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Before the notice date of Party B's first board resolution on the stock-for-stock merger through deliberation, the stock price averaged HKD 7.77/share within 20 trading days. Converted by the middle rate between RMB and HKD (HKD 1=RMB 0.91496) disclosed by the People's Bank of China on the trading day prior to Party B's stock delisting, i.e., October 25, 2024, the stock price is RMB 7.11/share. On that basis, in light of historical stock price, business performance, market value and scale and other factors, 34.46% premium is defined by Party A and Party B through fair negotiation as per Measures for the Administration of Restructuring. In the end, Party B's stock-for-stock price is HTC's average transaction price of RMB 7.11/share * (1+premium rate)=RMB 9.56/share.

From the base date of pricing till the date of exercising the stock-for-stock merger (both dates included), Party B's stock-for-stock price will be adjusted subject to Party B's distribution of cash dividends, stock dividends, transfer of capital reserves for increase of capital stock, allotment of shares and other ex-right and ex-dividend matters, if any. As priced for the stock-for-stock merger, the number of Hirusun shares per HTC share in exchange=HTC's stock-for-stock price/Hirusun's stock-for-stock price. Under the formula, the stock-for-stock ratio of HTC and Hirusun is 1:1, i.e., 1 HTC share is in exchange for 1 Hirusun shares.

From the base date of pricing till the date of exercising the stock-for-stock merger (both dates included), the stock-for-stock ratio will not be adjusted under any circumstances, except for occurrence of distribution of cash dividends, stock dividends, transfer of capital reserves for increase of capital stock, allotment of shares or any other ex-right or ex-dividend matters to either M&A Party.

(II) Number of shares issued for stock-for-stock merger
Till the signing date of the agreement, HTC's capital stock totaled 1,175,009,597 shares, with 1,175,009,597 HTC shares involved in the stock-for-stock merger. Calculated by the stock-for-stock ratio, Hirusun's shares issued for the stock-for-stock merger totaled 1,175,009,597 shares.

From the base date of pricing till the date of stock-for-stock merger (both dates included), the number of shares issued for the stock-for-stock merger will be adjusted, subject to occurrence of distribution of cash dividends, stock dividends, transfer of capital reserves for increase of capital stock, allotment of shares or any other ex-right or ex-dividend matters to either M&A Party or occurrence of share buyback and cancellation to HTC.

The number of Hirusun's A-shares issued to each HTC shareholder concerned in the stock-for-stock merger shall be an integer. If the figures of HTC shares held multiplied by stock-for-stock ratio are not an integer, these figures will be sorted by decimal places. And one share will be issued to shareholders in an orderly manner, till actual number of shares for stock-for-stock merger tallies with the planned number of shares issued. If the number of those with the same last decimal places is higher than that of remaining shares, the shares will be randomly issued by computer system, till actual number of shares for stock-for-stock merger tallies with the planned number of shares issued.

(III) Handling of right-restricting Party B's shares

For HTC's shares that have a pledge, are frozen by judiciary, or restricted from transfer by law, such shares shall be converted into Hirusun's shares, and the pledge, judicial freezing or other right-restricting circumstances regarding HTC's shares will remain in force to relevant Hirusun's shares in stock-for-stock merger.

(IV) Listing of shares issued for stock-for-stock merger

Upon the completion of the stock-for-stock merger, all shares issued by Party B (including Party B's relevant shares transferred to the provider of cash-based option) will be converted into A-shares issued by Party A for stock-for-stock merger as agreed upon.

Party A will request for listing and circulating A-shares issued for the stock-for-stock merger on SZSE ChiNext market.

In the merger, matters of equity registration and management which related to A-shares issued by Party A to shareholders concerned for the stock-for-stock merger shall be handled in accordance with relevant resolutions of boards of shareholders of the M&A Parties, merger report and plan, etc.

III. Right of claim for acquisition granted to Party A's dissenting shareholders

To safeguard the interest of Hirusun's shareholders, and mitigate effects of Hirusun's fluctuating stock price on investors upon the merger, Hirusun's dissenting shareholders shall be granted the right of claim for acquisition in the merger in accordance with the Company Law and Articles of Association of Hangzhou Hirusun Technology Inc

(I) Hirusun's dissenting shareholders

Hirusun's dissenting shareholders eligible for exercising the right of claim for acquisition are defined by Hirusun shareholders who give valid dissenting votes against proposals of the merger plan, relevant proposals on terms of voting and proposals of the merger agreement made by and between the M&A Parties at the Hirusun shareholders' meeting convened for the voting of the stock-for-stock merger, and retain shares with the right to dissent till the date of exercising the right of claim for acquisition, while carrying out relevant request procedures within the prescribed time frame.

