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(5) Exercise of the cash option
After the Transaction is registered by the China Securities Regulatory Commission, HTC will determine the equity registration date for the implementation of the cash option.

The following conditions must be met at the same time for the registered dissenting shareholders of HTC to exercise the cash option: (1) they have cast valid negative votes on the relevant proposals on the merger plan and the sub-proposals voted on by one at the general shareholders' meeting of HTC on the merger plan and on the relevant proposals on the merger agreement signed by the two parties to the merger;

The dissenting shareholders of HTC who hold the following shares are not entitled to exercise the cash option in respect of the shares they hold: (1) the shares of HTC with rights restrictions, such as shares that have been pledged or set with other third-party rights or restricted by laws and regulations such as judicial freeze;

Dissenting shareholders of HTC who have submitted the shares of HTC as collateral for margin financing and securities lending transactions must transfer the shares of HTC from the credit guarantee account of the securities company to their ordinary securities account before the equity registration date of the cash option before they can exercise the cash option.

The relevant taxes and fees arising from the exercise of the cash option shall be borne by the dissenting shareholders of HTC exercising the cash option, the provider of the cash option and other entities shall bear the responsibility in accordance with the relevant laws, regulations, regulatory authorities and the provisions of the securities registration and clearing institutions.

After the transaction is approved and registered by the China Securities Regulatory Commission, HTC will separately announce the detailed arrangements for the cash option plan of HTC dissenting shareholders (including but not limited to the declaration, settlement and delivery of the cash option), and will disclose information in a timely manner in accordance with laws, regulations and the provisions of the Shenzhen Stock Exchange.

During the transition period, in order to achieve a smooth transition of business, if it is truly necessary, if either party needs the cooperation of the other party in the course of business development (including but not limited to providing relevant materials, issuing explanations, jointly reporting to the competent authorities, etc.), the other party shall actively cooperate in this regard.

During the Transition Period, the merging parties shall, and shall procure that each of their subsidiaries: (1) continue to operate independently in the ordinary course of business in accordance with past operational management and operating methods, and will not engage in any unusual transactions or incur any unusual debts;

During the transition period, either party to the merger shall take the initiative to respond to the reasonable requests of the other party and provide the other party with relevant assets, financial account books, meeting minutes, material claims and debts and other relevant documents in a timely manner. If it is truly necessary, if one party needs the cooperation of the other party in the course of business development (including but not limited to providing relevant materials, issuing explanations, jointly carrying out declarations to the competent authorities, etc.), the other party shall actively cooperate in this regard.

Arrangements for the transfer or delivery of the relevant assets involved in the Transaction

(1) Delivery conditions
After the merger agreement takes effect, the merger will be closed on the closing date. The merging parties shall complete the delivery obligations agreed under the merger agreement on the delivery date and sign the asset delivery confirmation document.

Since the date of closing, the ownership of all assets of HTC (including but not limited to all properties, trademarks, patents, franchises, projects under construction and other assets) and the related rights, interests, liabilities and obligations shall be enjoyed and assumed by Hirusun. HTC agrees to assist Hirusun in handling the change procedures for the transfer of all stipulated properties of HTC (i.e., for any property, the law provides special procedures for the creation or transfer of such property rights or rights related to such property, including but not limited to land, real estate, vehicles, vessels, trademarks, patents, etc.) from HTC to the name of Hirusun. If the formal transfer procedures cannot be performed due to the change of registration procedures and other reasons, it will not affect the rights and obligations of Hirusun to the above-mentioned assets.

After the completion of the merger, the equity of the subsidiary currently held by HTC belongs to the surviving company, and it is changed to a subsidiary of the surviving

company. The subsidiary of HTC (if any) belongs to the surviving company and is registered as a subsidiary of the surviving company.

(3) Debt inheritance
Except for the debts that are repaid in advance based on the creditor's request for early repayment within the statutory time limit, all outstanding debts of the merger parties will be inherited by Hirusun after the closing date of the merger.

(4) Contract succession
After the closing date of the share exchange and absorption merger, the contract subject of the rights, obligations and interests of HTC under all valid contracts/agreements signed by HTC is changed to Hirusun.

