
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Huitongda Network Co., Ltd., you should at once hand this circular, together with the enclosed forms of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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



Huitongda Network Co., Ltd.
匯通達網絡股份有限公司

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

(Stock Code: 9878)

**(1) PROPOSED ADOPTION OF
THE 2024 H SHARE OPTION SCHEME
(2) PROPOSED AUTHORIZATION TO THE REMUNERATION AND
APPRAISAL COMMITTEE AS THE DELEGATEE TO HANDLE
MATTERS IN RELATION TO THE 2024 H SHARE OPTION SCHEME
AND
(3) NOTICE OF THE 2024 SECOND EGM**

The EGM will be held by the Company at the Conference Room, 6/F, Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC, at 2:00 p.m. on Tuesday, November 12, 2024. The notice of the EGM is set out on pages 31 to 32 of this circular.

A form of proxy applicable to the EGM has been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.htd.cn) and dispatched to the H Shareholders by the mean of receipt of communications chosen by the H Shareholders. If you wish to appoint a proxy to attend the EGM, you must complete the form(s) of proxy in accordance with the instructions printed thereon and return it (them) to us not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish at that time.

October 24, 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
1. INTRODUCTION	5
2. PROPOSED ADOPTION OF THE 2024 H SHARE OPTION SCHEME ..	6
3. PROPOSED AUTHORIZATION TO THE REMUNERATION AND APPRAISAL COMMITTEE AS THE DELEGATEE TO HANDLE MATTERS IN RELATION TO THE 2024 H SHARE OPTION SCHEME	14
4. EGM AND VOTING METHOD	15
5. RECOMMENDATION	16
6. DOCUMENTS AVAILABLE ON DISPLAY	17
7. RESPONSIBILITY STATEMENT	17
APPENDIX I – PRINCIPAL TERMS OF THE 2024 H SHARE OPTION SCHEME	18
NOTICE OF THE 2024 SECOND EXTRAORDINARY GENERAL MEETING ..	31

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 H Share Option Scheme”	the 2024 H Share Option Scheme proposed to be approved by the Shareholders at the EGM
“2024 Second EGM” or “EGM”	the 2024 second extraordinary general meeting of the Company or any adjournment thereof (as the case may be) to be held at the Conference Room, 6/F, Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC, at 2:00 p.m. on Tuesday, November 12, 2024
“Adoption Date”	being the date on which the 2024 H Share Option Scheme is conditionally adopted by the Shareholders at the EGM
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Business Day(s)”	has the meaning ascribed to it under the Listing Rules
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan Region
“Companies Ordinance”	means the Companies Ordinance (Cap. 622) of the Laws of Hong Kong (as may be amended from time to time)
“Company”	Huitongda Network Co., Ltd., a joint stock company established under the laws of the PRC with limited liability on December 6, 2010, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 9878)
“Company Law”	Company law of the People’s Republic of China
“Delegatee”	the Remuneration and Appraisal Committee, or any other person(s), or board committee(s) to which the Board has delegated its authority
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Domestic Share(s)”	domestic Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/(are) subscribed for or credited as fully paid in Renminbi
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“Eligible Participant(s)”	Employee Participants, Related Entity Participants or Service Providers as determined by the Board or the Delegatee from time to time as eligible to participate in the 2024 H Share Option Scheme
“Employee Participant(s)”	directors and employees of the Company or any of its subsidiaries (including any person who is granted Options under the 2024 H Share Option Scheme as an inducement to enter into employment contracts with any member of the Group)
“Exercise Period”	the period during which an Option is exercisable by a Grantee
“Exercise Price”	the price per H Share at which a Grantee may subscribe for the H Shares upon exercise of an Option pursuant to the Scheme Rules and Offer Letter
“Grantee”	any Eligible Participant approved for participation in the 2024 H Share Option Scheme and who has been granted any Option in accordance with the Scheme Rules
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/(are) subscribed for and traded in HK dollars and is/(are) listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“HK dollars”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Latest Practicable Date”	October 21, 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Offer Date”	the date on which an Option is granted to an Eligible Participant, which shall be a Business Day
“Offer Letter”	the offer letter issued by the Company in respect of the grant of Option(s)
“Option(s)”	option(s) granted to a Grantee to subscribe for H Share(s) pursuant to the Scheme Rules
“Related Entity”	any holding company, fellow subsidiary or associated company of the Company
“Related Entity Participant(s)”	directors and employees of any holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Scheme Mandate Limit”	the maximum limit on the total number of H Shares which may be issued in respect of all Option(s) to be granted under the 2024 H Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), which shall be such number of H Shares which represent 10% of the total number of H Shares in issue (excluding Treasury Shares) as at the Adoption Date
“Scheme Rules”	the rules relating to the 2024 H Share Option Scheme, as amended from time to time

DEFINITIONS

“Service Provider(s)”	any person (natural person or corporate entity) who provides services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group which are in the interests of the long-term growth of the Group, including but is not limited to, suppliers, distributors, contractors and agents; but excluding (i) any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit on the total number of H Shares which may be issued to Service Providers in respect of all Option(s) to be granted under the 2024 H Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), which shall be such number of H Shares which represent 5% of the total number of H Shares in issue (excluding Treasury Shares) as at the Adoption Date
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company, comprising Domestic Shareholder(s) and H Shareholder(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Treasury Shares”	has the meaning ascribed thereto under the Listing Rules and as amended from time to time. For the purpose of the 2024 H Share Option Scheme, references to new H Shares include Treasury Shares (if any) listed on the Hong Kong Stock Exchange, and references to the issue of new H Shares include the transfer of Treasury Shares listed on the Hong Kong Stock Exchange
“%”	per cent

LETTER FROM THE BOARD



Huitongda Network Co., Ltd.