(II) Provider of right of claim for acquisition

Hangzhou Capital, as the provider of right of claim for acquisition, grants Hirusun's dissenting shareholders the right of claim for acquisition. Hirusun's dissenting shareholders shall no longer claim the right of claim for acquisition to Hirusun or any other Hirusun's shareholders approving the merger. After the transaction is put on file by the CSRC, the provider of right of claim for acquisition gives a pledge to be unconditionally transferred Hirusun's shares held by Hirusun's dissenting shareholders that have successfully requested for exercising the right of claim for acquisition, and to pay appropriate cash consideration to Hirusun's dissenting shareholders by price of right of claim for acquisition on the date of exercising the right of claim for acquisition.

(III) Price of right of claim for acquisition

The price of right of claim for acquisition granted to Hirusun's dissenting shareholders is defined of average trading price of A-shares within 20 trading days (namely, the 20 trading days before the base date of pricing), i.e., RMB 9.56/share.

From the base date of pricing till the date of exercising the stock-for-stock merger (both dates included), the price of right of claim for acquisition will be adjusted subject to Hirusun's distribution of cash dividends, stock dividends, transfer of capital reserves for increase of capital stock, allotment of shares and other ex-right and ex-dividend matters, if any.

(IV) Mechanism for adjusting price of right of claim for acquisition

1. Target of adjustment

The adjustment targets the price of right of claim for acquisition granted to Hirusun's dissenting shareholders.

2. Conditions for validating plan for price adjustment

(1) The competent authority of state-owned assets supervision and administration approves the plan for price adjustment;

(2) Hirusun adopts the plan for price adjustment through deliberation at the shareholders' meeting;

(3) HTC adopts the plan for price adjustment through deliberation at the shareholders' meeting.

3. Period of price adjustment

From the notice date of Hirusun's resolution of the merger adopted at the shareholders' meeting through deliberation till CSRC approves and puts on file the transaction.

4. Triggering conditions

From the notice date of Hirusun's resolution of the transaction at the first board meeting till CSRC approves and puts on file the transaction, Hirusun's board of directors will have the right to convene a meeting for deliberating on whether an adjustment to the price of right of claim for acquisition is needed during the period of price adjustment, in either case below:

A. The daily closing ChiNext index (399006.SZ) for 10

trading days in the minimum within the 20 consecutive trading days drops over 20% from the closing index on the trading day prior to Hirusun's delisting on A-share market; and before the very trading day, Hirusun's daily average trading price on A-share market for 10 trading days in the minimum within the 20 consecutive trading days prior to Hirusun's delisting on A-share market (namely, the 20 trading days prior to the base date of pricing) drops over 20% from Hirusun's average trading price on A-share market; Or alternatively

B. The daily closing Wind IT Service Index (866311.WI) for 10 trading days in the minimum within the 20 consecutive trading days drops over 20% from the closing index on the trading day prior to Hirusun's delisting on A-share market; and before the very trading day, Hirusun's daily average trading price on A-share market for 10 trading days in the minimum within the 20 consecutive trading days prior to Hirusun's delisting on A-share market (namely, the 20 trading days prior to the base date of pricing) drops over 20% from Hirusun's average trading price on A-share market.

5. Adjustment mechanism and base date of price adjustment

Hirusun shall convene a board meeting within time frame of 20 trading days, precisely on the initial date of triggering price adjustment or the effective date of plan for price adjustment, whichever is later, for deliberating on whether to adjust the price of right of claim for acquisition granted to Hirusun's dissenting shareholders in accordance with the plan for price adjustment. During the period of price adjustment, Hirusun will adjust the price of right of claim for acquisition granted to dissenting shareholders for once only. If Hirusun has decided to adjust the price of right of claim for acquisition granted to dissenting shareholders through deliberation at the board meeting and thus re-triggers conditions for price adjustment, no more adjustments will be needed; if Hirusun has decided not to adjust the price of right of claim for acquisition granted to dissenting shareholders through deliberation at the board meeting and re-triggers conditions for price adjustment, no more adjustments will be needed either.

The base date of price adjustment is defined by the trading day that follows the date when Hirusun triggers the conditions as stated above. Upon the adjustment, the price of right of claim for acquisition granted to Hirusun's dissenting shareholders shall the average trading price within 20 trading days prior to the base date of price adjustment.

