

CONNECTED TRANSACTIONS

Upon the Listing, certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

THE CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of business with the following connected persons, which will constitute continuing connected transactions upon the Listing:

Name	Connected Relationship
Mr. Deng	one of the Controlling Shareholders
Ms. Wu	one of the Controlling Shareholders
Zhongwei Holding	one of the Controlling Shareholders
Hunan Zhongxian Intelligence Technology Company Limited* (湖南中先智能科技有限公司) (“ Zhongxian Intelligence ”)	As of the Latest Practicable Date, Zhongxian Intelligence was owned as to 96.65% by Hunan Zhongjia Intelligence Technology Company Limited* (湖南中稼智能科技有限公司), which was owned as to 70% by Mr. Deng, an executive Director and one of the Controlling Shareholders, and 30% by Ms. Wu, spouse of Mr. Deng and one of the Controlling Shareholders, respectively. Accordingly, Zhongxian Intelligence is an associate of both Mr. Deng and Ms. Wu and therefore constitutes a connected person of the Company under the Listing Rules.
Hunan Zhongwei Jinneng New Material Company Limited* (湖南中偉金能新材料有限公司) (“ Zhongwei Jinneng ”) and its subsidiaries (“ Jinneng Group ”)	As of the Latest Practicable Date, Zhongwei Jinneng was owned as to 70% by Mr. Deng Jing and as to 30% by Changsha Zhongwei High Tech Venture Capital Company Limited* (長沙中偉高新科技創業投資有限公司), which was further owned as to 80% by Mr. Deng Jing and 20% by Mr. Deng, respectively. Accordingly, Jinneng Group is an associate of Mr. Deng Jing and therefore constitutes a connected person of the Company under the Listing Rules.
Honglin Construction and Engineering Group Co., Ltd.* (宏林建設工程集團有限公司) (“ Honglin Construction ”) and its subsidiaries (“ Honglin Group ”)	As of the Latest Practicable Date, Honglin Construction was owned as to 50% by Mr. Li Boliang and 50% by Mr. Mo Mingkang, respectively, who are spouses of Mr. Deng’s two sisters, respectively. Accordingly, Mr. Li Boliang and Mr. Mo Mingkang, and therefore Honglin Group constitute deemed connected persons of the Company under the Listing Rules.

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SUMMARY OF THE CONTINUING CONNECTED TRANSACTIONS

No.	Nature of Transactions	Connected Party	Relevant Listing Rules	Waiver Sought
Fully-Exempt Continuing Connected Transactions				
1.	Zhongwei Holding Trademark License Agreement	Zhongwei Holding	14A.76(1)	N/A
2.	Provision of Guarantees by the Controlling Shareholders	Mr. Deng, Ms. Wu and/or Zhongwei Holding	14A.90	N/A
3.	Jinneng Group Comprehensive Procurement Framework Agreement	Jinneng Group	14A.76(1)	N/A
4.	Jinneng Group Comprehensive Services Supply Framework Agreement	Jinneng Group	14A.76(1)	N/A
Partially-Exempt Continuing Connected Transactions				
5.	Zhongxian Intelligence Comprehensive Procurement Framework Agreement	Zhongxian Intelligence	14A.76(2) 14A.105	Announcement
6.	Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement	Honglin Group	14A.76(2) 14A.105	Announcement
7.	Jinneng Group Comprehensive Products Supply Framework Agreement	Jinneng Group	14A.76(2) 14A.105	Announcement

Fully-Exempt Continuing Connected Transactions

I. Zhongwei Holding Trademark License Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a trademark license agreement with Zhongwei Holding on January 1, 2024 (the “**Zhongwei Holdong Trademark License Agreement**”), pursuant to which Zhongwei Holding agreed to grant to the Group a non-exclusive and royalty-free license of certain of its trademarks (the “**Licensed Trademarks**”) for use in Hong Kong, Korea, Japan, the European Union, Singapore, Indonesia, Morocco and Congo on a permanent basis.

As required by Rule 14A.52 of the Listing Rules, the period for the agreement for the continuing connected transactions must not exceed three years, except in cases where nature of the transaction requires the agreement to be of a duration longer than three years. The Directors (including the independent non-executive Directors) are of the view that the Zhongwei Holding Trademark License Agreement was entered into on normal commercial terms and a longer duration of the agreement will avoid any unnecessary business interruption and help ensure the long-term stable business development and continuity, and it is normal business practice for a trademark license agreement of similar type to be entered into for such duration. The Directors (including the independent non-executive Directors) are of the view that it is in the interests of the Group and Shareholders as a whole to enter into the Zhongwei Holding Trademark License Agreement with a term longer than three years. The Joint Sponsors are of the view that it is in the normal business practice for this type of agreement to have a term longer than three years.

