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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)

**PROPOSED ELECTION OF THE THIRD SESSION OF
THE BOARD OF DIRECTORS
AND
PROPOSED ELECTION OF THE THIRD SESSION OF
THE BOARD OF SUPERVISORS**

Proposed Election of the Third Session of the Board of Directors

The board (the “**Board**”) of directors (the “**Director(s)**”) of Huitongda Network Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that, at the Board meeting held on April 20, 2022, the Company considered and approved, among other things, the resolution in relation to the re-election of the Board.

Considering the expiration of the term of office of the second session of the Board, the Company proposes to elect a new session of the Board in accordance with the relevant laws and regulations and the Company’s Articles of Association (the “**Articles of Association**”). The Board recommends to propose Mr. WANG Jianguo, Mr. WANG Jian, Mr. CAI Zhongqiu and Mr. WANG Yi as candidates for non-executive Directors, Mr. XU Xiuxian and Mr. ZHAO Liangsheng as candidates for executive Directors, and Ms. YU Lixin, Mr. LIU Xiangdong and Mr. CHENG Zichuan as candidates for independent non-executive Directors.

The Board agrees to submit the above list of candidates for Directors of the third session of the Board at the 2021 annual general meeting of the Company (the “**AGM**”) for consideration and approval to elect four non-executive Directors, two executive Directors and three independent non-executive Directors, a total of nine Directors, to form the third session of the Board. The term of office of the Directors of the third session of the Board is three years, with effect from the date of approval at the AGM. All the existing members of the second session of the Board continue to perform before the appointment of the members of the third session of the Board.

The above-mentioned director candidates have respectively confirmed that they have no disagreement in respect of the nomination.

Pursuant to Article 15 of the Rules Governing Independent Directors of Listed Companies issued by the China Securities Regulatory Commission ([2022] No. 14) (Independent Directors shall not hold office for more than six consecutive years) and Article 135 of the Company's Articles of Association, Mr. HUANG Shun, an independent non-executive director, shall retire at AGM upon the expiry of his term of office. Mr. HUANG Shun has confirmed that he has no disagreement with the Board and there is no other matter relating to his retirement that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") or the Shareholders of the Company (the "**Shareholders**"). The Board has confirmed that there are no other matters concerning Mr. HUANG Shun that need to be brought to the attention of the Hong Kong Stock Exchange or the Shareholders.

The Board would like to thank Mr. HUANG Shun for his valuable contributions to the Company during his term of office.

Pursuant to the requirements of the Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), the details of the biographies of candidates for the directors of the third session of the Board and other information relating to their appointments are set out in Appendix I to this announcement.

Proposed Election of the Third Session of the Board of Supervisors

At the meeting of the board of supervisors (the "**Supervisor(s)**") of the Company (the "**Board of Supervisors**") held on April 20, 2022, the resolution, among other things, in relation to the re-election of the Board of Supervisors was considered and approved.

Since the term of the second session of the Board of Supervisors has expired, the Company proposes to elect a new session of the Board of Supervisors in accordance with the relevant laws and regulations and the Articles of Association. The Board of Supervisors recommends to propose Mr. LI Wei as the candidate for non-employee representative Supervisor.

At the employee representative meeting held on April 19, 2022, the Company elected Mr. WANG Xinghua and Mr. MAO Yijun as employee representative Supervisors of the Board of Supervisors. Their term of office shall be consistent with that of the third session of the Board of Supervisors.

The Board of Supervisors agrees to submit the above list of candidate for non-employee representative Supervisor of the third session of the Board of Supervisors at the AGM for the consideration and approval to elect one non-employee representative Supervisor, together with two employee representative Supervisors elected through democratic elections organized by the employees, a total of three Supervisors, to form the third session of the Board of Supervisors. The term of office of the Supervisors of the third session of the Board of Supervisors is three years, effective from the date of approval at the AGM. All the existing members of the second session of the Board of Supervisors continue to perform before the appointment of the members of the third session of the Board of Supervisors.

The above-mentioned candidate for non-employee representative Supervisor has confirmed he has have no disagreement in respect of the nomination.

Pursuant to the requirements of the Rule 13.51(2) of the Listing Rules, the details of the biographies of candidates for the Supervisors of the third session of the Board of Supervisors and other information relating to their appointments are set out in Appendix II to this announcement.