(V) Execution of right of claim for acquisition

After the transaction is put on file by the CSRC, Hirusun will determine the date of record of exercising the right of claim for acquisition. Hirusun's dissenting shareholders that exercise the right of claim for acquisition may be paid cash consideration by price of right of claim for acquisition by the provider of right of claim for acquisition on the date of exercising the right of claim for acquisition, regarding every single share of Hirusun in valid application. Besides, they shall transfer relevant shares under the name of the provider of right of claim for acquisition. The provider of right of claim for acquisition shall, on the date of exercising the right of claim for acquisition, be transferred all Hirusun's shares by Hirusun's dissenting shareholders for exercising the right of claim for acquisition, and pay cash consideration accordingly.

For exercising the right of claim for acquisition, registered Hirusun's dissenting shareholders shall meet the following conditions:

① Hirusun's shareholders give valid dissenting votes against proposals of the merger plan, relevant proposals on terms of voting and proposals of the merger agreement made by and between the M&A Parties at the Hirusun shareholders' meeting convened for the voting of the stock-for-stock merger; ② Since Hirusun deliberates on the date of record at the shareholders' meeting on the merger, Hirusun's shareholders put on file shall retain shares with the right to dissent till the date of exercising the right of claim for acquisition; ③ relevant request procedures are successfully carried out during the period of request for right of claim for acquisition. Only shareholders that meet the above conditions have the right to request for exercising the right of claim for acquisition, using shares with the right to dissent. If Hirusun's dissenting shareholders sell shares (including but not limited to mandatory deduction of shares by the judiciary) after the date of record is determined at Hirusun's shareholders' meeting on the stock-for-stock merger, their shares in connection with the right of claim for acquisition will decrease accordingly; If Hirusun's dissenting shareholders buy shares after the date of record is determined at Hirusun's shareholders' meeting on the stock-for-stock merger, their shares in connection with the right of claim for acquisition will not increase and even be granted no right of claim for acquisition.

Hirusun's dissenting shareholders put on file that hold the following shares have no right to claim for exercising the right of claim for acquisition using their shares held: ① Right-restricting Hirusun's/HTC's shares, such as shares restricted from transfer owing to any pledge, other third party rights, judicial freezing and other circumstances prescribed by laws or regulations; ② Shares whose lawful holders pledge to waive the right of claim for acquisition to Hirusun in writing;; ③ Other shares which the right of claim for acquisition cannot be exercised in accordance with applicable laws.

Hirusun's dissenting shareholders that have handed over Hirusun's shares as the collateral for securities margin trading shall each transfer Hirusun's shares from their credit guarantee account to their ordinary securities account in the securities company before the date of record of right of claim for acquisition, for exercising the right of claim for acquisition. Hirusun's dissenting shareholders that have carried out the agreed buyback securities trading shall complete procedures for advance buyback in time before the date of record of right of claim for acquisition, for exercising the right of claim for acquisition.

Relevant taxes and dues incurred from exercising the right of claim for acquisition shall be borne by Hirusun's dissenting shareholders that exercise the right of claim for acquisition, provider of right of claim for acquisition and other entities in accordance with related laws, regulations, and stipulations of regulators, and securities depository and clearing agency. If it is not explicitly prescribed by laws, regulations, and stipulations of regulators, and securities depository and clearing agency, it shall be resolved by the parties concerned by reference to market practice through negotiation.

If the merger plan is not ratified or approved by the boards of shareholders of the M&A Parties or related regulators, or government agencies, thus resulting in failed implementation of the merger, Hirusun's dissenting shareholders shall not exercise the right of claim for acquisition, or claim any compensations or indemnities to the M&A Parties.

After the transaction is approved and put on file by the CSRC, Hirusun will otherwise give a notice to Hirusun's dissenting shareholders on details in the plan for the right of claim for acquisition (including but not limited to request for, settlement and delivery of the right of claim for acquisition), and make information disclosure as per laws, regulations and stipulations of SZSE in time.

IV. Cash-based option of Party B's dissenting shareholders

To safeguard the interest of HTC's shareholders, and mitigate effects of HTC's fluctuating stock price on investors upon the merger, HTC's dissenting shareholders shall be granted the cash-based option in the merger in accordance with the Company Law and Articles of Association of Hangzhou Turbine Power Group Co., Ltd.