(5) Data handover
HTC shall hand over all its bank account information, reserved seals and all seals of HTC to Hirusun on the delivery date. HTC shall, from the date of delivery, hand over to Hirusun any and all documents that have a significant impact on its subsequent operations.

(6) Share transfer
On the date of the share exchange, Hirusun shall register the A shares issued to the shareholders of HTC as consideration for the merger to the shareholders of HTC. The shareholders of HTC have become shareholders of Hirusun since the date when the new shares are registered in their names.

13. Disposal of creditor's rights and debts involved in the Transaction
Since the date of delivery, Hirusun has inherited and undertaken all the assets, liabilities, business, personnel, contracts, qualifications and all other rights and obligations of HTC.

Hirusun and HTC will perform the creditor notification and announcement procedures in accordance with the provisions of relevant laws and regulations, and will, according to the requirements of their respective creditors within the statutory time limit, in accordance with the provisions of relevant applicable laws and regulations, independently or urge third parties to repay their debts in advance or provide additional guarantees for their respective creditors. If the relevant creditors fail to claim early repayment or providing security from the merging parties within the aforesaid statutory period, the unpaid debts will be inherited by Hirusun after the closing date.

14. Employee placement
After the completion of the share exchange and absorption merger, the management and employees of Hirusun will continue to retain their original jobs in accordance with the labor contract signed with Hirusun. All registered employees of HTC will be accepted by the surviving company and properly arranged. All rights and obligations of HTC as the employer of its existing employees will be enjoyed and assumed by Hirusun from the closing date.

15. Arrangement for rolling over undistributed profits
In addition to the profit distribution plan approved by the respective general shareholders' meetings of the two parties, the accumulated undistributed profits of Hirusun and HTC as of the implementation date of the share exchange shall be jointly enjoyed by the new and old shareholders of the surviving company according to their shareholding ratios.

III. Completed and outstanding transaction-related procedures

(I) Obtained approval for the transaction
1. The transaction has been approved through deliberation at the fourth interim session of the sixth board of directors of Hirusun in 2024;

(II) Pending approval for the transaction
Pending ratification or approval procedures for the transaction are listed as follows, including but not limited to:

- 1. The formal transaction plan shall be adopted by the boards of directors of Hirusun and HTC through deliberation;
2. The formal transaction plan shall be adopted by the boards of shareholders of Hirusun and HTC through deliberation;
3. With consent of Hirusun's board of shareholders, Hangzhou Capital will be exempted from increasing shares of Hirusun by means of offer;
4. The transaction shall be approved by competent authority of state-owned assets supervision and administration;
5. The transaction shall be examined and approved by SZSE and put on file by CSRC;
6. The stock-for-stock merger shall be approved, permitted or accepted by other related competent authorities prescribed by laws and regulations (if any).

The transaction shall not be carried out until it is ratified or approved as stated above. There is uncertainty about whether and when the transaction is ratified or approved as stated above, thus investors should be on the alert for investment risks.

IV. The transaction constitutes a related party transaction
In the transaction, Hirusun's dominant shareholder is Hangzhou Capital, and actual controller is State-owned Assets Supervision and Administration Commission of Hangzhou; HTC's dominant shareholder is Turbine Holdings, and actual controller is State-owned Assets Supervision and Administration Commission of Hangzhou. In accordance with provisions on the related party and related party transaction in the Listing Rules and ChiNext Listing Rules, the transaction constitutes a related party transaction between Hirusun and HTC.

Concerning matters of the related party transaction, related directors of Hirusun and HTC have evaded voting.

V. The transaction constitutes material asset restructuring
According to Hirusun's and HTC's 2023 audit reports and transaction amount, the transaction constitutes material asset restructuring, specifically calculated as follows:

Table with 4 columns: Item, Total assets, Operating revenue, Net assets. Rows include Acquiree (HTC), Transaction amount, Acquirer (Hirusun), Acquiree/acquirer, and Criterion for material asset restructuring.

Note: The equity in the table refer to owners' equity attributable to parent company in the audited consolidated statements for the latest accounting year.

In accordance with Measures for the Administration of Restructuring, the transaction constitutes material asset restructuring.