匯通達網絡股份有限公司

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

(Stock Code: 9878)

Chairman and non-executive Director:

WANG Jianguo

Executive Directors:

XU Xiuxian (*Chief Executive Officer*)

ZHAO Liangsheng

SUN Chao

Non-executive Directors:

CAI Zhongqiu

WANG Ran

Independent non-executive Directors:

YU Lixin

LIU Xiangdong

DIAO Yang

Registered Office and Headquarters:

Huitongda Building

50 Zhongling Street, Xuanwu District

Nanjing

Jiangsu Province

PRC

Principal Place of Business

in Hong Kong:

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

October 24, 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF
THE 2024 H SHARE OPTION SCHEME
(2) PROPOSED AUTHORIZATION TO THE REMUNERATION AND
APPRAISAL COMMITTEE AS THE DELEGATEE TO HANDLE
MATTERS IN RELATION TO THE 2024 H SHARE OPTION SCHEME
AND
(3) NOTICE OF THE 2024 SECOND EGM**

1. INTRODUCTION

The EGM will be held at the Conference Room, 6/F, Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC, at 2:00 p.m. on Tuesday, November 12, 2024. The notice of the EGM is set out on pages 31 to 32 of this circular.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the notice of the EGM, and information on certain resolutions to be considered at the EGM so that you can make informed decisions on whether to vote for or against such resolutions at the EGM.

2. PROPOSED ADOPTION OF THE 2024 H SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated September 20, 2024. The Board proposed the adoption of the 2024 H Share Option Scheme. The provisions of the 2024 H Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

The principal terms of the 2024 H Share Option Scheme are set out in Appendix I to this circular.

Currently, there is no share scheme of the Company which involves the issue of new Shares (including the transfer of Treasury Shares (if any)).

A. Purpose of the 2024 H Share Option Scheme

The purpose of the 2024 H Share Option Scheme is set out in the section headed “1. Purposes” in Appendix I to this circular.

B. Conditions

The proposed adoption of the 2024 H Share Option Scheme and the proposed authorization to the Remuneration and Appraisal Committee as the Delegatee to handle matters in relation to the 2024 H Share Option Scheme are subject to: (i) passing of the relevant resolution(s) by the Shareholders in the EGM; and (ii) the Listing Committee of the Hong Kong Stock Exchange granting the approval for the listing of, and permission to deal in, the H Shares which may fall to be allotted and issued upon exercise of the Options that may be granted under the 2024 H Share Option Scheme.

C. Duration

The duration of the 2024 H Share Option Scheme is set out in the section headed “3. Duration” in Appendix I to this circular.

D. Eligible Participants and basis of eligibility

Eligible Participants of the 2024 H Share Option Scheme comprise three categories: Employee Participant(s), Related Entity Participant(s) and Service Provider(s).

The basis of eligibility of any Eligible Participant to the grant of any Option shall be determined by the Board or the Delegatee at its sole discretion from time to time on the basis of the Eligible Participant’s contribution or potential contribution to the development and growth of the Group. The Board or the Delegatee shall take into account

LETTER FROM THE BOARD

various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the interests of the Group.

(a) Eligibility for Employee Participants

In assessing the eligibility of an Employee Participant, the Board or the Delegatee will consider all relevant factors as aforementioned and as appropriate, including, among others:

- (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
- (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (iii) his/her contribution made or expected to be made to the growth of the Group; and
- (iv) his/her educational and professional qualifications, and knowledge in the industry.

(b) Eligibility for Related Entity Participants

Related Entity Participants means director(s) and employee(s) of any holding companies, fellow subsidiaries or associated companies of the Company.

The Company is a commerce and service platform dedicated to serving business customers in China's retail market, and is committed to providing quality merchandise and services to China's lower-tier market. Despite that Related Entity Participants may not be directly employed by members of the Group, such Related Entity Participants are nonetheless valuable to the Group given their existing or potential collaborative relationships with the Group. In particular, for those Related Entities in which the Group has significant interests, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. As such, the Company recognises the importance of their past or future contribution and considers the inclusion of the Related Entity Participants as Eligible Participants

LETTER FROM THE BOARD

will provide the Company with the flexibility to provide equity incentives to reward and collaborate with the Related Entity Participants who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group.

In assessing the eligibility of a Related Entity Participant, the Board or the Delegatee will consider all relevant factors as aforementioned and as appropriate, including, among others:

- (i) the materiality and nature of the business relations of the Related Entities with the Group and the Related Entity Participant's contribution in Related Entities which may benefit the principal businesses of the Group through a collaborative relationship;
- (ii) the length of the collaborative relationship established between the Related Entities and the Group;
- (iii) the amount of support, assistance, guidance, advice, efforts and contributions he/she has given or is likely to give towards the success of the Group; and
- (iv) his/her participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

(c) *Eligibility for Service Providers*

Service Providers means any person (natural person or corporate entity) who provides services to the Group on a continuing or recurring basis in the ordinary and usual course of business of the Group which are in the interests of the long-term growth of the Group, including but is not limited to, suppliers, distributors, contractors and agents; but excluding (i) any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

In the Group's ordinary and usual course of business, the suppliers, distributors, contractors and agents provide services to the Group on a continuing or recurring basis which are in the interests of long-term growth of the Group. In particular, (i) suppliers and distributors refer to brand manufacturers and distributors, and other manufacturers from key industries in consumer electronics, household appliances, agricultural means of production, vehicles and auto parts, homebuilding and renovation materials, liquor beverages, and personal care; (ii) contractors and agents refer to those who are engaged in businesses that contract with the Group to provide important services to the Group on a regular or recurring basis in technology, logistics, procurement, marketing, research and development of

LETTER FROM THE BOARD

SAAS+ products, human resources and public relations. It is believed that the Group's success is attributable to the high quality of services provided by such suppliers, distributors, contractors and agents.

In assessing the eligibility of a Service Provider, the Board or the Delegatee will consider all relevant factors as aforementioned and as appropriate, including, among others:

- (i) the expertise, professional qualifications, and industry experience of the Service Provider;
- (ii) the performance and track record of the Service Provider, including its history of delivering high-quality services and its ability to maintain service standards;
- (iii) the scope of collaboration between the Service Provider and the Group, as well as the duration of the business relationship;
- (iv) the scale of business transactions between the Service Provider and the Group, and the contribution to the Group's performance as assessed by the Board or the Delegatee;
- (v) the actual or potential contributions of the Service Provider to the Group in terms of cost reduction, or revenue and/or profit growth;
- (vi) the benefits and strategic value brought to the Group's development and future prospects concerning the revenues and/or profits attributable to the Service Provider's collaboration with the Group; and
- (vii) the business opportunities and external resources that have been or are likely to be introduced to the Group by the Service Provider.