(I) HTC's dissenting shareholders

HTC's dissenting shareholders eligible for exercising the cash-based option are defined by HTC shareholders who give valid dissenting votes against proposals of the merger plan, relevant proposals on terms of voting and proposals of the merger agreement made by and between the M&A Parties at the HTC shareholders' meeting convened for the voting of the stock-for-stock merger, and retain shares with the right to dissent till the date of exercising the cash-based option, while carrying out relevant request procedures within the prescribed time frame.

(II) Provider of cash-based option

Hangzhou Capital, as the provider of cash-based option, grants HTC's dissenting shareholders the cash-based option. HTC's dissenting shareholders shall not claim the cash-based option to HTC or any other HTC shareholders that approve the merger any longer. After the transaction is put on file by the CSRC, the provider of cash-based option gives a pledge to be unconditionally transferred HTC's shares held by HTC's dissenting shareholders that have successfully requested for exercising the cash-based option, and to pay appropriate cash consideration to HTC's dissenting shareholders by price of cash-based option on the date of exercising the cash-based option.

(III) Price of cash-based option

The price of cash-based option granted to HTC's dissenting shareholders is defined by average trading price of HTC's B-shares within 20 trading days (namely, the 20 trading days before the base date of pricing), i.e., HKD 7.77/share. Converted by the middle rate between RMB and HKD (HKD 1=RMB 0.91496) disclosed by the People's Bank of China on the trading day prior to B-share delisting, i.e., October 25, 2024, the stock price is RMB 7.11/share. From the base date of pricing till the date of exercising the cash-based option (both dates included), the price of cash-based option will be adjusted subject to HTC's distribution of cash dividends, stock dividends, transfer of capital reserves for increase of capital stock, allotment of shares and other ex-right and ex-dividend matters, if any.

(IV) Mechanism for adjusting price of cash-based option

1. Target of adjustment

The adjustment targets the price of cash-based option granted to HTC's dissenting shareholders.

2. Conditions for validating plan for price adjustment

(1) The competent authority of state-owned assets supervision and administration approves the plan for price adjustment;

(2) Hirusun adopts the plan for price adjustment through deliberation at the shareholders' meeting;

(3) HTC adopts the plan for price adjustment through deliberation at the shareholders' meeting.

3. Period of price adjustment

From the notice date of HTC's resolution of the merger adopted at the shareholders' meeting through deliberation till CSRC approves and puts on file the merger.

4. Triggering conditions

From the notice date of HTC's resolution of the transaction at the first board meeting till CSRC approves and puts on file the transaction, HTC's board of directors will have the right to convene a meeting for deliberating on whether an adjustment to the price of cash-based option is needed during the period of price adjustment, in either case below:

A. The daily closing ChiNext index (399106.SZ) for 10 trading days in the minimum within the 20 consecutive trading days drops over 20% from the closing index on the trading day prior to HTC's delisting on B-share market; and before the very trading day, HTC's daily average trading price on B-share market for 10 trading days in the minimum within the 20 consecutive trading days prior to HTC's delisting on B-share market (namely, the 20 trading days prior to the base date of pricing) drops over 20% from HTC's average trading price on B-share market; Or alternatively

B. The daily closing Wind Electric Equipment Industry Index (882210.WI) for 10 trading days in the minimum within the 20 consecutive trading days drops over 20% from the closing index on the trading day prior to HTC's delisting on B-share market; and before the very trading day, HTC's daily average trading price on B-share market for 10 trading days in the minimum within the 20 consecutive trading days prior to HTC's delisting on B-share market (namely, the 20 trading days prior to the base date of pricing) drops over 20% from HTC's average trading price on B-share market.

5. Adjustment mechanism and base date of price adjustment

HTC shall convene a board meeting within time frame of 20 trading days, precisely on the initial date of triggering price adjustment or the effective date of plan for price adjustment, whichever is later, for deliberating on whether to adjust the price of cash-based option granted to HTC's dissenting shareholders in accordance with the plan for price adjustment. During the period of price adjustment, HTC will adjust the price of cash-based option granted to dissenting shareholders for once only. If HTC has decided to adjust the price of cash-based option granted to dissenting shareholders through deliberation at the board meeting and thus re-triggers conditions for price adjustment, no more adjustments will be needed; if HTC has decided not to adjust the price of cash-based option granted to dissenting shareholders through deliberation at the board meeting and re-triggers conditions for price adjustment, no more adjustments will be needed either.