General

The above resolutions in relation to the re-election of the Board and the Board of Supervisors will be proposed at the forthcoming AGM to be held for consideration and approval by way of ordinary resolutions. A circular of the AGM containing, among other things, (i) details of the candidates for the Directors of the third session of the Board; and (ii) details of the candidates for the Supervisors of the third session of the Board of Supervisors, together with the notice of the AGM, will be dispatched to the Shareholders in due course.

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

Nanjing, the People's Republic of China
April 20, 2022

As at the date of this announcement, the Board comprises the Chairman and non-executive Director, namely Mr. Wang Jianguo; executive Directors, namely Mr. Xu Xiuxian and Mr. Zhao Liangsheng; the non-executive Directors, namely Mr. Wang Jian, Mr. Cai Zhongqiu and Mr. Wang Yi; and the independent non-executive Directors, namely Mr. Liu Xiangdong, Mr. Cheng Zichuan and Mr. Huang Shun.

APPENDIX I BIOGRAPHIES OF CANDIDATES FOR THE DIRECTORS OF THE THIRD SESSION OF THE BOARD

Candidates for Non-executive Directors (concurrently as the chairman)

Mr. WANG Jianguo, aged 61, is the founder of our Group and has been the Chairman of the Board and a Non-Executive Director of our Company since November 2015. He is mainly responsible for convening and chairing general meetings and Board meetings and presiding over the decision-making of external affairs and strategic development of our Group.

Mr. Wang has over 20 years of experience in retail business and corporate management. He worked at the Department of Commerce of Jiangsu Province (江蘇省商業廳) from July 1981 to April 1993 and served as the general manager of Jiangsu Wujiaohua Corporation (江蘇省五金交電化工總公司), a state-owned company mainly engaged in the sales of home appliances, where he was primarily responsible for its overall management from April 1993 to June 2002. He served as the chairman and the president of Jiangsu Five Star Appliance Co., Ltd. (江蘇五星電器有限公司), a company engaged in the sales of household appliance, from December 1998 to February 2009 and Mr. Wang does not hold any direct or indirect equity interest in Five Star Appliance since February 2009. Mr. Wang has been the chairman of the board of Five Star Holdings Co., Ltd. (五星控股集團有限公司) (“**Five Star Holdings**”) since February 2009.

Mr. Wang concurrently serves as the chairman of Kidswant Children Products Co., Ltd. (孩子王兒童用品股份有限公司), a company engaged in the sales and service of maternal and children products which is listed on the ChiNext, stock code: 301078) since June 2012. He also serves as an independent non-executive director at Honma Golf Limited (本間高爾夫有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 6858), and Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 2096), since September 2016 and November 2019, respectively.

Mr. Wang obtained a master’s degree in Business Management from The Australian National University in Australia upon completion of the Executive Master of Business Administration (“**EMBA**”) programme in July 2004. He completed all the requirements prescribed by Shanghai Advanced Institute of Finance for the DBA (Doctor of Business Administration) in Global Finance Program (上海高級金融學院全球金融DBA項目) in July 2018. He also obtained a Ph.D. in Business Administration in Global Finance from Arizona State University, U.S.A. in May 2018.

Mr. Wang has been the vice chairman of Jiangsu General Chamber of Commerce since December 2014. He was awarded the Service Industry Professional Special Contribution Award (服務業專業人才特別貢獻獎) by Jiangsu Provincial People’s Government in October 2014. He was also granted the Outstanding Achievement Award by the China Chain Store & Franchise Association (中國連鎖業成就獎) in November 2012. He was elected as the Model Worker of the National Business System (全國商務系統勞動模範) by the Ministry of Personnel and the Ministry of Commerce of the PRC in 2007.

As of the date of this announcement, Mr. Wang holds 39,516,334 H Shares and 114,439,526 Domestic Shares of the Company in the nature of beneficial owner. Meanwhile, Mr. Wang indirectly controlled 99% equity interest in Nanjing Yuanbai Enterprise Management Centre (Limited Partnership) through Five Star Holdings, a company in which Mr. Wang is entitled to exercise approximately 68.43% of the voting rights. Nanjing Yuanbai Enterprise Management Centre (Limited Partnership) holds 2,991,759 H Shares and 8,664,152 Domestic Shares of the Company. Therefore, Mr. Wang is deemed to be interested in the Shares held by Nanjing Yuanbai Enterprise Management Centre (Limited Partnership) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Candidates for Executive Directors

Mr. XU Xiuxian, aged 59, is the co-founder of our Group and has been an Executive Director and the Chief Executive Officer of our Company since its inception. He is mainly responsible for leading the business development of our Group and presiding over the decision-making and execution of the major business, development and investment plans.