VI. The transaction is expected to constitute restructuring and listing
Before the transaction, HTC's dominant shareholder is Turbine Holdings, and there was no change of power of control in the latest 36 months. Upon the completion of the transaction, HTC will be delisted and disqualified from being a corporation.

Within 36 months before the transaction, Hirusun's dominant shareholder was altered from HFI to Hangzhou Capital. In February 2024, HFI voluntarily transferred all 99,830,000 shares of Hirusun held (representing 29.80% of Hirusun's total capital stock) to Hangzhou Capital. Till the signing date of the plan, HFI no longer held shares of Hirusun, and Hangzhou Capital held 99,830,000 non-selling-restricted tradable shares of Hirusun, accounting for 29.80% of Hirusun's total capital stock. Hirusun's dominant shareholder is thus altered from HFI to Hangzhou Capital. According to Hirusun's and HTC's 2023 audit reports, HTC's related financial data account for over 100% of Hirusun's, meeting the criterion for restructuring and listing prescribed in Article 13 of the Measures for the Administration of Restructuring. Therefore, the transaction is expected to constitute restructuring and listing.

VII. Effects of the transaction on the surviving company
(I) Effects of the transaction on main business of the sur-

iving company
Prior to this transaction, HTC mainly designs and manufactures industrial turbines, gas turbines and other rotating industrial turbine machinery and equipment, and provides related supporting services, the main products include industrial steam turbines, gas turbines, etc., which are mainly used in oil refining, chemical industry, fertilizer, building materials, metallurgy, electric power, light industry, environmental protection and other industrial fields. Hirusun is mainly engaged in the power information construction business, and provides related technical and consulting services, and its power information solutions can be widely used in all links of the power industry chain, including power generation, transmission, substation, distribution, power consumption and dispatching.

After the implementation of the Transaction, the surviving company will inherit and undertake all the assets, liabilities, business, personnel, contracts and all other rights and obligations of HTC, forming a business pattern of industrial turbine machinery business as the main business and power information business as the supplement. The surviving company will integrate the industrial resources of both parties, further optimize the company's industrial layout, and effectively enhance the core competitiveness and sustainable profitability of the surviving company.

(II) Effects of the transaction on equity structure of the surviving company
Before the transaction, Hirusun's total capital stock is 335,000,000 shares, while HTC's total capital stock is 1,175,009,600 shares. Irrespective of subsequent ex-right or ex-dividend and other effects on the M&A Parties, Hirusun issues a total of 1,175,009,600 shares for the stock-for-stock merger, calculated by stock-for-stock ratio of 1:1. Irrespective of the effects of right of claim for acquisition and cash-based option, upon the completion of the stock-for-stock merger, HTC holds 45.68% of the shares of the surviving company and is the direct controlling shareholder of the surviving company. Hangzhou Capital directly holds 6.61% of the shares of the surviving company, and controls a total of 52.29% of the shares of the surviving company through HTC, and is the indirect controlling shareholder of the surviving company. Hangzhou SASAC controls a total of 52.29% of the shares of the surviving company and is the actual controller of the surviving company.

Before and after the transaction, Hirusun's shareholders and holding ratios are listed as follows:

Table with 4 columns: Shareholder, Before the stock-for-stock merger (Number of shares, Holding ratio), After the stock-for-stock merger (Number of shares, Holding ratio). Rows include Hangzhou State-owned Capital Investment and Operation Co., Ltd., Hangzhou Turbine Holdings Co., Ltd., Subtotal shares held by dominant shareholders and persons acting in concert, and Other shareholders.

(III) Effects of the transaction on key financial indicators of the surviving company
After the implementation of the transaction, Hirusun will inherit and take on all HTC's assets, liabilities, businesses, human resources, contracts and all the other rights and obligations. The M&A Parties will find their business put into exhaustive integration, and the surviving company will shape a business pattern featuring industrial turbine business taking the center stage, complete with electric power information business. Besides, the surviving company will remarkably expand its scale of business and operation, with a surge of total assets and operating revenue.

