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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF 25% EQUITY INTEREST IN TARGET COMPANY

ACQUISITION

The Board is pleased to announce that on September 5, 2025 (after trading hours), following the final confirmation of the Company as the restructuring investor through public recruitment, the Company entered into the Restructuring Investment Agreement with the Target Company and the Provisional Administrators in relation to the Acquisition. Pursuant to the Restructuring Investment Agreement, the Company intends to acquire 25% equity interest in the Target Company at a consideration of RMB994,431,569.29.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but is exempt from the Shareholders' approval requirement.

The implementation of the Restructuring Investment Agreement is subject to the Target Company's entry into the restructuring proceedings with the Court's approval on the Restructuring Plan, so uncertainties still remain. As a result, there is uncertainty as to whether the relevant matters contemplated under the Restructuring Investment Agreement will be implemented successfully. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's shares.

BACKGROUND

The Board is pleased to announce that on September 5, 2025 (after trading hours), following the final confirmation of the Company as the restructuring investor through public recruitment, the Company entered into the Restructuring Investment Agreement with the Target Company and the Provisional Administrators in relation to the Acquisition. Pursuant to the Restructuring Investment Agreement, the Company intends to acquire 25% equity interest in the Target Company at a consideration of RMB994,431,569.29.

RESTRUCTURING INVESTMENT AGREEMENT

The principal terms of the Restructuring Investment Agreement are as follows:

Date

September 5, 2025

Parties

(i) The Company;

(ii) The Target Company; and

(iii) The Provisional Administrators.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Target Company, the Provisional Administrators, and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Transaction Proposal

Upon the approval of the Restructuring Plan of the Target Company by the Court:

(i) The Target Company will implement the conversion of capital reserve into share capital, with the converted shares to be used for introducing restructuring investor(s), repaying debts, or other purposes; and

(ii) Through public recruitment, the Company, as the restructuring investor, will participate in the Restructuring of the Target Company and, during the implementation of the Restructuring Plan, acquire certain converted shares of the Target Company. Specifically, the Company will acquire 710,511,267 A shares in the restructured Target Company at a price of RMB1.3996 per share, representing 50% of the average trading price of the Target Company's shares over the 120 trading days prior to the signing date of the Restructuring Investment Agreement, and with a total investment amount of RMB994,431,569.29. The final number of shares acquired shall be subject to the quantity registered by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited into the designated securities account of the Company.

Consideration and Payment Terms

The consideration for the Acquisition (namely the restructuring investment amount) is RMB994,431,569.29, which will be funded by the internal resources and bank loans of the Company.

The payment arrangement for the consideration is as follows:

(i) During the process of recruiting restructuring investor, the Company has paid a registration deposit of RMB60,000,000 to the designated account of the Provisional Administrators. After the Company is confirmed as the selected restructuring investor, the registration deposit (principal only, excluding interest) already paid by the Company shall be automatically converted into a performance deposit;

(ii) Within five working days from the effective date of the Restructuring Investment Agreement, the Company shall pay a performance deposit of RMB70,000,000 in full to the bank account designated by the Provisional Administrators. The registration deposit mentioned in the preceding term has been automatically converted into a performance deposit, and therefore, the actual amount of performance deposit payable by the Company is RMB10,000,000; and

(iii) After the Court renders a ruling approving the Restructuring Plan, the Target Company shall complete the divestiture of the proposed assets, personnel, liabilities and businesses in accordance with the Restructuring Plan and the method mutually agreed upon with the Company, and a special report shall be issued by the audit firm. After the completion of the aforesaid matters, the Target Company shall send a payment notice to the Company. Within ten working days from the date of receipt of the notice from the Target Company, the Company shall pay the full amount of the restructuring investment amount to the bank account designated by the Provisional Administrators in a lump sum. The performance deposit already paid by the Company (principal only, excluding interest) shall be automatically converted into an equivalent amount of the investment payment, and therefore, the actual restructuring investment amount payable by the Company is RMB924,431,569.29.