Mr. Xu has more than 20 years of experience in retail business and corporate management. Mr. Xu served as the section chief of the Consumer Price Office of the Department of Commerce of Jiangsu Province (江蘇省商業廳物價處), the manager of Jiangsu Wujiaohua Corporation, where he was responsible for the air-conditioning business from March 1993 to November 1998, the general manager of Jiangsu Xingpu Technology Trading Co., Ltd. (江蘇星普科技貿易有限公司), a home appliance trading company, where he was primarily responsible for its overall operation and management from November 1998 to December 2004, and an executive vice president of Jiangsu Five Star Appliance Co., Ltd. (江蘇五星電器有限公司) from December 2004 to March 2009.

Mr. Xu graduated from Hangzhou Business School (杭州商學院) (currently known as Zhejiang Gongshang University Hangzhou College of Commerce (浙江工商大學杭州商學院)) in the PRC with a bachelor's degree in Business and Enterprise Management in July 1983. He subsequently completed postgraduate courses in Global Economy at the School of Economics of Fudan University (復旦大學) in Shanghai, the PRC in June 2000 and obtained a master's degree in EMBA at Cheung Kong Graduate School of Business (長江商學院) in Beijing, the PRC in September 2011.

Mr. Xu was recognized for his excellence in leadership and obtained the award of National Trade and Circulation Services Model Workers and Advanced Workers (全國商貿流通服務業勞動模範和先進工作者) in September 2015, and won the 2018 China Electronic Appliances Service Association Outstanding President Award (中國家電服務業省市同業行業協會優秀會長) in January 2019, and was also named one of the China Industrial Internet TOP10 Leaders 2019 (中國產業互聯網十大領軍人物) in July 2019 and obtained the China Electrical Appliances Industry Outstanding Leader Award 2019 (中國家電行業卓越領袖獎) in October 2019.

As of the date of this announcement, Mr. Xu holds 18,295,661 H Shares and 52,984,339 Domestic Shares of the Company in the nature of beneficial owner.

Mr. ZHAO Liangsheng, aged 47, has been an Executive Director of our Company since May 2021, and has been the Chief Financial Officer, the Secretary to the Board and a Vice President of our Company since January 2013. Mr. Zhao is primarily responsible for overseeing our Group's financial affairs and corporate governance.

Mr. Zhao has more than 20 years of experience in financial management. Mr. Zhao served as a project manager of Jiangsu Tianheng Certified Public Accountants Co., Ltd. (江蘇天衡會計師事務所有限公司) (Currently known as Tianheng Certified Public Accountants (Special General Partnership) (天衡會計師事務所(有限合夥))) from July 1998 to April 2004, a financial director in Zhejiang Yulong Industrial Co., Ltd. (浙江裕隆實業股份有限公司), where he was primarily responsible for the overall financial management, from May 2004 to September 2005, an audit manager in Zhengda Tianqing Pharmaceutical Group Co., Ltd. (正大天晴藥業集團股份有限公司), where he was primarily responsible for the internal auditing, from October 2005 to December 2007, a deputy general manager of Nanjing Shangde Investment Management Co., Ltd. (南京上德投資管理有限公司) from 2007 to 2009 and the chief financial officer of Five Star Holdings from 2009 to 2012.

Mr. Zhao has been a certified public accountant conferred by Certified Accounting Examination Committee of the Ministry of Finance (財政部註冊會計考試委員會) since June 2001. Mr. Zhao obtained his bachelor's degree in Business Management (Accounting) from Southeast University (東南大學) in Nanjing, the PRC in June 1998.

Candidates for Non-executive Directors

Mr. WANG Jian, aged 59, has been a Non-executive Director of our Company since November 2015 and is responsible for participating in evaluation and approval of business plans, strategies and major decisions of our Group through the Board.