The Directors (including the independent non-executive Directors) are of the view that the adoption of the 2024 H Share Option Scheme aligns with the market practice of providing incentives to the Employee Participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole.

The Group is a fast growing commerce and service platform dedicated to serving business customers in China's retail market. The Group procures products from its suppliers and distributes mainly to wholesaler customers and member stores. Moreover, leveraging its digitalization capabilities, the Group also offers SaaS+ and merchant solutions to retail stores and wholesalers along the industry value chain. To support its commerce business, the Group sources a wide range of merchandise from a large number of suppliers in the industry value chain, such as

LETTER FROM THE BOARD

brand manufacturers and distributors. In the course of the Group's business operations, the Related Entity Participants and the Service Providers, particularly suppliers and distributors, continuously deliver high-quality products and services to the Group. By leveraging and integrating the resources of these Related Entities and Service Providers, including their products, brands, channels, and digital tools, the Group is able to enhance its access to quality merchandise, more efficient channels, and a broader customer network. This, in turn, could improve the operational efficiency and profitability of the Group. Moreover, the Board is of the view that incentivizing the Related Entity Participants and the Service Providers through equity based payment would not only align the interests of the Group with such Grantees, but also strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; and (ii) maintaining a stable and long-term relationship with the Group.

As the Related Entity Participants and the Service Providers have contributed and are expected to continue to contribute to the long-term growth of the Group's businesses, the Board is of the view that it would be in the Company's interests to also have the flexibility to grant Options to the Related Entity Participants and the Service Providers in recognition of their contributions to the Group. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants and the Service Providers since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options to these non-employee participants will align their interests with the Group's interests, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run.

Considering (i) the features of the Group's business model and (ii) the scope of participants set by other comparable listed peers on the Hong Kong Stock Exchange, each of the Board and the independent non-executive Directors are of the view that the proposed categories of the Related Entity Participants and the Service Providers are in line with the Group's business needs and the industry norm, and the criteria for the selection of the Eligible Participants also align with the purpose of the 2024 H Share Option Scheme.

Based on the above, each of the Board and the independent non-executive Directors are of the view that the inclusion of the Related Entity Participants and the Service Providers in the 2024 H Share Option Scheme is in line with the purpose of the 2024 H Share Option Scheme, is fair and reasonable and in the long-term interests of the Company and the Shareholders as a whole because this gives the Company the flexibility to grant options (instead of cash reward or other settlement) to the Related Entity Participants and the Service Providers when necessary.

LETTER FROM THE BOARD

E. Scheme Mandate Limit and Service Provider Sublimit

The maximum number of H Shares which may be issued in respect of Option(s) to be granted under the 2024 H Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) (i.e. the Scheme Mandate Limit) shall be such number of H Shares which represent 10% of the total number of H Shares in issue (excluding Treasury Shares) as at the Adoption Date. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of H Shares which may be issued in respect of all Options which may be granted pursuant to the 2024 H Share Option Scheme and any other share schemes of the Company will be 18,026,633 H Shares, representing approximately 3.2% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date. Within the Scheme Mandate Limit, the maximum number of H Shares which may be issued to Service Providers in respect of Option(s) to be granted under the 2024 H Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) (i.e. the Service Provider Sublimit) shall be such number of H Shares which represent 5% of the total number of H Shares in issue (excluding Treasury Shares) as at the Adoption Date. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of H Shares which may be issued in respect of all Options which may be granted to the Service Providers pursuant to the 2024 H Share Option Scheme and any other share schemes of the Company will be 9,013,316 H Shares, representing approximately 1.6% of the total number of Shares in issue (excluding Treasury Shares) as at the Adoption Date.

The Company may issue new H Shares or utilize Treasury Shares (if any) to satisfy the grant of the Options under the 2024 H Share Option Scheme.

The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect arising from grants to the Service Providers; (ii) the importance of striking a balance between achieving the purpose of the 2024 H Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Options to Service Providers; and (iii) the expected contribution to the development and growth of the Company attributable to the Service Providers. As a commerce and service platform dedicated to serving business customers in China's retail market, it is important to maintain a stable relationship with the Service Providers to facilitate the growth and stability of the Group's business. The Group has established a substantial level of collaboration with its Service Providers, particularly suppliers and distributors, and anticipates that the contributions of these Service Providers to the Group's development will continue to increase. The Group retains the flexibility to grant Options from the Service Provider Sublimit based on future business growth and demand, rather than being obligated to grant Options totaling 5% of the total number of H Shares in issue (excluding Treasury Shares) as at the Adoption Date to the Service Providers. Given that the 2024

LETTER FROM THE BOARD

H Share Option Scheme will be effective for a period of ten years from the Adoption Date, the Group believes that the annual allocation of Options granted to Service Providers will not result in an excessive dilution of existing Shareholders' shareholdings.

In view of the above, the Board considers that the Service Provider Sublimit is appropriate and reasonable, as it would not lead to an excessive dilution of shareholding of the existing Shareholders, while allowing the Board to have a sufficient number of H Shares as incentives for the Service Providers.

Pursuant to Rule 17.03B(2) of the Listing Rules, the Service Provider Sublimit shall be separately approved by Shareholders in general meeting. For the avoidance of doubt, the adoption of the 2024 H Share Option Scheme is not conditional on the Shareholders' approval of the Service Provider Sublimit. In the event that the resolution approving the Service Provider Sublimit has been voted down, the Company will not make any grant to Service Providers unless and until a revised Service Provider Sublimit has been approved by the Shareholders separately.

F. Vesting period

The Board or the Delegatee may subject to all applicable laws, rules and regulations determine vesting periods for vesting of the Options in its sole and absolute discretion.

The vesting period of the Options shall not be less than twelve (12) months, save and except that Options to be granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months in the following circumstances:

- (a) grants of "make-whole" Options to a new joiner to replace the share awards or options he/she forfeited when leaving his/her previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Options would have been granted;
- (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

LETTER FROM THE BOARD

The Board is of the view that (i) there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Employee Participants; (ii) there is a need for the Group to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Group should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. Hence, the Board is of the view that the shorter vesting period prescribed above is in line with the market practice and is appropriate and aligns with the purpose of the 2024 H Share Option Scheme.