As at the date of this announcement, the Company has paid the registration deposit of RMB60,000,000 to the Provisional Administrators, and the remaining performance deposit and restructuring investment amount shall be paid to the Provisional Administrators in accordance with the terms of the Restructuring Investment Agreement.

Basis of Consideration

The consideration for the Acquisition was determined through arm's length negotiations between the Company, the Target Company and the Provisional Administrators, taking into account the requirements of the CSRC regarding the investment price of restructuring investors [Note].

Note: Pursuant to Article 8 of the Regulatory Guidelines for Listed Companies No. 11 — Matters Related to Bankruptcy Restructuring of Listed Companies (《上市公司監管指引第11號－上市公司破產重整相關事項》) issued by the CSRC, the price at which restructuring investors acquire shares shall not be less than 50% of the market reference price. The market reference price shall be one of the average trading prices of the listed company's shares over the 20, 60 or 120 trading days preceding the signing date of the restructuring investment agreement. The average trading price of the Target Company's shares for the 20 trading days prior to the signing date of the Restructuring Investment Agreement is RMB2.9493; the average trading price of the Target Company's shares for the 60 trading days prior to such date is RMB2.9362; and the average trading price of the Target Company's shares for the 120 trading days prior to such date is RMB2.7991.

Effectiveness

The Restructuring Investment Agreement shall become effective immediately upon signing, while the Restructuring Plan shall be submitted to the creditors' meeting for voting and may only be implemented upon approval by the Court.

Completion

The conditions precedent to the completion of the Acquisition are as follows:

(i) The Court issuing a ruling approving the Restructuring Plan formulated based on the main content of the Restructuring Investment Agreement (and its amendments, supplements, or restatements) and other consensus reached by the parties; and

(ii) The Provisional Administrators's designated account receiving all the investment amount payable by the Company in accordance with the Restructuring Investment Agreement.

Upon fulfillment of all the conditions precedent mentioned above, the Target Company shall promptly complete the transfer procedures required to register its 25% equity interest into the securities account designated by the Company. The Company shall provide timely and necessary cooperation (including but not limited to providing relevant documents required for the registration of the shares).

Termination

The Restructuring Investment Agreement may be terminated upon mutual agreement or upon the occurrence of any event specified in the terms thereunder. Such events include but not limit to:

(i) The Target Company loses its legal capacity due to circumstances such as being lawfully revoked, dissolved or deregistered;

(ii) Significant changes occur in the business operations of the Target Company, or material undisclosed information emerges, which causes the Target Company to be unable to continue to implement the Restructuring or no longer have the feasibility of Restructuring, or the Restructuring Plan cannot be continued to be implemented;

(iii) The Target Company triggers any delisting scenario as stipulated by the Shenzhen Stock Exchange, or faces any delisting risk that may lead to its delisting prior to the completion of the Restructuring;

(iv) The Target Company or its restructuring administrators fail to submit the Restructuring Plan (draft) within the legally prescribed period, or the submitted Restructuring Plan (draft) is not approved by vote or fails to obtain approval by the Court, or the submitted Restructuring Plan (draft) materially deviates from the Restructuring Investment Agreement and other agreements mutually agreed upon by the Company and the Target Company, resulting in a substantial deviation from the Company's investment proposal; and

(v) After the Restructuring Investment Agreement takes effect, if any of the following conditions fails to be satisfied and the Company and the Target Company are unable to reach an agreement after negotiation. Such conditions include but not limit to:

(a) The Restructuring Plan approved by Court explicitly stipulates that, if the realized value of shares, beneficiary rights of trust scheme, or other equity assets designated for creditor repayment under the Restructuring Plan is insufficient to fully settle the claims of the relevant creditors, the Target Company post-restructuring shall no longer bear any form of liquidation liabilities, including cash top-up, shortfall compensation or additional credit enhancement measures, and the Company shall not be required to assume any repayment liability or obligation thereof;