Mr. Wang Jian has extensive experience in corporate management, consulting and investment management. He currently serves as the president of Five Star Holdings since April 2013. Prior to his current position, Mr. Wang Jian worked at the Department of Commerce of Jiangsu Province (江蘇省商業廳) from July 1984 to November 1998 and worked in Jiangsu Wujiachua Corporation, with his last position as the general manager where he was primarily responsible for its operation and management from November 1998 to December 2003. He served at Jiangsu Five Star Appliance Co., Ltd. (江蘇五星電器有限公司), and served in various positions including deputy manager, executive vice president and president from December 1998 to March 2013, senior vice president of Best Buy Co., Inc., an American multinational consumer electronics corporation which is listed on the New York Stock Exchange (stock code: BBY) from February 2009 to March 2013.

Mr. Wang Jian graduated from the Party School of C.P.C. Jiangsu Committee (江蘇省委黨校) in the PRC with a bachelor's degree in Economics in July 1992. He subsequently completed a postgraduate course in Business Administration at the International Business School of Nanjing University (南京大學國際商學院) in the PRC in June 2000. He obtained a master's degree in Business Administration from the China Europe International Business School (中歐國際商學院) in Shanghai, the PRC and the Tsinghua University (清華大學) in Beijing, the PRC in September 2009 and June 2016, respectively. He also received the Third China Industry Achievement Award (第三屆中國連鎖業成就獎) in October 2012.

As of the date of this announcement, Mr. Wang holds 7,455,912 H Shares and 21,592,364 Domestic Shares of the Company in the nature of beneficial owner.

Mr. CAI Zhongqiu, aged 51, has been a Non-executive Director of our Company since May 2021 and is primarily responsible for participating in evaluation and approval of business plans, strategies and major decisions of our Group through the Board. Mr. Cai served as the investment director in SDIC Chuangyi Industry Fund Management Co., Ltd. (國投創益產業基金管理有限公司) from August 2016 to August 2018 and has been serving as the executive director since August 2018.

Mr. Cai has extensive experience in equity investment and corporate management. Mr. Cai obtained a doctoral degree in Management Engineering in June 2011 from the China University of Mining and Technology (Beijing) (中國礦業大學北京分校) in the PRC.

Mr. WANG Yi, aged 44, has been a Non-executive Director of our Company since May 2021 and is primarily responsible for participating in evaluation and approval of business plans, strategies and major decisions of our Group through the Board. Mr. Wang Yi currently also serves as a senior director at the consumer electronics department of Alibaba Group Holding Limited, a company listed on the Hong Kong Stock Exchange (stock code: 9988) and the New York Stock Exchange (stock code: BABA), since March 2020.

From September 2013 to February 2020, Mr. Wang Yi served as a vice president, the chief financial officer, an executive director, and the general manager of the China business division of TCL Electronics Holdings Limited (TCL 電子控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1070).

Mr. Wang Yi graduated from Jiangxi University of Finance and Economics (江西財經大學) in the PRC with a bachelor's degree in Accounting in July 1998, and obtained an EMBA degree from the China Europe International Business School (中歐國際工商學院) in Shanghai, the PRC in September 2008.

Candidates for Independent Non-executive Directors.

Ms. YU Lixin, aged 56, has been the managing partner of Talent Certified Public Accountants LLP since November 2013. Ms. Yu has been serving as an independent director of DK Electronic Materials Co., Ltd (無錫帝科電子材料股份有限公司) (a company listed on the Growth Enterprise Market of the PRC (stock code: 300842)) since April 2018; an independent director of Jiangsu Efful Science and Technology Co., Ltd. since June 2019; and an independent director of Gstarsoft Co., Ltd. (蘇州浩辰軟件股份有限公司) since November 2020.

From August 1987 to November 2013, Ms. Yu successively served as an audit assistant, project manager, department manager and deputy general manager of Jiangsu Accounting Firm (currently known as Talent Certified Public Accountants LLP). From October 2018 to March 2022, Ms. Yu served as an independent director of Jiangsu Hualan New Pharmaceutical Materials Co., Ltd. (a company listed on the Growth Enterprise Market of the PRC (stock code: 301093)).

Ms. Yu graduated from Soochow University with a bachelor's degree in economics in July 1987. She was accredited as a Chinese Certified Public Accountant by the Chinese Institute of Certified Public Accountants in October 1992.