G. Performance targets and clawback mechanism

The Board or the Delegatee may, in its sole and absolute discretion, determine the performance targets in respect of each Option. For the avoidance of doubt, the vesting of an Option shall not be subject to any performance targets, criteria or conditions if none are set out in the Offer Letter. To ensure the practicability in fully attaining the purpose of the 2024 H Share Option Scheme, Options granted to the Grantee may be subject to one or more of the performance targets as stated in the Offer Letter. Details of the performance targets and clawback mechanism of the 2024 H Share Option Scheme are set out in the section headed “16. Performance targets and clawback mechanism” in Appendix I to this circular.

The Directors consider that the flexibility given to the Board and the Delegatee in relation to the performance targets and clawback mechanism will place the Group in a better position to have post-grant assessment on the contribution of a particular Grantee relative to the individual performance and business performance of the Group on a continuing basis, therefore aligning with the purpose of the 2024 H Share Option Scheme.

H. Exercise Price

The Exercise Price of the Options shall be no less than the highest of: (a) the closing price of the H Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the Offer Date; (b) the average closing prices of the H Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date; and (c) the nominal value of the H Shares.

The basis for the determination of the Exercise Price (in compliance with Rule 17.03(9) and Rule 17.03E of the Listing Rules) is specified in the Scheme Rules. The Board believes that this will provide the Board and the Delegatee with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board’s aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

I. Exercise Period

The Board or the Delegatee may in its sole and absolute discretion determine the Exercise Period of the Options, but in all circumstances the Exercise Period shall not be more than ten (10) years from the Offer Date.

J. Reasons for and benefits of the adoption of the 2024 H Share Option Scheme

The Directors are of the view that the adoption of the 2024 H Share Option Scheme will realize the purposes set out in the section headed “1. Purposes” in Appendix I to this circular, and that the terms of the 2024 H Share Option Scheme are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Company does not at present intend to appoint a trustee to the 2024 H Share Option Scheme. None of the Directors will be a trustee of the 2024 H Share Option Scheme or will have any direct or indirect interest in the trustee of the 2024 H Share Option Scheme (if any). The Company will comply with the Listing Rules if and when a trustee is appointed to the 2024 H Share Option Scheme.

An application will be made to the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, the H Shares to be issued pursuant to the exercise of the Options to be granted under the 2024 H Share Option Scheme.

The above resolution was considered and approved by the Board on September 20, 2024 and is being proposed as special resolutions for consideration and approval at the EGM.

3. PROPOSED AUTHORIZATION TO THE REMUNERATION AND APPRAISAL COMMITTEE AS THE DELEGATEE TO HANDLE MATTERS IN RELATION TO THE 2024 H SHARE OPTION SCHEME

In order to ensure the successful implementation of the 2024 H Share Option Scheme, the Board proposed that, subject to the approval of the 2024 H Share Option Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Remuneration and Appraisal Committee as the Delegatee to handle matters in relation to the 2024 H Share Option Scheme with full authority, including but not limited to:

- (a) construe and interpret the Scheme Rules and the terms of the Options granted under the 2024 H Share Option Scheme;
- (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the 2024 H Share Option Scheme, provided that they are not inconsistent with the Scheme Rules;
- (c) grant Options to those Eligible Participants whom it shall select from time to time;

LETTER FROM THE BOARD

- (d) determine the number of Options to be granted;
- (e) determine the terms and conditions of the Options and make any such appropriate adjustments to the terms of the Options granted as it deems necessary or appropriate;
- (f) determine whether and to what extent, and circumstances pursuant to which an Option may be lapsed, cancelled, forfeited and/or surrendered;
- (g) where applicable, establish and administer performance targets in respect of the 2024 H Share Option Scheme;
- (h) approve the form of an Offer Letter;
- (i) decide any other matters that need to be determined in connection with an offer and make any other determination and take any other actions as it deems necessary or desirable for the administration of the 2024 H Share Option Scheme;
- (j) take such other steps or actions to give effect to the terms and intent of the Scheme Rules and/or the Options; and
- (k) on behalf of the Company, approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

The above resolution was considered and approved by the Board on September 20, 2024 and is being proposed as a special resolution for consideration and approval at the EGM.

4. EGM AND VOTING METHOD

The EGM will be held by the Company at the Conference Room, 6/F, Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC at 2:00 p.m. on Tuesday, November 12, 2024. The notice of the EGM is set out on pages 31 to 32 of this circular.

LETTER FROM THE BOARD

The register of members of the Company will be closed from Thursday, November 7, 2024 to Tuesday, November 12, 2024 (both days inclusive) for determining the entitlement of the Shareholders to attend and vote at the EGM, during which period no transfers of Shares will be registered. To be eligible to attend and vote at the EGM, all completed transfer documents together with the relevant Share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or the registered office of the Company, at Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC (for Domestic Shareholders) not later than 4:30 p.m. on Wednesday, November 6, 2024. All Shareholders whose names appear on the register of members of the Company on Tuesday, November 12, 2024 are entitled to attend and vote at the EGM.

A form of proxy applicable to the EGM has been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.htd.cn) and dispatched to the H Shareholders by the mean of receipt of communications chosen by the H Shareholders. Shareholders who wish to appoint proxies to attend the EGM are requested to complete and return the form(s) of proxy to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or the registered office of the Company, at Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC (for Domestic Shareholders) not later than 24 hours before the time of the EGM. Completion and return of the form(s) of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish at that time.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 94 of the Articles of Association, subject to certain exceptions, all votes of the Shareholders at the general meetings must be taken by poll. Therefore, all resolutions at the EGM will be taken by poll. As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the 2024 H Share Option Scheme. Pursuant to Rule 17.05A of the Listing Rules, China Credit Trust Co., Ltd. (中誠信託有限責任公司) and COFCO Trust Co., Ltd. (中糧信託有限責任公司), the trustees of the Company's restricted share unit scheme adopted on November 28, 2022, are required to abstain from voting on all resolutions at the EGM. Save as disclosed above, no Shareholder is required to abstain from voting on the resolutions in respect of the adoption of the 2024 H Share Option Scheme at the EGM.

5. RECOMMENDATION

The Board considers that all the resolutions set out in the notice of the EGM for consideration and approval by the Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of all the resolutions to be proposed at the EGM.