(b) The personnel, businesses, equity interests, assets, etc. to be divested from the Target Company in accordance with the Restructuring Investment Agreement or mutual agreement between the Company and the Target Company have been lawfully and effectively divested (i.e., transfer of rights and obligations). The personnel of the subsidiaries to be divested have been properly placed with a personnel settlement plan that has been implemented or is supported by adequate guarantees to ensure its implementation. Upon completion of the Restructuring, the Target Company shall not bear any compensation, reimbursement or other forms of economic liability arising from personnel settlement for the subsidiaries to be divested or liquidated, unless otherwise agreed upon by the Company and the Target Company through negotiation. Any changes or adjustments to the above plan shall require the written approval of the Company; and

(c) The potential contingent liabilities of the Target Company arising from pending litigation (excluding special representative litigation, other known litigation as of the signing date of the Restructuring Investment Agreement, or litigation arising from known claims) shall not exceed RMB100 million, or shall be within a new cap confirmed in writing by the Company.

Relevant Undertaking

Within 36 months from the date on which the 25% equity interest in the Target Company is registered into the designated securities account of the Company, the Company shall not transfer, reduce, or entrust others to manage the 25% equity interest in the Target Company it holds through any means (including centralized bidding, block trading or any other means).

OVERVIEW OF THE RESTRUCTURING

On March 28, 2025, the Target Company received a Notice of Intention from its creditor, applying to the Court for the Target Company to undergo Restructuring and pre-restructuring proceedings, on the grounds that the Target Company was unable to repay its matured debts and demonstrably lacked the capacity to do so, yet possessed restructuring value. On April 3, 2025, the Target Company received the Court's Decision Order initiating pre-restructuring proceedings and appointing the Provisional Administrators for the pre-restructuring period. On April 7, 2025, the Target Company disclosed the Announcement on Public Recruitment of Restructuring Investors. Following selection and negotiations, the review committee comprehensively assessed and ultimately designated the Company as industrial investor.

The Restructuring will resolve the Target Company's historical debt issues through various means, and involve the divestiture of idle assets and non-efficient businesses, while retaining only high-quality assets closely related to production and operations and core businesses with market competitiveness. Simultaneously, the Restructuring will ensure sufficient cash reserves are reserved for both retained businesses and newly developed businesses of the Target Company. Through the Restructuring, the Target Company will promptly emerge from its operational difficulties, achieve profitability rapidly, and secure adequate development space.

INFORMATION ABOUT THE PARTIES INVOLVED

The Company

The Company, a joint stock company with limited liabilities established in the PRC on December 6, 2010, is a leading industrial internet company dedicated to empowering the rural family-run businesses through digital technologies and supply chain capabilities in China.

The Target Company

To the best of the Directors' knowledge, the Target Company established in the PRC on April 9, 1993 with its registered capital of RMB1,489,164,214, primarily engaged in the manufacture of industrial blowers, compressors, steam turbines and industrial boilers.

According to the audited consolidated accounts prepared in accordance with China Accounting Standards for Business Enterprises, the Target Company's operating revenue for the two years ended December 31, 2023 and December 31, 2024 amounted to RMB1,450 million and RMB1,407 million respectively, with losses before tax of RMB556 million and RMB1,323 million respectively, and losses after tax of RMB556 million and RMB1,392 million respectively.

According to unaudited consolidated accounts prepared in accordance with China Accounting Standards for Business Enterprises, the Target Company's total assets as at June 30, 2025 amounted to RMB4,117 million, with net assets amounting to RMB328 million.

The Provisional Administrators

To the best of the Directors' knowledge, the Provisional Administrators are the liquidation group of the Target Company, composed of relevant departments of Nantong Municipal Government and law firm, and appointed as the Provisional Administrators of the Target Company for the pre-restructuring period by the Court on April 3, 2025.

REASONS FOR AND BENEFITS OF THE ACQUISITION

1. To Acquire High-Quality Scarce Assets at a Relatively Low Cost and Enhance Shareholder Returns

Participating in the bankruptcy restructuring of listed companies has become a significant pathway for enterprises to access the A-share capital market, due to advantages such as fair acquisition cost (typically 50% of market price), high certainty, and thorough risk isolation. Statistics indicate that only a limited number of listed company restructuring cases receive regulatory approval each year, making such opportunities relatively scarce. The Target Company operates in the high-end manufacturing sector, with its core business ranking among the first tier domestically, possessing strong industry standing and competitiveness. Due to historical circumstances, it currently faces temporary operational difficulties and aims to overcome its predicament and regain operational capability through this bankruptcy restructuring. It is anticipated that upon the completion of the Restructuring, it will swiftly achieve profitability and enter a phase of rapid development, bolstered by the dual injection of capital and assets.