The base date of price adjustment is defined by the trading day that follows the date when HTC triggers the conditions as stated above. Upon the adjustment, the price of cash-based option granted to HTC's dissenting shareholders shall be the average trading price within 20 trading days prior to the base date of price adjustment.

(V) Execution of cash-based option

After the transaction is put on file by the CSRC, HTC will determine the date of record of exercising the cash-based option. HTC's dissenting shareholders that exercise the cash-based option may be paid cash consideration by price of cash-based option by the provider of cash-based option on the date of exercising the cash-based option, regarding every single share of HTC in valid application. Besides, they shall transfer relevant shares under the name of the provider of cash-based option. The provider of cash-based option shall, on the date of exercising the cash-based option, be transferred all HTC's shares by HTC's dissenting shareholders for exercising the cash-based option, and pay cash consideration accordingly. The provider of cash-based option shall proportionally convert all HTC shares held into A-shares issued by Hirusun for the stock-for-stock merger via the cash-based option transferred, on the date of exercising the merger plan.

For exercising the cash-based option, registered HTC's dissenting shareholders shall meet the following conditions: ① HTC's shareholders give valid dissenting votes against proposals of the merger plan, relevant proposals on terms of voting and proposals of the merger agreement made by and between the M&A Parties at the HTC shareholders' meeting convened for the voting of the stock-for-stock merger; ② Since HTC deliberates on the date of record at the shareholders' meeting on the merger, HTC's shareholders put on file shall retain shares with the right to dissent till the date of exercising the cash-based option; ③ relevant request procedures are successfully carried out during the period of request for cash-based option.

Only shareholders that meet the above conditions have the right to request for exercising the cash-based option, using shares with the right to dissent. If HTC's dissenting shareholders sell shares (including but not limited to mandatory deduction of shares by the judiciary) after the date of record is determined at HTC's shareholders' meeting on the stock-for-stock merger, their shares in connection with the cash-based option will decrease accordingly; If HTC's dissenting shareholders buy shares after the date of record is determined at HTC's shareholders' meeting on the stock-for-stock merger, their shares in connection with the cash-based option will not increase and even be granted no cash-based option.

HTC's dissenting shareholders put on file that hold the following shares have no right to claim for exercising the cash-based option using their shares held: ① Right-restricting HTC's shares, such as shares restricted from transfer owing to any pledge, other third party rights, judicial freezing and other circumstances prescribed by laws or regulations; ② Shares whose lawful holders pledge to waive the cash-based option to HTC in writing;; ③ Other shares which the cash-based option cannot be exercised in accordance with applicable laws. The shares with no right to claim for cash-based option will be proportionally converted into shares issued by Hirusun on the date of stock-for-stock merger.

HTC's dissenting shareholders that have handed over HTC's shares as the collateral for securities margin trading shall each transfer HTC's shares from their credit guarantee account to their ordinary securities account in the securities company before the date of record of cash-based option, for exercising the cash-based option. HTC's dissenting shareholders that have carried out the agreed buyback securities trading shall complete procedures for advance buyback in time before the date of record of right of claim for acquisition, for exercising the cash-based option.

Relevant taxes and dues incurred from exercising the cash-based option shall be borne by HTC's dissenting shareholders that exercise the cash-based option, provider of cash-based option and other entities in accordance with related laws, regulations, and stipulations of regulators, and securities depository and clearing agency. If it is not explicitly prescribed by laws, regulations, and stipulations of regulators, and securities depository and clearing agency, it shall be resolved by the parties concerned by reference to market practice through negotiation.

If the merger plan is not ratified or approved by the boards of shareholders of the M&A Parties or related regulators, or government agencies, thus resulting in failed implementation of the merger, HTC's dissenting shareholders shall not exercise the cash-based option, or claim any compensations or indemnities to the M&A Parties.

After the transaction is approved and put on file by the CSRC, HTC will otherwise give a notice to HTC's dissenting shareholders on details in the plan for the cash-based option (including but not limited to request for, settlement and delivery of the cash-based option), and make information disclosure as per laws, regulations and stipulations of SZSE in time.

V. Arrangement in the interim period

During the interim period, for the sake of smooth business transition, if either party requests for cooperation of other party (including but not limited to providing relevant materials, issuing a statement, jointly filing in a request to the competent authority, etc.), if necessary, the other party shall actively give cooperation.