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As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules in respect of the aforementioned transaction, which is conducted on normal commercial terms or better, will be less than 0.1% on an annual basis, it will fall within the *de minimis* threshold under Rule 14A.76(1) of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

II. Provision of Guarantees by the Controlling Shareholders

The Controlling Shareholders have provided guarantees in favor of us to secure certain credit facilities from various commercial banks and financial institutions. As of March 31, 2025, our credit facilities guaranteed by the Controlling Shareholders in aggregate amounted to RMB8,866.1 million. The relevant credit facilities guaranteed by the Controlling Shareholders will expire between 2025 to 2030, with annual interest rates ranging from 2.25% to 2.45%. As the early release of guarantees provided by the Controlling Shareholders is not in the best commercial interest of the Group and the Shareholders as a whole, we do not intend to discharge such guarantees prior to Listing and the guarantees will continue to be in effect immediately after the Listing.

Upon the completion of the Listing, such provision of guarantees by the Controlling Shareholders will constitute financial assistance from the Controlling Shareholders under Chapter 14A of the Listing Rules. However, as the financial assistance was provided for the benefit of the Group on normal commercial terms and no security over the assets of the Group was granted in respect of the financial assistance, pursuant to Rule 14A.90 of the Listing Rules, it will be exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

III. Jinneng Group Comprehensive Procurement Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a framework agreement with Zhongwei Jinneng, for itself and on behalf of its subsidiaries, on November 4, 2025 (the "**Jinneng Group Comprehensive Procurement Framework Agreement**"), pursuant to which the Group agreed to procure services, including, among others, metal testing services from Jinneng Group (collectively, "**Services from Jinneng Group**") as the Group may require from time to time.

The pricing of the Services from Jinneng Group is to be determined by the Group and Jinneng Group on normal commercial terms, negotiated on arm's length basis, subject to applicable laws and regulations and with reference to, among others, the costs, the quantities, quality and reliability of the Services from Jinneng Group, the prevailing market conditions and the principle of fairness.

The initial term of the Jinneng Group Comprehensive Procurement Framework Agreement will start from the Listing Date and will end on December 31, 2027 (both days inclusive), subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the procurement of the Services from Jinneng Group by the Group were nil, nil, nil and RMB0.2 million as the Group started to procure the Services from Jinneng Group since 2025.

The following table sets forth the proposed annual caps for the transaction amounts to be paid by the Group to Jinneng Group under the Jinneng Comprehensive Procurement Framework Agreement:

	For the years ended December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Total prices to be paid by the Group to Jinneng Group	1.0	3.0	5.0

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The proposed annual caps are determined based on:

- (i) the existing contract value and the projected level of procurement of the Services from Jinneng Group to meet the Group's needs of future business development; and
- (ii) other factors including but not limited to the expected market price of similar metal testing services on normal commercial terms and its future fluctuations, taking into account the costs and expenses relating to labor and market trends.

As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules in respect of the aforementioned transaction, which is conducted on normal commercial terms or better, are expected to be less than 0.1% on an annual basis, it will fall within the *de minimis* threshold under Rule 14A.76(1) of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

IV. Jinneng Group Comprehensive Services Supply Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a framework agreement with Zhongwei Jinneng, for itself and on behalf of its subsidiaries, on November 4, 2025 (the **"Jinneng Group Comprehensive Services Supply Framework Agreement"**), pursuant to which the Group agreed to supply a set of services, including, among others, leasing and related services to Jinneng Group (the **"Services to Jinneng Group"**) as Jinneng Group may require from time to time.

The pricing of the Services to Jinneng Group is to be determined by the Group and Jinneng Group on normal commercial terms, negotiated on arm's length basis, subject to applicable laws and regulations and with reference to, among others, area leased, utilities expected to be used, the costs, the quantities, quality and reliability of the Services to Jinneng Group, the prevailing market conditions and the principle of fairness.

The initial term of the Jinneng Group Comprehensive Services Supply Framework Agreement will start from the Listing Date and end on December 31, 2027 (both days inclusive), subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the supply of the Services to Jinneng Group by the Group were approximately nil, RMB2.6 million, RMB6.6 million and RMB2.8 million, respectively. The Group commenced the supply of Services to Jinneng Group in 2023. The increase from 2023 to 2024 was primarily attributable to Jinneng Group's expanded business scale, including its ongoing construction of the new production line for platinum-based catalysts, which resulted in higher consumption of water and electricity.

The following table sets forth the proposed annual caps for the transaction amounts to be paid by Jinneng Group to the Group under the Jinneng Group Comprehensive Services Supply Framework Agreement:

	For the years ended December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Total prices to be paid by Jinneng Group to the Group	7.0	9.0	13.0

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The proposed annual caps are determined based on:

- (i) the historical amounts of the transactions between the Group and Jinneng Group during the Track Record Period in respect of the supply of the Services to Jinneng Group;
- (ii) the existing contract value and the projected level of supply of the Services to Jinneng Group to meet Jinneng Group's needs of future business development, taking into account Jinneng Group's continued efforts to ramp up its precious metal recycling business, including the construction of new production lines, to achieve economies of scale; and
- (iii) the geographical locations of the leased properties and the prevailing rents in similar locations for properties of comparable size and quality.

As all of the applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules in respect of the aforementioned transaction, which is conducted on normal commercial terms or better, are expected to be less than 0.1% on an annual basis, it will fall within the *de minimis* threshold under Rule 14A.76(1) of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Partially-Exempt Continuing Connected Transactions

V. Zhongxian Intelligence Comprehensive Procurement Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a framework agreement with Zhongxian Intelligence on November 4, 2025 (the “**Zhongxian Intelligence Comprehensive Procurement Framework Agreement**”), pursuant to which the Group agreed to procure equipment, installation and other relevant services from Zhongxian Intelligence (the “**Products and Services from Zhongxian Intelligence**”) as the Group may require from time to time.

The initial term of the Zhongxian Intelligence Comprehensive Procurement Framework Agreement will start from the Listing Date and will end on December 31, 2027 (both days inclusive), subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations.

Reasons for the transaction

Zhongxian Intelligence is familiar with the Group's business needs, quality standards and operational requirements in respect of the Products and Services from Zhongxian Intelligence. Considering Zhongxian Intelligence's advantages in technology and our good coordination with Zhongxian Intelligence, the Directors believe that it will facilitate the Group's business operations to procure the Products and Services from Zhongxian Intelligence.

Consideration and pricing policies

The prices to be charged by the Group for the procurement of the Products and Services from Zhongxian Intelligence pursuant to the Zhongxian Intelligence Comprehensive Procurement Framework Agreement shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the type of equipment and installation services, transaction volume and the prices for the supply of equipment and installation services of similar nature, type and quality by other Independent Third Parties in the market to the Group at relevant time.

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Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the procurement of the Products and Services from Zhongxian Intelligence by the Group were approximately RMB105.0 million, RMB1.0 million, RMB22.0 million and RMB0.3 million, respectively.

The relatively high procurement amount in 2022 was primarily attributable to the Group's expansion of production capacity for new energy battery materials, resulting in increased equipment procurement from Zhongxian Intelligence. The decrease from 2022 to 2023 reflected a strategic shift in the Group's investment focus toward overseas smelting capacity, which required equipment of different types from that supplied by Zhongxian Intelligence. The increase from 2023 to 2024 was primarily attributable to Zhongxian Intelligence's efforts to diversify its product and service offerings, including routine maintenance for production bases, supply of spare parts, and technological upgrades.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by the Group to Zhongxian Intelligence under the Zhongxian Intelligence Comprehensive Procurement Framework Agreement:

	For the years ended December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Total prices to be paid by the Group to Zhongxian Intelligence	50	50	50

The proposed annual caps are determined based on:

- (i) the historical amounts of the transactions between the Group and Zhongxian Intelligence during the Track Record Period in respect of the procurement of the Products and Services from Zhongxian Intelligence;
- (ii) the existing contract value of approximately over RMB40 million as of September 20, 2025, substantially all the payments under which are expected to be recognized in the remaining months of 2025 and the projected level of procurement of the Products and Services from Zhongxian Intelligence to meet the Group's needs of future business development, taking into account the Group's continued needs for routine maintenance services and supply of spare parts and the Group's efforts to expand its production capacity; and
- (iii) other factors including but not limited to the expected market price of similar equipment and installation services on normal commercial terms and its future fluctuations, taking into account the costs and expenses relating to labor and market trends.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Zhongxian Intelligence Comprehensive Procurement Framework Agreement for each of the three years ending December 31, 2027 calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5%, such transactions will, upon the Listing, constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

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VI. Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a framework agreement with Honglin Construction, for itself and on behalf of its subsidiaries, on November 4, 2025 (the “**Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement**”), pursuant to which the Group agreed to procure engineering and infrastructure construction services from Honglin Group (the “**Services from Honglin Group**”) as the Group may require from time to time.

The initial term of the Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement will start from the Listing Date and will end on December 31, 2027 (both days inclusive), subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations.

Reasons for the transaction

The Group has established a long-term and stable business relationship with Honglin Group, which is a reliable provider of engineering and infrastructure construction services with a proven track record of delivering high-quality services. Honglin Group is familiar with the Group’s business needs, quality standards and operational requirements in respect of the Services from Honglin Group. The Directors believe that maintaining a stable and quality business relationship with Honglin Group will facilitate the Group’s project construction.

Consideration and pricing policies

The prices to be charged by the Group for the procurement of the Services from Honglin Group pursuant to the Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the type of engineering and infrastructure construction services, transaction volume and the prices for the supply of engineering and infrastructure construction services of similar nature, type and quantity by other Independent Third Parties in the market to the Group at relevant time.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the procurement of the Services from Honglin Group by the Group were approximately nil, RMB78.7 million, RMB254.7 million and RMB53.6 million, respectively.

The Group commenced its procurement of the Services from Honglin Group in 2023. The increase from 2023 to 2024 was primarily attributable to the construction of various production bases.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by the Group to Honglin Group under the Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement:

	For the years ended December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Total prices to be paid by the Group to Honglin Group	100	100	100

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The proposed annual caps are determined based on:

- (i) the historical amounts of the transactions between the Group and Honglin Group during the Track Record Period in respect of the procurement of the Services from Honglin Group;
- (ii) the existing contract value for the Group's production bases which are under construction of approximately over RMB45 million as of September 20, 2025, substantially all the payments under which are expected to be recognized in the remaining months of 2025 and the projected level of procurement of the Services from Honglin Group to meet the Group's needs of future business development, taking into account the Group's continued efforts to expand its production capacity; and
- (iii) other factors including but not limited to the expected market price of similar engineering and infrastructure construction services on normal commercial terms and its future fluctuations, taking into account the costs and expenses relating to labor and market trends.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement for each of the three years ending December 31, 2027 calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5%, such transactions will, upon the Listing, constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

VII. Jinneng Group Comprehensive Products Supply Framework Agreement

The Company, for itself and on behalf of its subsidiaries, has entered into a framework agreement with Zhongwei Jinneng, for itself and on behalf of its subsidiaries, on November 4, 2025 (the **"Jinneng Group Comprehensive Products Supply Framework Agreement"**), pursuant to which the Group agreed to supply materials, parts and accessories, to Jinneng Group (the **"Products to Jinneng Group"**) as Jinneng Group may require from time to time.

The initial term of the Jinneng Group Comprehensive Products Supply Framework Agreement will start from the Listing Date and will end on December 31, 2027 (both days inclusive), subject to renewal upon the mutual consent of both parties and compliance with the requirements of the Listing Rules and applicable laws and regulations.

Reasons for the transaction

By-products are generated in our production process, such as precious metals extracted from nickel lateritic ores and other chemical products, and hematite from the nickel extraction process, which could be further processed into precious metal compounds and catalysts and satisfy Jinneng Group's business needs and quality standards for its precious metal recycling business. The supply of the Products to Jinneng Group could help increase the sales scale and revenue of the Group. Specifically, the transaction allows the Group to monetise the by-products generated in its nickel production process, turning them into a consistent revenue stream. This maximises the economic value extracted from the Group's nickel laterite ores. A framework agreement would also reduce the need for the Group to constantly seek buyers in the open market for its by-products, which would reduce the associated sales and marketing expenses as well. The Directors believe that maintaining a stable business relationship with Jinneng Group will facilitate the Group's business growth. To the best knowledge of the Directors, Jinneng Group is not engaged in any competing business with the Group.

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Consideration and pricing policies

The prices relating to the supply of the Products to Jinneng Group pursuant to the Jinneng Group Comprehensive Products Supply Framework Agreement shall be determined by commercial negotiation between the parties according to the principles of fairness and reasonableness, taking into account various factors including but not limited to the types of products, transaction volume and the prices for the supply of products of similar nature, type and quantity by the Group to other Independent Third Parties in the market at relevant time.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the historical transaction amounts with respect to the supply of the Products to Jinneng Group by the Group were approximately nil, RMB2.0 million, RMB3.2 million and RMB1.4 million, respectively.