Holders of Treasury Shares (if any) have no voting rights at the general meeting of the Company.

LETTER FROM THE BOARD

6. DOCUMENTS AVAILABLE ON DISPLAY

A copy of the 2024 H Share Option Scheme will be published on the Hong Kong Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.htd.cn) for at least 14 days prior to the date of the EGM and will be available for inspection at the EGM.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this Circular or any statement herein misleading.

By order of the Board
Huitongda Network Co., Ltd.
Chairman
WANG Jianguo

The following is a summary of the principal terms of the 2024 H Share Option Scheme but does not form part of, nor was it intended to be, part of the 2024 H Share Option Scheme nor should it be taken as effecting the interpretation of the 2024 H Share Option Scheme:

1. PURPOSES

The purpose of the 2024 H Share Option Scheme is to enable the Company to grant Options to Eligible Participants as a reward or recognition for their contribution or potential contribution to the Group, and to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company in order to achieve the following objectives:

- (a) to recognize and acknowledge the contributions that Eligible Participants have or may have made or may make to the Group and to encourage the Eligible Participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole;
- (b) to enhance Eligible Participants' motivation and loyalty and to encourage and retain Eligible Participants and attract talents to make contributions to the long-term development goals of the Group; and
- (c) to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

2. CONDITIONS

The 2024 H Share Option Scheme will take effect upon satisfaction of the following conditions:

- (a) passing of the necessary resolution(s) by the Shareholders in general meeting; and
- (b) the Listing Committee of the Hong Kong Stock Exchange granting the approval for the listing of, and permission to deal in, the H Shares which may fall to be allotted and issued upon exercise of the Options that may be granted under the 2024 H Share Option Scheme.

3. DURATION

Subject to any early termination as determined by the Board or at general meeting in accordance with the Scheme Rules, the 2024 H Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which no further Option shall be granted under the 2024 H Share Option Scheme, but the provisions of the 2024 H Share Option Scheme shall remain in full force and effect in all other respects. In particular, all Options granted during the term of the 2024 H Share Option Scheme shall continue to be valid and exercisable subject to and in accordance with the 2024 H Share Option Scheme.

4. ADMINISTRATION

The 2024 H Share Option Scheme shall be subject to the administration of the Board or the Delegatee, whose decision (subject to compliance with the Listing Rules and save as otherwise provided herein) shall be final and binding on all parties.

5. ELIGIBLE PARTICIPANTS AND THE BASIS OF ELIGIBILITY

Eligible Participants

Eligible Participants as determined by the Board or the Delegatee from time to time shall be eligible to participate under the 2024 H Share Option Scheme and shall comprise three categories:

- (a) employee participants, being directors and employees of the Company and its subsidiaries (including any person who is granted Options under the 2024 H Share Option Scheme as an inducement to enter into employment contracts with any member of the Group) (i.e. the **Employee Participants**);
- (b) related entity participants, being directors and employees of any holding companies, fellow subsidiaries or associated companies of the Company (i.e. the **Related Entity Participants**); and
- (c) service providers, being any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary and usual course of business of the Group which are in the interests of the long-term growth of the Group, including but not limited to suppliers, distributors, contractor and agents (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) (i.e. **Service Providers**).

Basis of Eligibility

The basis of eligibility of any Eligible Participant to the grant of any Option shall be determined by the Board or the Delegatee at its sole discretion from time to time on the basis of the Eligible Participant's contribution or potential contribution to the development and growth of the Group.

In assessing whether Options are to be granted to any Eligible Participant, the Board or the Delegatee shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the interests of the Group.

- (a) In assessing the eligibility of an Employee Participant, the Board or the Delegatee will consider all relevant factors as aforementioned and as appropriate, including, among others:
- (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
 - (iii) his/her contribution made or expected to be made to the growth of the Group; and
 - (iv) his/her educational and professional qualifications, and knowledge in the industry.
- (b) In assessing the eligibility of a Related Entity Participant, the Board or the Delegatee will consider all relevant factors as aforementioned and as appropriate, including, among others:
- (i) the materiality and nature of the business relations of the Related Entities with the Group and the Related Entity Participant's contribution in Related Entities which may benefit the principal businesses of the Group through a collaborative relationship;
 - (ii) the length of the collaborative relationship established between the Related Entities and the Group;
 - (iii) the amount of support, assistance, guidance, advice, efforts and contributions he/she has given or is likely to give towards the success of the Group; and
 - (iv) his/her participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.
- (c) The Service Providers include suppliers, distributors, contractors and agents. Suppliers and distributors refer to brand manufacturers and distributors, and other manufacturers from key industries in consumer electronics, household appliances, agricultural means of production, vehicles and auto parts, homebuilding and renovation materials, liquor beverages, and personal care. Contractors and agents refer to those who are engaged in businesses that contract with the Group to provide important services to the Group on a regular or recurring basis in technology, logistics, procurement, marketing, research and development of SAAS+ products, human resources and public relations. In assessing the eligibility of a Service Provider, the Board or the Delegatee will consider all relevant factors as aforementioned and as appropriate, including, among others:
- (i) the expertise, professional qualifications, and industry experience of the Service Provider;

- (ii) the performance and track record of the Service Provider, including its history of delivering high-quality services and its ability to maintain service standards;
- (iii) the scope of collaboration between the Service Provider and the Group, as well as the duration of the business relationship;
- (iv) the scale of business transactions between the Service Provider and the Group, and the contribution to the Group's performance as assessed by the Board or the Delegatee;
- (v) the actual or potential contributions of the Service Provider to the Group in terms of cost reduction, or revenue and/or profit growth;
- (vi) the benefits and strategic value brought to the Group's development and future prospects concerning the profits and/or revenue attributable to the Service Provider's collaboration with the Group; and
- (vii) the business opportunities and external resources that have been or are likely to be introduced to the Group by the Service Provider.

In assessing whether a Service Provider provides services to the Group on a continuing and recurring basis, the Board or the Delegatee will take into account factors such as: (i) the duration and nature of products or services provided to the Group, and the recurrence and regularity of such products or services; (ii) the length of engagement of the Service Provider; (iii) how the selection metrics benchmark against comparable metrics used to determine other eligible participants who have been granted awards and/or options under the other share scheme of the Company; and (iv) the Group's objectives in engaging the Service Provider and how granting Options to the Service Provider would align with the purpose of the 2024 H Share Option Scheme or benefit the Group and its Shareholders.

