issuer's subsidiary or subsidiaries; or

(b) ~~each of the percentage ratios (other than the profits ratio) is on an annual basis equal to or more than 0.1% but less than 2.55% and the annual consideration is less than HK\$1,000,000;~~

*Transactions with persons connected at the level of subsidiaries*

(4) a continuing connected transaction that meets the requirements in rule 14A.31(9); and

*Transactions with associates of a passive investor*

(5) a continuing connected transaction that meets the requirements in rule 14A.31(10).

Notes: 1. When a connected person no longer meets the conditions under rule 14A.33(4) or 14A.33(5), the issuer must, subject to Note 2 to rule 14A.33,

comply with all applicable reporting, annual review, announcement and independent shareholders' approval requirements for its subsequent continuing connected transactions with the connected person.

2. If the connected person no longer meets the conditions under rule 14A.33(4) or 14A.33(5) during the term of an agreement for continuing connected transactions, the issuer is only required to comply with the applicable reporting, annual review and announcement requirements if:

(a) the agreement is for a fixed period with fixed terms; and

(b) the exemption under rule 14A.33(4) or 14A.33(5) applies at the time of the agreement.

Issuers are encouraged to consult the Exchange on the application of this Note.

#### **Continuing connected transactions exempt from the independent shareholders' approval requirements**

14A.34 A continuing connected transaction on normal commercial terms where each or all of the percentage ratios (other than the profits ratio) is/are on an annual basis:

- (1) ~~on an annual basis~~ less than ~~2.55%~~ 2.5%; or
- (2) ~~on an annual basis equal to or more than 2.5% but less than 25%~~ and the annual consideration is less than HK\$10,000,000

is only subject to the reporting and announcement requirements set out in rules 14A.45 to 14A.47, the annual review requirements set out in rules 14A.37 to 14A.40 and the requirements set out in rules 14A.35(1) and 14A.35(2). It is exempt from the independent shareholders' approval requirements of this Chapter.

#### **Non-exempt continuing connected transactions**

14A.35 When an issuer enters into a continuing connected transaction not falling under rule 14A.33, it must:

...

(3) ...; ~~and~~

(4) ...; and

(5) comply with the annual review requirements described in rules 14A.37 to 14A.40.

...

### **Annual review of continuing connected transactions**

14A.37 When an issuer enters into a continuing connected transaction not falling under rule 14A.33, each ~~Each~~-year the independent non-executive directors of the listed issuer must review the continuing connected transactions and confirm in the annual report and accounts that the transactions have been entered into:

(1) ...

...

14A.38 When an issuer enters into a continuing connected transaction not falling under rule 14A.33, each ~~Each~~ year the auditors must provide a letter to the listed issuer's board of directors (with a copy provided to the Exchange at least 10 business days prior to the bulk printing of the listed issuer's annual report), confirming that the continuing connected transactions:

(1) ...

...

14A.41 Where a listed issuer has entered into an agreement involving continuing transactions and such transactions subsequently become continuing connected transactions for whatever reason (e.g. due to a party becoming a director of the listed issuer), the listed issuer must, immediately upon it becoming aware of this fact, comply with all applicable reporting, annual review and disclosure requirements of this Chapter in respect of all such continuing connected transactions. Upon any variation or renewal of the agreement, the listed issuer must comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirements of this Chapter in respect of all continuing connected transactions effected after such variation or renewal.

...

### **Financial assistance**

...

#### *Exempt from reporting, announcement and independent shareholders' approval requirements*

14A.65 The following connected transactions are exempt from the reporting, announcement and independent shareholders' approval requirements of this Chapter:—

(1) ...

(2) financial assistance provided by a listed issuer for the benefit of a connected person or a company falling under rule 14A.13(2)(a)(ii):

(a) in the ordinary and usual course of business of the listed issuer but not on normal commercial terms (or better to the listed issuer); or

(b) not in the ordinary and usual course of business but on normal commercial terms (or better to the listed issuer),

and where each or all of the percentage ratios (other than the profits ratio) is/are:  
(i) each of the percentage ratios (other than the profits ratio) is less than 0.1%; (ii) less than 1% and the transaction is a connected transaction only because it involves a person who is a connected person of the issuer by virtue of its/ his relationship(s) with the issuer's subsidiary or subsidiaries; or (iii) each of the percentage ratios (other than the profits ratio) is equal to or more than 0.1% but less than ~~2.5~~ 5 % and the total value of the assistance plus any preferential benefit to the connected person, or a company falling under rule 14A.13(2)(a)(ii), is less than HK\$1,000,000;

(3) financial assistance provided by a listed issuer for the benefit of a connected person in which the listed issuer is a shareholder, or any company falling under rule 14A.13(2)(a)(ii):

~~(a) — in the ordinary and usual course of business of the listed issuer but not on normal commercial terms and where (i) each of the percentage ratios (other than the profits ratio) is less than 0.1% or (ii) each of the percentage ratios (other than the profits ratio) is equal to or more than 0.1% but less than 2.5% and the total value of the assistance plus any preferential benefit to the relevant company is less than HK\$1,000,000;~~  
~~or~~