2. Leverage High-quality Capital Resources in Both Markets to Accelerate the Company's Development

Upon completion of the Acquisition, the Company will complete the establishment of the "H+A" capital-operations platform, enabling it to tap premium capital resources at home and abroad more efficiently and propel rapid corporate growth. It will also create a multi-tiered potential capital-market pathway for the Company.

3. Facilitate the Group's Industrial Layout and Accelerate Its Business Development

Leveraging its mature operational management expertise, supply chain and channel advantages, and extensive industrial resources, the Group will empower the development of the business segments retained by the Target Company. Simultaneously, utilizing the retained capital of the Target Company post-restructuring, the Group will pursue an industrial layout centered on large consumer and intelligent production, aiming to transform the Target Company into a comprehensive industrial platform enterprise that possesses both advanced manufacturing capabilities with new quality productivity and the ability to serve lower-tier markets. The Acquisition is conducive to extending the Group's industrial layout from industrial internet to high-end manufacturing encouraged by the state, establishing a dual-industrial structure of "Large consumption + intelligent production," creating new growth opportunities for the Group, and thereby enhancing the Group's profitability.

The Board (including the independent non-executive Directors) is of the view that, although the Acquisition is not entered into in the ordinary course of business of the Company, the terms of the Restructuring Investment Agreement are on normal commercial terms, are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but is exempt from the Shareholders' approval requirement.

The implementation of the Restructuring Investment Agreement is subject to the Target Company's entry into the restructuring proceedings with the Court's approval on the Restructuring Plan, so uncertainties still remain. As a result, there is uncertainty as to whether the relevant matters contemplated under the Restructuring Investment Agreement will be implemented successfully. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's shares.

DEFINITIONS

In this announcement, the following terms shall have the following meanings, except otherwise stated:

"Acquisition"	the acquisition of 25% equity interest in the Target Company by the Company, as the restructuring investor, pursuant to the terms and conditions of the Restructuring Investment Agreement
"Provisional Administrators"	the liquidation group of Jin Tong Ling Technology Group Co., Ltd., composed of relevant departments of Nantong Municipal Government and Shanghai Llinks Law Offices, and appointed as the Provisional Administrators of the Target Company for the pre-restructuring period by the Court on April 3, 2025
"Board"	the board of directors of the Company
"Company"	Huitongda Network Co., Ltd. (匯通達網絡股份有限公司), a joint stock company with limited liabilities established under the laws of the PRC on December 6, 2010, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 9878)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission
"Court"	Nantong Intermediate People's Court (南通市中級人民法院)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"H Share(s)"	overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are subscribed for and traded in HK$ and listed on the Hong Kong Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"China" or "PRC"	the People's Republic of China, and for the purposes of this announcement only, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
"Restructuring"	the reorganization of the Target Company pursuant to the terms of the Restructuring Plan
"Restructuring Investment Agreement"	the Company, the Target Company and the Provisional Administrators entered into the Jin Tong Ling Technology Group Co., Ltd. (Pre-)Restructuring Investment Agreement (《金通靈科技集團股份有限公司(預)重整投資協議》) in relation to the Acquisition on September 5, 2025 (after trading hours)
"Restructuring Plan"	plan for restructuring the Target Company
"RMB"	Renminbi, the lawful currency of the PRC
"Target Company"	Jin Tong Ling Technology Group Co., Ltd. (金通靈科技集團股份有限公司), established in the PRC on April 9, 1993, whose A shares are listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300091)
"%"	per cent

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

Nanjing, the PRC
September 5, 2025

As at the date of this announcement, 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 Ms. Xu Di; and the independent non-executive Directors, namely Ms. Yu Lixin, Mr. Liu Xiangdong and Mr. Diao Yang.