During the interim period, the M&A Parties shall urge all affiliates thereof to: (1) make sustainable and independent operation in line with prior operation management and business practice, and conduct no abnormal transactions or incur no abnormal liabilities in the normal business course; (2) use the best endeavor to retain good condition of all assets in the main business, and continuously get well along with competent government agencies, customers, employees and other related parties; (3) prepare, sort out and keep respective documents and materials, and pay relevant taxes and dues in time.

During the interim period, either M&A Party shall take the initiative to cope with the other party's reasonable requests, and furnish the other party with relevant assets, financial books, minutes of meetings, major credit and debt documents, etc. If either party requests for cooperation of other party (including but not limited to providing relevant materials, issuing a statement, jointly filing in a request to the competent authority, etc.), if necessary, the other party shall actively give cooperation.

VI. Arrangement on the transfer or delivery of the transaction-related assets

(I) Delivery condition

After this agreement comes into force, the merger will be delivered on the delivery date. The M&A Parties shall fulfill the obligation of delivery specified in this agreement and sign a document for validating the asset delivery on the delivery date.

(II) Asset delivery

As from the delivery date, the ownership of HTC's all assets (including but not limited to properties, trademarks, patents, franchises, works in process and other assets) and relevant rights, benefits, liabilities and obligations will be attributable to Hirusun. HTC agrees to assist Hirusun in handling HTC's all formal assets (concerning any assets, special procedures are prescribed by law for the granting or transfer of rights of such assets or rights in connection with such assets as from the delivery date, including but not limited to procedures for transfer of land, property, vehicle/ship, trademarks, patents from HTC to Hirusun. Failure to perform formal handover procedures for reasons attributable to procedures for alteration of registration will not affect Hirusun's asset-related rights and obligations.

Upon the completion of the merger, held shares of affiliates of HTC will be attributable to the surviving company, and relevant affiliates will be altered and put on file under the name of the surviving company. HTC's affiliates (if any) will be attributable to the surviving company, altered and put on file as affiliates of the surviving company.

(III) Debt inheritance

Except for liabilities repaid in advance within statutory period at request of creditors, all outstanding liabilities of the M&A Parties shall be inherited by Hirusun as from the delivery date in the merger.

(IV) Contract inheritance

As from the delivery date in the stock-for-stock merger, the subject of all contracts/agreements in force concluded by HTC with relevant rights, obligations and benefits will be altered from HTC to Hirusun.

(V) Handover of materials

HTC shall, on the delivery date, hand over all the materials and seal impressions of its bank account opened, and all its seals to Hirusun. HTC shall, as from the delivery date, hand over any and all documents which may make a difference in Hirusun's subsequent operation to Hirusun.

(VI) Transfer of shares

Hirusun shall, on the date of stock-for-stock merger, put on file A-shares issued to HTC shareholders as consideration for the merger under the name of HTC shareholders. HTC shareholders shall become Hirusun shareholders immediately after the newly increased shares are put on file under their name.

VII. Handling of transaction-related credit and debt

As from the delivery date, Hirusun will inherit and take on all HTC's assets, liabilities, businesses, human resources, contracts and all the other rights and obligations.

Pursuant to relevant laws and regulations, Hirusun and HTC will carry out procedures of notification and announcement to creditors, and depending on requirements raised by respective creditors within statutory period, repay the debt in advance or otherwise provide guarantee for respective creditors, or urge third party to do so. Within the statutory period, if relevant creditors make no claim for repaying the debt in advance or providing guarantee to the M&A Parties, related outstanding debt will be borne by Hirusun upon the completion of the stock-for-stock merger.

VIII. Placement of employees

From the date of closing, the labor contracts of all employees of Hirusun will continue to be performed by the surviving company, and the labor contracts of all employees of HTC will be inherited and continued to be performed by the surviving company. All the rights and obligations of HTC as the employer of its existing employees will be enjoyed and assumed by the surviving company from the date of the merger and acquisition.

Before convening the shareholders' meeting for deliberating on the merger, the M&A Parties shall separately convene a congress of workers and staff or workers' congress for deliberating on the plan for placement of employees concerned in the merger.

IX. Validation and termination of this agreement

(I) Validation of agreement

This agreement shall come into force immediately after being signed and affixed with respective official seals by the parties, with all prerequisite stated below are met:

1. Hirusun's board of directors and board of shareholders separately approve the formal plan for the stock-for-stock merger;

2. HTC's board of directors and board of shareholders separately approve the formal plan for the stock-for-stock merger;

3. With consent of Hirusun's board of shareholders, Hangzhou Capital will be exempted from increasing shares of Hirusun by means of offer;

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