~~(b) — not in the ordinary and usual course of business but on normal commercial terms (or better to the listed issuer), provided that:~~

~~(i) — the assistance being provided is in proportion to the listed issuer's equity interest in the connected person or the company falling under rule 14A.13(2)(a)(ii). In addition, any guarantees given by the listed issuer must be on a several (and not a joint and several) basis; or~~

~~(ii) — the assistance being provided is not in proportion to the listed issuer's equity interest in the company or the guarantees given by the listed issuer are not on a several basis (whether on a joint~~

~~and several basis, or otherwise), and (A) each of the percentage ratios (other than the profits ratio) is less than 0.1% or (B) each of the percentage ratios (other than the profits ratio) is equal to or more than 0.1% but less than 2.5% and the total value of the assistance plus any preferential benefit to the relevant company is less than HK\$1,000,000; or~~

(4) ...

*Exempt from independent shareholders' approval requirements*

14A.66 The following connected transactions are only subject to the reporting and announcement requirements set out in rules 14A.45 and 14A.46 and rule 14A.47 respectively:

(1) financial assistance provided by the listed issuer in the ordinary and usual course of business for the benefit of a connected person, or any company falling under rule 14A.13(2)(a)(ii), not on normal commercial terms (or better to the listed issuer), where each or all of the percentage ratios (other than the profits ratio) is/are: (i) ~~each of the percentage ratios (other than the profits ratio) is less than 2.5 5 %;~~ or (ii) ~~each of the percentage ratios (other than the profits ratio) is equal to or more than 2.5% but less than 25%~~ and the total value of the assistance plus any preferential benefit to the connected person or the relevant company is less than HK\$10,000,000; or

(2) financial assistance provided by the listed issuer not in the ordinary and usual course of business but on normal commercial terms (or better to the listed issuer) for the benefit of:

(a) a connected person; or

(b) any company falling under rule 14A.13(2)(a)(ii) if the assistance being provided is not in proportion to the listed issuer's equity interest in the relevant company or any guarantees given by the listed issuer are not on a several basis,

and each or all of the percentage ratios (other than the profits ratio) is/are: (i) ~~each of the percentage ratios (other than the profits ratio) is less than 2.5 5 %;~~ or (ii) ~~each of the percentage ratios (other than the profits ratio) is equal to or more than 2.5% but less than 25%~~ and the total value of the assistance plus any preferential benefit to the connected person or the relevant company is less than HK\$10,000,000.

...

19A.04 The following terms, save where the context otherwise requires, have the following meanings:-

**“associate”**

for a PRC issuer

- (a) in relation to an individual means:—
  - (i) his spouse;
  - (ii) any child or step-child, natural or adopted, under the age of 18 years of such individual or of his spouse (together with (a)(i) above, the “family interests”);
  - (iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);
  - (iv) a holding company of a trustee-controlled company or a subsidiary of any such holding company; [Repealed 3 June 2010]
  - (v) any company (including an equity joint venture established under PRC law) in the equity capital of which he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly

interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company; and

- (vi) any company with which or individual with whom he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, ~~and/or any trustee interests~~ taken together are directly or indirectly interested in a cooperative or contractual joint venture (whether or not constituting a separate legal person) under PRC law where he, his family interests, and/or any of the trustees referred to in (a)(iii) above, acting in their capacity as such trustees, ~~and/or any trustee interests~~ taken together directly or indirectly have 30% (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture; and

(b) in relation to a company means:—

- (i) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company ~~or one in the equity capital of which it and/or such other company or companies taken together are directly or indirectly interested so as to exercise or control~~

~~the exercise of 30% (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors; and~~

- (ii) ~~the trustees, acting in their capacity as such trustees, of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to the company's knowledge) a discretionary object and any company ("trustee controlled company") in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the "trustee interests");~~
- (iii) ~~a holding company of a trustee controlled company or a subsidiary of any such holding company; [Repealed 3 June 2010]~~
- (iv) any other company (including an equity joint venture established under PRC law) in the equity capital of which the company, such other companies referred to in (b)(i) above, and/or any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, ~~and/or any trustee interests~~ taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in applicable

PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary ~~or holding company or a fellow subsidiary of any such holding company~~; and

- (v) any other company with which or any individual with whom the company, such other companies referred to in (b)(i) above, and/or any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, ~~and/or any trustee interests~~ taken together are directly or indirectly interested in a cooperative or contractual joint venture (whether or not constituting a separate legal person) under PRC law where it, such other companies referred to in (b)(i) above, and/or any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, ~~and/or any trustee interests~~ taken together directly or indirectly have 30% (or such other amount as may from time to time be specified in applicable PRC law as being the level for triggering a mandatory general offer or for otherwise establishing legal or management control over a business enterprise) or more interest either in the capital and/or assets contributions to such joint venture or in the contractual share of profits or other income from such joint venture.

*Note 1: This definition is modified in the context of connected transactions by virtue of rules 14A.11, ~~and~~ 14A.12 and 14A.12A.*

*Note 2: ...*