The Group commenced its supply of the Products to Jinneng Group in 2023. The increase from 2023 to 2024 was primarily attributable to Jinneng Group's expanded business scale, including its ongoing construction of the new production line for platinum-based catalysts.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid to the Group by Jinneng Group under the Jinneng Group Comprehensive Products Supply Framework Agreement:

	For the years ended December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Total prices to be paid to the Group by Jinneng Group	103	305	505

The proposed annual caps are determined based on:

- (i) the historical amounts of the transactions between the Group and Jinneng Group during the Track Record Period in respect of the supply of the Products to Jinneng Group;
- (ii) the existing contract value of approximately over RMB60 million as of September 20, 2025, substantially all the payments under which are expected to be recognized in the remaining months of 2025 and the projected level of supply of the Products to Jinneng Group to meet its needs of future business development, taking into account Jinneng Group's continued efforts to rapidly ramp up its precious metal recycling business, including the construction of new production lines, which is expected to be operational in 2026, with a designed annual production capacity of four tons of precious metal (net of impurities) and correspondingly, an expected annual consumption of raw materials (primarily consisting of hematite and other ores), representing a monetary value of approximately RMB300 million and RMB500 million in 2026 and 2027, respectively, to achieve economies of scale, and the expected portion of raw materials to be procured by Jinneng Group from the Group based on the Group's stable supply capacity and long-term, mutually beneficial business relationship with Jinneng Group; the expected output capacity of by-products generated in our production process is approximately 38,000 tons per year, which is based on our estimation of the amount of relevant metallic elements contained in the nickel intermediates involved in our production process, with reference to the total production capacity of our nickel products and nickel-based materials for the six months ended June 30, 2025. For details of the production capacity of our nickel products and nickel-based materials, see "Business — Production — Production capacity". Such output capacity represents

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an estimated monetary value of approximately RMB1,100 million calculated based on current market price, which is much higher than the proposed annual caps under the Jinneng Group Comprehensive Products Supply Framework Agreement, securing the Group's stable supply of Products to Jingneng Group; and

- (iii) other factors including but not limited to the expected market price of similar products on normal commercial terms and its future fluctuations, taking into account the costs and expenses relating to raw materials, labor and market trends.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Jinneng Group Comprehensive Products Supply Framework Agreement for each of the three years ending December 31, 2027 calculated for the purpose of Chapter 14A of the Listing Rules is higher than 0.1% but below 5%, such transactions will, upon the Listing, constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules but exempt from the independent Shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

MEASURES TO SAFEGUARD THE INTERESTS OF THE SHAREHOLDERS

The Group adopts the following internal control measures to ensure that the connected transactions will be carried out in accordance with the terms of the relevant agreements, including the pricing policies, and in compliance with all the applicable requirements under the Listing Rules:

- we have adopted and implemented a management system on connected transactions. Under such system, the Audit Committee under the Board is responsible for the annual review on compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction. In addition, the Audit Committee under the Board, the Board and various internal departments of the Company are jointly responsible for evaluating the terms under framework agreements for the continuing connected transactions;
- the Audit Committee under the Board, the Board and various internal departments of the Company also regularly monitor the fulfillment status and the transaction updates under the framework agreements. In addition, the management of the Company also regularly reviews the pricing policies of the framework agreements;
- the independent non-executive Directors will conduct annual review of the continuing connected transactions conducted by the Group and provide annual confirmation in accordance with Rule 14A.55 of the Listing Rules;
- the auditors will conduct annual review of the continuing connected transactions conducted by the Group and provide annual confirmation in accordance with Rule 14A.56 of the Listing Rules; and
- when considering the prices paid by us to the connected persons, the Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between the Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties.

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WAIVER

In respect of the transactions as contemplated under the Zhongxian Intelligence Comprehensive Procurement Framework Agreement, the Honglin Group Engineering and Infrastructure Construction Services Procurement Framework Agreement and the Jinneng Group Comprehensive Products Supply Framework Agreement as described above, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

CONFIRMATION FROM THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and Shareholders as a whole; (ii) the proposed annual caps for those transactions are fair and reasonable and in the interests of the Company and Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant documents and information provided by the Company in relation to the above partially-exempt continuing connected transactions; (ii) obtained necessary representations and confirmations from the Company and the Directors, and (iii) made reasonable enquiries in relation to the above partially-exempt continuing connected transactions.

Based on the above, the Joint Sponsors are of the view that the above partially-exempt continuing connected transactions of the Group, have been entered into in the ordinary and usual course of the business on normal commercial terms or better and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the proposed annual caps in respect of such partially-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and Shareholders as a whole.