In assessing whether a Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the Delegatee will take into account factors such as the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

6. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

The maximum number of H Shares which may be issued in respect of Option(s) to be granted under the 2024 H Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) (i.e. the Scheme Mandate Limit) shall be such number of H Shares which represent 10% of the total number of H Shares in issue (excluding Treasury Shares) as at the Adoption Date.

Within the Scheme Mandate Limit, the maximum number of H Shares which may be issued to Service Providers in respect of Option(s) to be granted under the 2024 H Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules) (i.e. the Service Provider Sublimit) shall be such number of H Shares which represent 5% of the total number of H Shares in issue (excluding Treasury Shares) as at the Adoption Date.

7. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Where any grant of Options to a grantee would result in the number of H Shares issued and to be issued in respect of all options and awards granted to such person, pursuant to the 2024 H Share Option Scheme and any other share scheme adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules), in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of issued H Shares (excluding Treasury Shares) at the relevant time, such grant must be separately approved by Shareholders in a general meeting with such grantee and their close associates (or associates if the grantee is a connected person of the Company) to abstain from voting.

In addition, each grant of Options to any Director, chief executive (as defined in the Listing Rules), or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive director who is the grantee of the Options).

Where any grant of Options to an independent non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, would result in the number of H Shares issued and to be issued in respect of all options and awards granted (excluding options or awards lapsed in accordance with the relevant scheme rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued H Shares (excluding Treasury Shares) at the relevant time, such further grant of Options must be approved by Shareholders in general meeting.

8. GRANT AND ACCEPTANCE OF OPTIONS

Subject to and in accordance with the Scheme Rules and the Listing Rules, the Board or the Delegatee may at its sole discretion from time to time grant an Option to any Eligible Participant, so that he/she can subscribe for the relevant number of H Shares at the Exercise Price determined by the Board or the Delegatee. While making an offer, the Board or the Delegatee shall provide to such Eligible Participant an Offer Letter in such form as the Board or the Delegatee may from time to time determine, which state, among other things:

- (a) the Eligible Participant's name, address and occupation/position;
- (b) the Offer Date;

- (c) the acceptance date;
- (d) the start date and the expiry date on which the Option may be exercised;
- (e) the number of H Shares in respect of which the Option is granted;
- (f) the Exercise Price;
- (g) the method of acceptance of the Option; and
- (h) such other terms and conditions (including but not limited to any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before the Option can be exercised) relating to the offer which the Board or the Delegatee considers.

Unless the Board or the Delegatee otherwise determines, an Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate Offer Letter constituting acceptance of the Option duly signed by the Grantee is received by the Company on or before the relevant acceptance date. No amount shall be payable by the Grantee for the acceptance of the Option offer at the time of such acceptance.

9. EXERCISE

An Option shall be exercised in whole or in part and, other than in the case of all remaining Options to the extent not already exercised are exercised in full, shall be exercised in integral multiples of such number of H Shares as shall represent one board lot for dealing in H Shares on the Hong Kong Stock Exchange for the time being, by the Grantee or the personal representative(s) of the Grantee (as the case may be) by giving a notice in writing to the Company stating that the Option is thereby exercised and the number of H Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the H Shares in respect of which the notice is given. Within twenty-one (21) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditor to the Company or the approved independent financial advisor as the case may be in accordance with relevant Scheme Rules, the Company shall allot and issue the relevant number of H Shares to the Grantee credited as fully paid and issue to the Grantee certificates (if applicable) in respect of the H Shares so allotted.

Subject as hereinafter provided and to the extent as allowed by the relevant laws and regulations, unless the Board or the Delegatee otherwise determines, an Option may be exercised by the Grantee at any time during the Exercise Period, provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant (including the termination of his/her employment) for any reason other than on his death, ill-health, injury, disability or the termination of his relationship with the Group on one or more of the grounds specified in paragraph 15(e) below, any Option to the extent not

already exercised on the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with the Group or any related entities, the last actual working day with the Group or the Related Entity) shall lapse automatically on the date of cessation;

- (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board or the Delegatee) and none of the events which would be a ground for termination of his relationship with the Group under paragraph 15(e) below has occurred, the Grantee or the personal representative(s) of the Grantee shall be entitled, within a period of twelve (12) months (or such longer period as the Board or the Delegatee may determine) from the date of cessation of being an Eligible Participant for the above-mentioned reason(s) or termination (or death, in the event of death), to exercise the Option in full (to the extent vested but not already exercised);
- (c) If a general offer (whether by way of a takeover offer, merger, privatisation proposal by a scheme of arrangement or otherwise in like manner) is made to all holders of the Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulations, becomes or is declared unconditional, the Grantee or the Personal Representative(s) of the Grantee may by notice in writing within fourteen (14) days after the date on which such offer becomes or is declared unconditional, exercise the Options (to the extent vested but not already exercised) to its full extent or to the extent specified in such notice, and any Option not so exercised within the aforesaid fourteen (14)-day period shall lapse and determine;
- (d) if, pursuant to the Company Law, a compromise or arrangement between the Company and its members and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or part of his Options (to the extent vested but not already exercised) in whole or in part at any time prior to twelve (12) noon (Hong Kong time) on the Business Day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board or the Delegatee shall endeavour to procure that the H Shares issued as a result of the exercise of Options described in

this paragraph 9(d) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such H Shares shall in all respects be subject to such compromise or arrangement. If, for any reason, such compromise or arrangement is not approved by the relevant court, the rights of the Grantees to exercise their respective Options shall, with effect from the date of the making of the order by the relevant court, be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss sustained by any Grantee as a result of the aforesaid suspension; and

- (e) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution (other than for the purpose of reconstruction, amalgamation and arrangement) to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee or the Personal Representative(s) of the Grantee shall be entitled to exercise all or a specified number of his Options as stated in such notice (to the extent vested but not already exercised) at any time not later than seven (7) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the H Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid and procure that such Grantee be registered as a member of the Company with respect to the relevant Shares in time for him to be able to attend and vote at such general meeting. Any such Options that have not been exercised will lapse and determine upon the commencement of the liquidation. If the resolution is duly passed, all Options shall, to the extent that they have not been exercised, lapse and determine forthwith.