Upon the completion of the work of the transaction-related audit and valuation, the M&A Parties will, in accordance with statistics in relevant audit reports and reports for reference and review, make quantitative analysis on key financial indicators of the surviving company before and after the transaction, followed by detailed analysis on the effects of the transaction on the financial status and profitability of the surviving company in the report for stock-for-stock merger.

(IV) The transaction will not make the surviving company ineligible for stock listing
Upon the completion of the transaction, the equity structure of the surviving company is as shown in the plan's "Notification of Material Matters" - "VI. Effects of the transaction on the surviving company" - "(II) Effects of the transaction on the equity structure of the surviving company".

Upon the completion of the transaction, the capital stock of the surviving company will exceed 400 million shares, and the public and shareholders put together will account for no less than 10% of the capital stock of the surviving company, thus not making the surviving company ineligible for stock listing.

Chapter II Acquirer's Basic Information

Table with 2 columns: Item, Information. Rows include Profile of acquirer (Chinese name, Stock abbreviation, Stock code, etc.), Business Scope, and Acquirer's incorporation and change of capital stock.

(I) Acquirer's establishment and IPO
1. Hirusun's establishment
Hirusun Information Network Technology (Shenzhen) Co., Ltd. was established by Jiexun Communication Technology (Hong Kong) Co., Ltd. on January 4, 2000, with registered capital of USD 1.5 million.

2. First capital increase of Hirusun
On August 28, 2000, according to the Supplementary Articles of Association of Hirusun Information Network Technology Co., Ltd. (Shenzhen) on Increasing the Total Investment and Registered Capital, the total investment of Hirusun increased from USD 2 million to USD 3 million, and the registered capital of Hirusun increased from USD 1.5 million to USD 2.2 million.

On October 18, 2022, The state Administration for Industry and Commerce issued the Business License to Hirusun, specifying the capital increase and altered registered capi-

tal.
3. Capital increase of Hirusun in November 2005
On November 7, 2005, according to the Supplementary Articles of Association of Hirusun Information Network Technology Co., Ltd. (Shenzhen) on Increasing the Total Investment and Registered Capital, the total investment of Hirusun increased from USD 3 million to USD 3.3 million, and the registered capital of Hirusun increased from USD 2.2 million to USD 2.5 million.

On February 8, 2006, the Shenzhen Municipal Administration for Industry and Commerce issued the Business License for Corporation to Hirusun (predecessor), specifying altered registered capital.
4. Change of type of company of Hirusun
On April 2, 2008, Shenzhen Municipal Administration for Industry and Commerce examined and approved an increase of registered capital of Hirusun (predecessor) from USD 2.5 million to RMB 20 million, and change in type of company from foreign-funded enterprise to domestic-funded enterprise, and change in name of company from "Hirusun Information Network Technology (Shenzhen) Co., Ltd." to "Shenzhen Hirusun Technology Co., Ltd." Later on the day, Shenzhen Municipal Administration for Industry and Commerce issued Business License for Corporation to Hirusun (predecessor), specifying altered type of company and other contents approved.

5. Capital increase of Hirusun in April 2008
On April 19, 2008, according to the Capital Increase Agreement of Shenzhen Hirusun Technology Co., Ltd. signed by Yang Deguang and Hirusun, the registered capital of Hirusun was changed from RMB 20 million to RMB 21.6 million.

On May 5, 2008, Shenzhen Municipal Administration for Industry and Commerce issued the Business License for Corporation No.: 440301503239472 to Hirusun (predecessor), specifying the capital increase and altered registered capital.

6. In May 2008, Hirusun changed as a whole
On May 18, 2008, all initiators signed the Agreement of Initiators on Restructuring Shenzhen Hirusun Technology Co., Ltd. Into Shenzhen Hirusun Technology Inc., in approval of the company restructured into an incorporated company by converting net assets on the book into shares. Hirusun's registered capital was RMB 36.7 million when it was founded.

On May 30, 2008, the Shenzhen Municipal Administration for Market Regulation issued the changed Business License of Enterprise Legal Person to Hirusun, with registration number: 440301503239472.

7. Capital increase of Hirusun in July 2008
On July 22, 2008, Shenzhen SMEs Credit Guarantee Center Co., Ltd. and Shenzhen Hirusun Technology Inc. signed Agreement on Increase of Capital and Shareholders. Upon the capital increase, Hirusun saw an increase of its registered capital from RMB 36.7 million to RMB 37.9 million.