Mr. LIU Xiangdong, aged 56, has been an Independent Non-executive Director of our Company since May 2021. He is responsible for supervising and providing independent advice to the Board.

Mr. Liu has been working in Renmin University of China (中國人民大學) with his current position as a professor. Currently he is also an independent non-executive director of Shanghai Laiyifen Co., Ltd. (上海來伊份股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603777), since November 2016.

Mr. Liu obtained his bachelor's degree, master's degree and doctoral degree in Economics from Renmin University of China in the PRC in July 1988, July 1991 and June 2002, respectively.

Mr. CHENG Zichuan, aged 39, has been an Independent Non-executive Director of our Company since May 2021 and is responsible for supervising and providing independent advice to the Board. Mr. Cheng currently serves as an assistant president of Leading Hong Kong Holdings Limited (領地香港有限公司), a real estate company, where he has been primarily responsible for the overseas investment and financing business and investor relations, since January 2021.

Mr. Cheng successively served as a manager of China Business Division of ORIX Group, an investment company, from December 2009 to May 2016; a vice president in the investment banking department at ORIX Asia Capital Limited, an investment company, from June 2016 to October 2017 where he was primarily responsible for the business development in China, the execution of equity investment projects and the management of post-investment companies; and a president of the investment and financing department of Hong Yang Group Company Limited (弘陽集團有限公司), a real estate company, where he was primarily responsible for the investment and financing, from November 2017 to December 2018.

Mr. Cheng graduated from Wuhan University of Technology (武漢理工大學) in the PRC with a bachelor's degree in Automation in June 2004, and obtained a Master of Business Administration at Waseda University in Tokyo, Japan in March 2010.

Overview

According to the Articles of Association, each term of office of a Director is three years and subject to the provisions of the Articles of Association, a Director may serve consecutive terms if re-elected.

After the appointments of the above-mentioned director candidates are approved at the AGM, the Company will enter into director's service contract with each of them, for a term from the date of approval at the AGM to the expiration of the term of the third session of the Board. Non-executive Directors will not receive their remuneration from the Company during their terms of office. The remuneration of the executive Directors during their terms of office shall be determined in accordance with the remuneration management measures of the Company, which mainly consists of basic remuneration, performance-based remuneration and welfare income, among which, the performance-based remuneration shall be determined mainly based on the operating results of the Group and the individual performance. Each of independent non-executive Directors receives an annual allowance of RMB120,000 from the Company during their terms of office. The Company will disclose the remuneration of the Directors when determined. For details of remuneration, please refer to the annual report to be published by the Company in due course.

Save as disclosed in this announcement, as at the date of this announcement, each of the above-mentioned candidates for the Directors has confirmed that he/she: (i) has not held any other directorships in any listed companies, in Hong Kong or overseas, in the last three years, nor any other positions within the Group; (ii) does not have any relationship with any Directors, Supervisors, senior management, substantial Shareholder or controlling Shareholder of the Company; (iii) does not have or is deemed to have any interests or short positions in the shares, underlying shares or bonds of the Company or its associated corporation(s) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) there are no other matters relating to his/her appointment that need to be brought to the attention of the Shareholders nor is there any information required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange.

APPENDIX II BIOGRAPHIES OF CANDIDATES FOR THE SUPERVISORS OF THE THIRD SESSION OF THE BOARD OF SUPERVISORS

Employee Representative Supervisors

Mr. WANG Xinghua, aged 41, has been the chairman of Board of Supervisors of our Company since November 2015 and is primarily responsible for supervising the Board and overseeing our operations. He also serves as the director of president office of our Company since February 2018, where he is primarily responsible for our Company's strategic management, public affairs, public relations, administration and non-operational supply chain planning. He also concurrently serves as a supervisor of Jiangsu Dachuang Electric Co., Ltd. (江蘇達創電器有限公司), one of our Group's subsidiaries, since January 2013.

Mr. Wang Xinghua has extensive experience in human resources management and administrative management. He worked at the human resources centers in Jiangsu Five Star Appliance Co., Ltd. (江蘇五星電器有限公司) from July 2003 to February 2009, served as a director assistant at the human resources center of Five Star Holdings from March 2009 to December 2011, and served as the director of the human resources center of our Company from January 2012 to February 2018.