10. EXERCISE PERIOD

The Board or the Delegatee may in its sole and absolute discretion determine the Exercise Period of the Options, but in all circumstances the Exercise Period shall not be more than ten (10) years from the Offer Date.

11. VESTING PERIOD

The Board or the Delegatee may, subject to all applicable laws, rules and regulations, determine vesting periods for vesting of the Options in its sole and absolute discretion.

The vesting period of the Options shall not be less than twelve (12) months, save and except that Options to be granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months in the following circumstances:

- (a) grants of “make-whole” Options to a new joiner to replace the share awards or options he/she forfeited when leaving his/her previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Options would have been granted;
- (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

12. EXERCISE PRICE

The Exercise Price of the Options shall be such price as determined by the Board or the Delegatee and shall be no less than the highest of: (a) the closing price of the H Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the Offer Date; (b) the average closing prices of the H Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date; and (c) the nominal value of the H Shares.

13. RANKING, VOTING RIGHTS AND DIVIDENDS OF H SHARES

No dividends shall be payable in relation to the H Shares that are the subject of Options that have not been exercised. The H Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee as the holder thereof. The H Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles of Association, the Company Law and the Companies Ordinance and shall rank *pari passu* in all respects with the fully paid H Shares in issue and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid H Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. When the date of exercise of an Option falls on a date upon which the register of members of the Company is closed, then the exercise of an Option shall become effective on the first day on which the register of members of the Company is re-opened. The H Shares subject to the 2024 H Share Option Scheme are not required to be separately designated.

14. TRANSFERABILITY

An Option and an offer shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option held by him or any offer made to him or attempt to do so. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

15. LAPSE OF OPTIONS

The Option shall automatically lapse and become unexercisable (to the extent not already exercised) at the earliest of the following times:

- (a) the expiry of the Exercise Period;
- (b) the date on which any period specified in the above paragraphs 9(a), 9(b), or 9(c) concludes;
- (c) the effective date of the debt repayment arrangement described in the above paragraph 9(d);
- (d) the date on which the Company commences liquidation as determined under company law, as referenced above in paragraph 9(e);
- (e) the date on which the Grantee ceases to be an Eligible Participant due to any one or more of the following reasons:
 - (i) gross misconduct;
 - (ii) breach of any regulations relating to their conduct or integrity, or any unlawful acts, administrative penalties, civil or criminal judgments, or offenses involving employees of the Group or the Related Entities (as the case may be);
 - (iii) inability to pay debts, bankruptcy, or entering into a comprehensive debt repayment arrangement or debt restructuring agreement with their creditors; or
 - (iv) termination of their employment by the Board or the board of the relevant subsidiary of the Group or the Related Entities (as the case may be) for any other reason as determined under the Company Law or any applicable laws and regulations, or as stipulated in the service contract between the Grantee and the Group or the Related Entities (as the case may be).

The resolution of the Board or the board of the relevant subsidiary or the Related Entities (as the case may be) regarding whether the relationship with the Grantee has been terminated for one or more of the reasons specified in this paragraph shall be final and conclusive.

16. PERFORMANCE TARGET AND CLAWBACK MECHANISM

With respect to each Option, the Board or the Delegatee may, in compliance with all applicable laws, rules, and regulations, have the sole and absolute discretion to determine the vesting provisions and any performance targets or other conditions, restrictions, or limitations pertaining to each Option. Such performance targets may include business, financials, operations, market value of the Company and creation of capital value for the Group's business segments, or individual performance appraisal results for the relevant year evaluated in accordance with the performance appraisal system as established by the Group applicable to the Eligible Participants as the Board or the Delegatee considers reasonable at its sole discretion. For the avoidance of doubt, unless otherwise determined by the Board or the Delegatee and specified in the Offer Letter, the vesting of an Option shall not be subject to any performance targets, criteria or conditions.

Subject to otherwise provided under the Scheme Rules, the Board or the Delegatee may, at its sole discretion, determine the clawback mechanism of any Option or the extension of the vesting period of an Option, if any of the following events (among others) occurs:

- (a) the Grantee seriously violates the Company's internal management rules or policies, or any applicable laws and regulations applicable to the Grantee;
- (b) the Grantee engages in any serious misconduct, including but not limited to (i) using the Group's confidential data or trade secrets for personal gains or disclosing such data or secrets to unauthorized persons; (ii) breaching any contract with the Group or failing to fulfill any fiduciary duty promised to the Group; or (iii) engaging in any conduct that the Board or the Delegatee deems harmful to the Group;
- (c) the Grantee is convicted of any misconduct, administrative penalty, civil or criminal offense, or crime that impugns their integrity or honesty, or any other circumstances as determined by the Board or the Delegatee (including improper performance of duties leading to a material misstatement in the Company's financial statements);
- (d) there's a material misstatement in the audited financial statements of the Company that requires a restatement;
- (e) where the grant or exercise of any Option is linked to any performance targets and the Delegatee or the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

The Board or the Delegatee may, by notice in writing to the Grantee concerned, determine at its sole discretion: (i) any Option granted to that Grantee but not yet exercised shall immediately lapse, regardless of whether such Option has vested or not; or (ii) the vesting period in relation to all or a specified part of the Options (to the extent not already exercised) shall be extended to such longer period as the Directors or the Delegatee may consider appropriate.

17. ALTERATIONS IN SHARE CAPITAL

In the event of any capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment), the Board or the Delegatee may, if it considers the same to be appropriate, adjust the maximum number of Shares subject to the Scheme and/or the aggregate number of H Shares subject to the outstanding Options, and/or the exercise price of each outstanding Option, provided that any such adjustment will be made on the basis that the aggregate exercise price payable by the Grantee on the full exercise of any Option will remain as nearly as practicable the same as (but shall not be greater than) it was before such alteration, and that any such adjustment shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Hong Kong Stock Exchange from time to time and that no Share will be issued at less than its nominal value. Any necessary adjustment should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustment.

Except for adjustments made for any capitalisation issue, any other adjustment must be confirmed in writing to the Directors by the independent financial advisor or auditor that such adjustment complies with the provisions set out in the Listing Rules and this paragraph 17.

The capacity of the auditor or the approved independent financial advisor, as the case may be, in this paragraph is an expert and not an arbitrator and the certificate issued by each of them shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees. Any adjustment to be made in accordance with this paragraph shall comply with the Listing Rules and any future guidance/interpretation of the Listing Rules issued by the Hong Kong Stock Exchange from time to time. The costs of the auditor or the approved independent financial advisor to the Company shall be borne by the Company. Upon such adjustment, notice about such adjustment shall be given to the Grantees by the Company.

18. CANCELLATION

The Board or the Delegatee may at any time at its sole discretion cancel any Option granted but not exercised. Where the Company cancels Options and makes an offer to the same Grantee, then any new Options may only be granted to the same Grantee in accordance with the available Scheme Mandate Limit and the Service Provider Sublimit as approved by the Shareholders as referred to in paragraph 6 above. Options cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

19. ALTERNATION OF THE SCHEME

The Board or the Delegatee has the right to alter any term of the Scheme without the approval of the Shareholders, except that:

- (a) any alteration to the terms of the Scheme which are of a material nature must be approved by the Shareholders;
- (b) any alteration to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants or the Grantees must be approved by the Shareholders;
- (c) any alteration to the terms of the Option granted to a Grantee must be approved by the Board or the Delegatee, the Remuneration and Appraisal Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Option was approved by the same (as the case may be), except where such alteration takes effect automatically under the existing terms of the Scheme; and
- (d) any change to the authority of the Board or the Delegatee to alter the terms of the Scheme must be approved by the Shareholders.

Unless otherwise permitted by the Hong Kong Stock Exchange, the Scheme, as amended, must still satisfy the requirements of the Listing Rules (including Chapter 17 of the Listing Rules).

20. TERMINATION

The Company may, by resolution in the general meeting or the Board, at any time resolve to terminate the operation of the Scheme and in such event, no further Options shall be offered but the provisions of the Scheme shall remain valid and in force in all respects to give effect to the exercise of any Option granted prior to the termination in accordance with the provisions of the Scheme. The Options granted prior to the termination shall continue to be valid and exercisable in accordance with the terms and conditions of the Scheme.

NOTICE OF THE 2024 SECOND EXTRAORDINARY GENERAL MEETING



Huitongda Network Co., Ltd. 匯通達網絡股份有限公司

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

(Stock Code: 9878)

NOTICE OF THE 2024 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2024 second extraordinary general meeting (the “EGM”) of Huitongda Network Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Tuesday, November 12, 2024 at the Conference Room, 6/F, Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC for considering and, if thought fit, adopting the following resolutions:

SPECIAL RESOLUTIONS

1. Conditional upon the Listing Committee of the Hong Kong Stock Exchange granting the approval for the listing of, and permission to deal in, the H Shares which may fall to be allotted and issued upon the exercise of Options that may be granted under the 2024 H Share Option Scheme (the Scheme Rules of which are contained in the document marked “A” produced to this meeting and signed by the chairman of this meeting for the purpose of identification), to consider and approve the proposed adoption of the 2024 H Share Option Scheme with the Scheme Mandate Limit (being 10% of the total number of H Shares in issue (excluding Treasury Shares) as at the date of passing this resolution).
2. To consider and approve the Service Provider Sublimit (being 5% of the total number of H Shares in issue (excluding Treasury Shares) as at the date of passing this resolution).
3. To consider and approve the proposed authorization to the Remuneration and Appraisal Committee as the Delegatee to handle matters relating to the 2024 H Share Option Scheme.

By order of the Board
Huitongda Network Co., Ltd.
Chairman
WANG Jianguo

Nanjing, the PRC
October 24, 2024

NOTICE OF THE 2024 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Thursday, November 7, 2024 to Tuesday, November 12, 2024 (both days inclusive) for determining the entitlement of the Shareholders to attend and vote at the EGM. To be eligible to attend and vote at the EGM, all completed transfer documents together with the relevant Share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, November 6, 2024 (for H Shareholders) or the registered office of the Company, at Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC (for Domestic Shareholders). All Shareholders whose names appear on the register of members of the Company on Tuesday, November 12, 2024 are entitled to attend and vote at the EGM.
2. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his/her/its stead. The proxy needs not be a Shareholder of the Company but must attend the EGM in person to represent the relevant Shareholder.

The instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her/its attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its Director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized.

In order to be valid, the proxy form together with the notarized power of attorney or other authorization documents (if any) must be deposited at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or the registered office of the Company, at Huitongda Building, 50 Zhongling Street, Xuanwu District, Nanjing, Jiangsu Province, the PRC (for Domestic Shareholders) not less than 24 hours before the time fixed for holding the EGM (i.e. before 2:00 p.m. on Monday, November 11, 2024) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish at that time.

3. If the attending Shareholder is a corporation, its legal representative shall present his or her ID card, a valid certificate proving his or her qualification as a legal representative and proof of shareholding; if a proxy is appointed to attend the meeting, such proxy shall present his or her ID card and a written power of attorney issued by the relevant Shareholder in accordance with law.
4. Pursuant to Rule 13.39(4) of the Listing Rules and Article 94 of the Articles of Association, subject to certain exceptions, all votes of the Shareholders at the general meetings must be taken by poll. Therefore, voting on the resolutions contained in the notice of the EGM will be conducted by poll.
5. The EGM is expected to last for half a day. Shareholders or their proxies attending the EGM (or any adjournment thereof) shall produce their identity documents. Shareholders or their proxies attending the EGM shall be responsible for their own traveling and accommodation expenses.
6. For details of the resolutions, please refer to the circular (the "**Circular**") of the Company dated October 24, 2024. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the Circular.

As at the date of this notice, the Board comprises the Chairman and non-executive Director, namely Mr. WANG Jianguo; the executive Directors, namely Mr. XU Xiuxian, Mr. ZHAO Liangsheng and Mr. SUN Chao; the non-executive Directors, namely Mr. CAI Zhongqiu and Mr. WANG Ran; and the independent non-executive Directors, namely Ms. YU Lixin, Mr. LIU Xiangdong and Mr. DIAO Yang.