On August 5, 2008, Shenzhen Municipal Administration for Industry and Commerce issued the Business License for Corporation No.: 440301503239472 to Hirusun, specifying the increase of shareholders and capital and altered registered capital.

8. Capital increase of Hirusun in June 2010
On June 29, 2010, Hirusun convened the second interim shareholders' meeting in 2010, approving that Hirusun proportionally transferred RMB 12,100,000.00 of its capital reserves in the amount of RMB 27,879,469.87 up to December 31, 2009 by RMB 1/share to shareholders of record of December 31, 2009 for capital increase. Upon the capital increase, capital stock totaled RMB 50,000,000.00. Upon the capital increase, Hirusun saw an increase of its registered capital from RMB 37.9 million to RMB 50 million.

On December 7, 2010, the Shenzhen Municipal Administration for Market Regulation issued the changed Business License of Enterprise Legal Person to Hirusun, with registration number: 440301503239472.

9. IPO and listing in 2011
On November 3, 2011, as approved by China Securities Regulatory Commission in the "ZJXK [2011] Document No.1736" Consent to IPO and ChiNext Listing of Shenzhen Hirusun Technology Inc., 17 million common shares in RMB (par value per share: RMB 1) were issued to the public, for adding RMB 17 million to the registered capital. The registered capital was then altered to RMB 67 million. On November 23, 2011, as specified by Shenzhen Stock Exchange in the "SZS [2011] Document No. 352" Notice on ChiNext Listing of Shenzhen Hirusun Technology Inc. with Ordinary Shares in RMB, Hirusun went public on SZSE ChiNext with ordinary shares in RMB.

(II) Hirusun's change of capital stock upon its IPO
1. Capital reserves transferred for increase of capital stock in 2012

In June 2012, Hirusun, according to resolutions of the Board and General Meeting of Stockholders, carried out the 2011 equity distribution plan, whereby capital reserves were transferred for increase of 10 shares per 10 shares distributed to all shareholders, on the basis of 67 million shares in total. Increased shares through transfer totaled 67 million. Upon the increase through transfer, the company's total capital stock rose to 134,000,000 shares;
2. Capital reserves transferred for increase of capital stock in 2016

On April 21, 2016, Hirusun convened the 2015 general meeting of shareholders. According to the resolution of the meeting, the company, on the basis of 134,000,000 shares in total, increased 15 shares per 10 shares through transfer to all shareholders. The increase shares through transfer totaled 201,000,000. Upon the increase through transfer, the company's total capital stock rose to 335,000,000 shares;

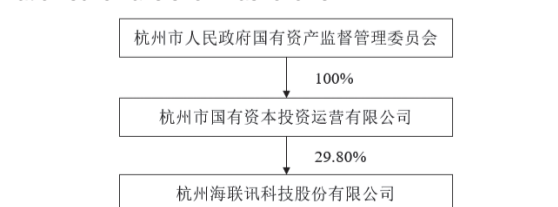
And thereafter till the signing date of the plan, there was no change incurred to Hirusun's total capital stock. Up to the signing date of the plan, Hirusun's capital stock totaled 335,000,000 shares, and the top ten shareholders held shares as follows:

Table with 4 columns: No, Shareholder, Number of shares, Holding ratio (%). Rows include Hangzhou State-owned Capital Investment and Operation Co., Ltd., Zhuhai Abama Assets Management Co., Ltd., Zhanqiang, etc.

III. Acquirer's equity control

(I). Acquirer's equity control
Till the signing date of the plan, Hirusun's dominant shareholder was Hangzhou Capital, and actual controller was State-owned Assets Supervision and Administration Commission of Hangzhou.

Till the signing date of the plan, Hirusun's equity control relation schema is shown as follows:



(II) Controlling shareholder
Hirusun's Controlling shareholder is Hangzhou Capital, whose basic information is briefed as follows:

Table with 2 columns: Item, Information. Rows include Name of company, Domicile, Workplace, Legal representative, Type of company, Registered capital, etc.

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