Mr. Wang Xinghua obtained a bachelor's degree in Human Resources Management from Nanjing University of Science and Technology (南京理工大學) in the PRC in June 2003. He obtained the Economics Professional Qualification (Intermediate Level) in January 2013 from Nanjing Professional and Technical Qualification Assessment Center (南京市專業技術人員職稱評介中心).

Mr. MAO Yijun, aged 39, has been a Supervisor of our Company since May 2021 and is primarily responsible for supervising the Board and overseeing our operations. He joined our Group in April 2015 and currently serves as the director of the human resources center of our Company since November 2019 and is responsible for the organization, talent acquisition and management, work incentive and cultural affairs of our Company.

Mr. Mao worked in Suning Electric Co., Ltd. (蘇寧電器股份有限公司), a company principally operating franchised retail shops of electronics appliances in China, where he was primarily responsible for the production and marketing from October 2009 to August 2012; and the manager of key customer division of Nanjing Skyworth Household Appliances Co., Ltd. (南京創維家用電器有限公司), a company principally engaged in the R&D and production of household appliances, where he was primarily responsible for the domestic e-commerce business of refrigerators and washing machines of Skyworth, from September 2012 to March 2015.

Mr. Mao graduated from the Northwestern Polytechnical University (西北工業大學) in Xi'an, the PRC with a bachelor's degree in Software Engineering in July 2004.

Candidate for Non-employee Representative Supervisor

Mr. LI Wei, aged 45, has been a Supervisor of our Company since June 2020 and is primarily responsible for supervising the Board and overseeing our operations. He also serves as the assistant to the president and CEO of business division of our Company since March 2019.

Mr. Li has over 25 years of experience in retail and distribution business. Mr. Li successively served as the head of the air conditioner business division of Jiangsu Five Star Appliance Co., Ltd. (江蘇五星電器有限公司); a deputy general manager of Jiangsu Xingpu Science and Technology Trading Co., Ltd. (江蘇星普科貿有限公司), a home appliance trading company, where he was primarily responsible for assisting the general manager for the internal management and the sales of air conditioner from October 2002 to February 2009; a general manager of Jiangsu Sanchuang Trading Co., Ltd. (江蘇三創商貿有限公司), a home appliance trading company, where he was primarily responsible for the sales management of air conditioners and washing machines, from March 2009 to September 2014; a general manager of the Sunan branch of our Company from December 2014 to December 2018; and a director of the platform support center of our Company from December 2018 to December 2019.

Mr. Li obtained an associate degree in Marketing from Jiangsu Provincial Party School of the Chinese Communist Party (江蘇省委) in the PRC in October 1998.

As of the date of this announcement, Mr. Li holds 745,591 H Shares and 2,159,237 Domestic Shares of the Company in the nature of beneficial owner.

Overview

According to the Articles of Association, each term of office of a Supervisor is three years and subject to the provisions of the Articles of Association, a Supervisor may serve consecutive terms if re-elected.

After the appointment of the above-mentioned candidate for non-employee representative Supervisor is approved at the AGM, the Company will enter into a Supervisor's service contract with him, for a term from the date of approval at the AGM to the expiration of the term of the third session of the Board of Supervisors. Meanwhile, the Company will enter into a Supervisor's service contract with each of the above employee representative Supervisors, for the same term as the non-employee representative Supervisor. The remuneration of the Supervisors during their terms of office shall be determined in accordance with the remuneration management measures of the Company, which mainly consists of the basic remuneration, performance-based remuneration and welfare income, among which, the performance-based remuneration shall be determined mainly based on the operating results of the Group and the individual performance. The Company will disclose the remuneration of the Supervisors when determined. For details of remuneration, please refer to the annual report to be published by the Company in due course.

Save as disclosed in this announcement, as at the date of this announcement, each of the above-mentioned candidates for the Supervisors has confirmed that he/she: (i) has not held any other directorships in any listed companies, in Hong Kong or overseas, in the last three years, nor any other positions within the Group; (ii) does not have any relationship with any Directors, Supervisors, senior management, substantial Shareholder or controlling Shareholder of the Company; (iii) does not have or is deemed to have any interests or short positions in the shares, underlying shares or bonds of the Company or its associated corporation(s) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) there are no other matters relating to his/her appointment that need to be brought to the attention of the Shareholders nor is there any information required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange.