

Stock Code: 300277

Stock ID: Hirisun

Listed on: Shenzhen Stock
Exchange (SZSE)

Stock Code: 200771

Stock ID: Hangqilun B

Listed on: Shenzhen Stock
Exchange (SZSE)

Hangzhou Hirisun Technology Incorporated
Stock-for-stock Merger of Hangzhou Turbine Power Group Co., Ltd.
& Summary of the Related Party Transaction Report (Draft)

Acquirer



Hangzhou Hirisun Technology Incorporated.

Room 206-6, Dongqing Building, No. 60, Qingchun Road,
Gongshu District, Hangzhou City, Zhejiang Province

**Independent Financial Advisor to the
Merging Party**



Acquiree



Hangzhou Turbine Power Group Co., Ltd.

Building 1, No. 608, Kangxin Road, Linping District, Hangzhou
City, Zhejiang Province

**Independent Financial Advisor to the
Merged Party**



April 2025

Company Statement

I. The M&A Parties and all directors, supervisors and senior executives thereof give a pledge on the authenticity, accuracy and integrity of the plan and abstract thereof, and bear legal liability for false records, misleading statements or major omissions therein, if any.

II. The dominant shareholders and all directors, supervisors and senior executives of the M&A Parties make a commitment, If the transaction is investigated by judicial authorities or investigated by the China Securities Regulatory Commission due to the suspected false records, misleading statements or major omissions in the information disclosed or provided by the company/person, before the conclusion of the investigation, the company/person shall not transfer the shares directly and indirectly owned by Hirisun and HTC, and shall submit the written application for suspension of transfer and the stock account to the board of directors of Hirisun and HTC within two trading days after receiving the notice of investigation, and the board of directors of Hirisun and HTC shall apply for locking on behalf of the company/person to the stock exchange and securities registration and settlement institution; if the locking application is not submitted within two trading days, the board of directors of Hirisun and HTC shall be authorized to directly report the company/person's identity information and account information to the stock exchange and securities registration and settlement institution after verification and apply for locking; if the board of directors of Hirisun and HTC fails to report the company/person's identity information and account information to the stock exchange and securities registration and settlement institution, the stock exchange and securities registration and settlement institution shall be authorized to directly lock the relevant shares. If the investigation conclusion finds that there are illegal and irregular circumstances, the company/person promises to lock the shares voluntarily for the compensation arrangement of relevant investors.

III. Upon the completion of the transaction, the Surviving Company shall be solely held accountable for any changes to their operations and revenues, while investment risks thus incurred shall be borne by investors. The investors shall consult with their own stock brokers, attorneys, accountants or other advisors, if they have any questions about the plan and abstract thereof.

All shareholders and public investors are advised to carefully read all information disclosure documents related to this transaction and make prudent investment decisions. When evaluating the matters related to this transaction, in addition to the content of this report and its summary as well as the simultaneously disclosed relevant documents, investors shall also carefully consider the various risk factors disclosed in this report and its summary.

IV. The transaction-related matters stated in the Report and abstract thereof do not represent substantial judgment, acknowledgment or approval of the CSRC, SZSE and other regulators on the transaction-related matters; nor shall they indicate the pledge of the CSRC and SZSE on the authenticity, accuracy or integrity on the plan and abstract thereof. The validation and completion of the transaction-related matters specified in this plan and abstract thereof are yet to be verified, approved or registered by the boards of the M&A Parties, SZSE, CSRC and other approval authorities. Any decisions or opinions made by the approval authorities regarding the

transaction-related matters are not indicative of substantial judgment or guarantee on the value of investment or return of investors from shares of the M&A Parties or the Surviving Company.

Statement by Securities Service Institutions

The securities service institutions involved in this transaction have consented to the reference of its provided documents and materials in this report and its summary. The relevant securities service institutions have reviewed the referenced content in this report and its summary and confirm that the report and its summary will not contain any false records, misleading statements, or material omissions due to such references. They will bear corresponding legal liabilities for the authenticity, accuracy, and completeness of the information.

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Chapter I Overview of Transaction

Definitions

In the summary of this report, unless the context otherwise requires, the following abbreviations shall have the meanings set forth below:

This report, Restructuring Report, Share Swap Merger Report	Refers to	Stock-for-stock Merger of Hangzhou Turbine Power Group Co., Ltd. & Related Party Transaction Report of Hangzhou Hirisun Technology Incorporated
Summary, Summary of this Report	Refers to	Stock-for-stock Merger of Hangzhou Turbine Power Group Co., Ltd. & Summary of the Related Party Transaction Report of Hangzhou Hirisun Technology Incorporated
Acquiring Party, Acquirer, Hirisun	Refers to	Hangzhou Hirisun Technology Inc., formerly known as Shenzhen Hirisun Technology Inc., Shenzhen Hirisun Technology Co., Ltd., Hirisun Information Network Technology (Shenzhen) Co., Ltd.
Acquired Party, Acquiree, HTC	Refers to	Hangzhou Turbine Power Group Co., Ltd. , formerly known as Hangzhou Turbine Co., Ltd.
M&A Parties, Parties	Refers to	Hirisun and HTC
Stock-for-stock Merger, Merger, Restructuring, Transaction	Refers to	The transaction in which Hirisun issues A-shares to all HTC shareholders, for the purpose of stock-for-stock merger of HTC
Surviving Company	Refers to	Hirisun upon the completion of stock-for-stock merge, The surviving company will subsequently change its company name
Hangzhou Capital	Refers to	Hangzhou State-owned Capital Investment and Operation Co., Ltd.
Hangzhou Financial Investment (HFI)	Refers to	Hangzhou Financial Investment Group Co., Ltd.
State-owned Assets Supervision and Administration Commission of Hangzhou	Refers to	State-owned Assets Supervision and Administration Commission of Hangzhou Municipal Government
State-owned Assets Supervision and Administration Commission of Zhejiang	Refers to	State-Owned Assets Supervision and Administration Commission of the People's Government of Zhejiang Province
Turbine Holdings	Refers to	Hangzhou Turbine Co., Ltd., formerly known as Hangzhou Turbine Power Group Co., Ltd., and Hangzhou Turbine Power (Group) Co., Ltd.
Hangzhou Qitong	Refers to	Hangzhou Qitong Equity Investment Partnership (LP)
Machinery Company	Refers to	Hangzhou Steam Turbine Machinery Equipment Co., Ltd.
Guoneng Company	Refers to	Hangzhou Guoneng Steam Turbine Engineering Co., Ltd.
Packaged Tech. Co.	Refers to	Zhejiang Steam Turbine Packaged Technology Development Co., Ltd.
Machinery Co.	Refers to	Hangzhou Steam Turbine Machinery Equipment Co., Ltd.
Huayuan Company	Refers to	Zhejiang Huayuan Steam Turbine Machinery Co., Ltd.
Turbine Co.	Refers to	Zhejiang Turbine Import & Export Co., Ltd.
Zhongrun Company	Refers to	Gas Turbine Technology Co., Ltd
Zhongneng Company	Refers to	Hangzhou Zhongneng Turbine Machinery Equipment Co., Ltd., formerly known as Hangzhou Thermal Energy Power Company
Hangfa Company	Refers to	Hangzhou Hangfa Power Generation Equipment Co., Ltd.
Indonesia Company	Refers to	Hangzhou Zhongneng Turbine Power (Indonesia) Co., Ltd.

Casting Company	Refers to	Hangzhou Steam Turbine Casting Co., Ltd.
Anhui Casting Company	Refers to	Anhui Hangqi Casting Technology Co., Ltd.
New Energy Company	Refers to	Hangzhou Steam Turbine New Energy Co., Ltd., formerly known as Hangzhou Steam Turbine Engineering Co., Ltd.
Ranchuang Company	Refers to	Zhejiang Ranchuang Turbine Machinery Co., Ltd.
Western Power	Refers to	Pengzhou Western Power Blue Technology Co., Ltd.
Sales Company	Refers to	Hangzhou Steam Turbine Sales Service Co., Ltd.
Industry and trade company	Refers to	Hangzhou Steam Turbine Industry and trade Co., Ltd
China mechanical and Electrical Institute	Refers to	China mechanical and Electrical Institute -HSTG (Hangzhou) United Institutes Co., Ltd
Stock-for-stock Shareholders or Targets	Refers to	All shareholders registered at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (CSDC) after closing on the date of record of stock-for-stock merger
Stock-for-stock	Refers to	The act in which shareholders proportionally convert HTC shares held into A-shares issued by Hirisun for the stock-for-stock merger
Hirisun's Dissenting Shareholders	Refers to	Hirisun shareholders who give valid dissenting votes against proposals of the merger plan and proposals of the merger agreement made by and between the parties at the Hirisun 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 declaration procedures within the prescribed timeframe
HTC's Dissenting Shareholders	Refers to	HTC shareholders who give valid dissenting votes against proposals of the merger plan and proposals of the merger agreement made by and between the 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 declaration procedures within the prescribed timeframe
Right of Claim for Acquisition	Refers to	The right conferred to HTC's dissenting shareholders in the stock-for-stock merger. HTC's dissenting shareholders that declare exercising the right may require the provider of cash-based option to be transferred HTC's shares in whole or part within period of declaration, by means of cash
Cash-based Option	Refers to	The right conferred to HTC's dissenting shareholders in the stock-for-stock merger. HTC's dissenting shareholders that declare exercising the right may require the provider of cash-based option to be transferred HTC's shares in whole or part within period of declaration, by means of cash
Provider of Claim for Acquisition	Refers to	Hangzhou Capital – In this transaction, Hangzhou Capital will provide claim for acquisition to dissenting shareholders of Hirisun
Cash Option Provider	Refers to	Hangzhou Capital – In this transaction, Hangzhou Capital will provide cash option to the dissenting shareholders of HTC
Reporting period for right of claim for acquisition	Refers to	Hangzhou Capital, in this transaction, Hangzhou Capital provides the cash option to Hangzhou Turbine's dissenting shareholders
Reporting period for cash-based option	Refers to	HTC's dissenting shareholders may request for a period for exercising related cash-based option, during which, the M&A Parties shall otherwise determine and announce through negotiation
Date of Exercising the Right of Claim for Acquisition	Refers to	On the very day, the provider of right of claim for acquisition shall be transferred shares of Hirisun's dissenting shareholders in whole or part for exercising the right of claim for acquisition, while paying cash consideration to such dissenting shareholders. The date will be otherwise agreed upon by the parties of the merger through negotiation and made public
Date of Exercising Cash-based Option	Refers to	On the very day, the provider of cash-based option shall be transferred shares of HTC's dissenting shareholders in whole or part for exercising the cash-based option, while paying cash consideration to such dissenting shareholders. The date will be otherwise agreed upon by the parties of the merger through negotiation and made public

Ratio of Stock-for-stock Merger	Refers to	The number of A-shares issued by Hirisun per HTC share exchanged in the stock-for-stock merger
Date of record of stock-for-stock merger	Refers to	On the very day, all HTC shareholders registered at the securities depository and clearing agency (including the provider of cash-based option registered at the securities depository and clearing agency on the day) shall proportionally convert HTC shares held into A-shares issued by Hirisun in whole. The date will be otherwise agreed upon by the parties of the merger through negotiation and made public
Date of Stock-for-stock Merger, Date of Exercising Stock-for-stock Merger	Refers to	On the very day, shareholders shall proportionally convert all HTC shares held into A-shares issued by Hirisun. The date will be otherwise agreed upon by the parties of the merger through negotiation and made public
Delivery Date	Refers to	Date of exercising stock-for-stock merger or any other date otherwise agreed upon by the parties
Base Date for Pricing the Stock-for-stock Merger, Base Date for Pricing	Refers to	The notice date of the first board resolution of Hirisun and HTC for deliberation of the transaction-related matters
Average Price of Stock Transaction, Average Price of Transaction	Refers to	Total amount/volume of stock transactions within some trading days, with distribution of cash dividends or stock dividends, capital reserves converted into capital stock, allotment of shares, and other ex-right or ex-dividend adjustments incurred during the period
Agreement on Stock-for-stock Merger, Merger Agreement	Refers to	Agreement on Stock-for-stock Merger between Hangzhou Hirisun Technology Inc. and Hangzhou Turbine Power Group Co., Ltd.
Interim Period	Refers to	The period between the signing date of agreement on stock-for-stock merger
Completion Date of Merger	Refers to	The date on which the Surviving Company completes relevant procedures for change of industrial and commercial registration regarding the stock-for-stock merger or the date on which HTC completes procedures for cancellation of industrial and commercial registration, whichever is later
Engine and turbine project	Refers to	Aero engine and steam turbine projects
State Council	Refers to	State Council of the People's Republic of China
Carbon Peaking and Carbon Neutrality Policy	Refers to	China's carbon emission reduction targets of "achieving carbon peaking by 2030 and carbon neutrality by 2060"
Dongfang Electric	Refers to	Dongfang Electric Co., Ltd
Shanghai Electric	Refers to	Shanghai Electric Group Co., Ltd.
Harbin Electric	Refers to	Harbin Electric Group Co., Ltd.
Nanjing Turbine	Refers to	Nanjing Turbine & Electric Machinery (Group) Co., Ltd.
Guanghan Gas Turbine	Refers to	CSIC Longjiang GH Gas Turbine Co., Ltd.
Huadian GE	Refers to	Huadian GE Aero Gas Turbine Equipment Co.,Ltd.
Mitsubishi Heavy Industries	Refers to	Mitsubishi Heavy Industries, Ltd.
Siemens Energy	Refers to	Siemens Energy AG and Its Subsidiary
Siemens Energy Germany	Refers to	Siemens Energy Global GmbH & Co. KG

Siemens Energy Sweden	Refers to	Siemens Industrial Turbomachinery AB (Later renamed“Siemens Energy AB”)
GE Vernova	Refers to	GE Vernova LLC
CUGT	Refers to	China United Gas Turbine Technology., Ltd.
MAN Energy	Refers to	MAN Energy Solutions SE
Zhiyang Innovation	Refers to	Zhiyang Innovation Technology Co., Ltd.
Ligong Energy Technology	Refers to	Ningbo Ligong Environment and Energy Technology Co., Ltd.
Longshine Group	Refers to	Longshine Technology Group Co., Ltd.
Ygsoft	Refers to	YGsoft Inc.
Zeyu Intelligent	Refers to	Jiangsu Zeyu Intelligent Electric Power Co.,Ltd.
Dareway	Refers to	Dareway Software Co.,Ltd.
SGIT	Refers to	State Grid Information & Telecommunication Co., Ltd.
HopeRun Software	Refers to	Jiangsu HopeRun Software Co., Ltd.
Henghua Technology	Refers to	Beijing Henghua Weiye Technology Co., Ltd.
Jinxiandai	Refers to	Jinxiandai Information Industry Co.,Ltd.
HSC Technology	Refers to	Beijing E-Techstar Co.,Ltd
Bank of Hangzhou	Refers to	Bank of Hangzhou Co., Ltd. (600926.SH)
Competent Authority of State-owned Assets Supervision and Administration	Refers to	Agency of state-owned assets supervision and administration with authority for approval of the transaction
CSRC, SRC	Refers to	China Securities Regulatory Commission
National Development and Reform Commission	Refers to	National Development and Reform Commission of the People's Republic of China
SZSE, Exchange	Refers to	Shenzhen Stock Exchange
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
Measures for the Administration of Restructuring	Refers to	Measures for the Administration of Material Asset Restructuring by Listed Companies
Administrative Measures for Initial Registration	Refers to	Administrative Measures for Initial Registration of Public Offerings of Shares
Listing rules	Refers to	Listing Rules of Shenzhen Stock Exchange
GEM Listing Rules	Refers to	GEM Listing Rules of Shenzhen Stock Exchange,
Rules No.26	Refers to	Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.26 - Material Asset Restructuring of Listed Companies
No. 57 Standard	Refers to	No. 57 Standard for the Content and Format of Information Disclosure by Companies Offering Securities to the Public - Prospectus
No. 9 Regulatory Guideline	Refers to	No. 9Regulatory Guidelinefor Listed Companies – Regulatory Requirements for Listed Companies to Plan and Implement Major Asset Restructuring
GEM Continuous Supervision Measures	Refers to	Measures for the Continuous Supervision of GEM Listed Companies (Trial)

SZSE Restructuring Review Rules	Refers to	Shenzhen Stock Exchange Rules for Reviewing Major Asset Restructuring of Listed Companies
GEM Interim Provisions	Refers to	Shenzhen Stock Exchange Interim Provisions on Application and Recommendation for Issuance and Listing of GEM Enterprises
CITIC Securities, Independent Financial Advisor for the Merging Party, Valuation Institution for the Merging Party	Refers to	CITIC Securities, Co., Ltd.
China Securities, Independent Financial Advisor for the Merged Party, Valuation Institution for the Merged Party	Refers to	China Securities Co., Ltd.
Grandall Law Firm, Legal Counsel for the Merging Party	Refers to	Grandall Law (Hangzhou) Firm
T&C Law Firm - Legal Counsel for the Merged Party	Refers to	Zhejiang Tiance Law Firm
Pan-China, Pan-China CPAs, Auditing Institution for the Merged Party	Refers to	Pan-China Certified Public Accounts LLP
Valuation Report	Refers to	Valuation Report by CITIC Securities Company Limited on the Share Swap Merger Between Hangzhou Hirisun Technology Incorporated and Hangzhou Turbine Power Group Co., Ltd. and Its Related-Party Transaction, Valuation Report by China Securities Co., Ltd. on the Share Swap Merger Between Hangzhou Hirisun Technology Incorporated and Hangzhou Turbine Power Group Co., Ltd. and Its Related-Party Transaction
Pro Forma Audit Report	Refers to	Pro Forma Audit Report on Consolidated Financial Statements of Hangzhou Hirisun Technology Incorporated issued by Pan-China CPAs
Reporting Period	Refers to	2022, 2023 and 2024
Yuan, Ten Thousand Yuan, One Hundred Million Yuan	Refers to	RMB Yuan, RMB Ten Thousand Yuan, RMB One Hundred Million Yuan
HKD, Hong Kong dollar	Refers to	Legal tender in Hong Kong

Note: In the summary of this report, some totals may differ from sums of all figures added up by mantissa, owing to rounding off.

Notification of material matters

The investors are strongly recommended to carefully read full text of this summary report and pay special attention to what's follows:

I. Overview of the transaction plan

The restructuring and integration of HTC and Hirisun through share exchange and absorption merger is an important measure to implement the guiding ideology of the CPC Central Committee and the State Council to deepen the reform of state-owned enterprises, which will help improve the industrial layout of state-owned listed companies, improve asset quality and operational efficiency, and realize the preservation and appreciation of state-owned assets. Meanwhile, the Transaction is also a positive response to the State Council and the China Securities Regulatory Commission to encourage mergers and acquisitions and mergers between listed companies, which will help promote the internal quality of listed companies, shape the image externally, improve the asset quality and operational efficiency of listed companies, thereby enhancing the sustainable profitability of listed companies and enhancing the investment value of listed companies.

Transaction form		Merger by absorption	
Summary of the Transaction Plan		The specific method of this transaction is as follows: Hirisun will conduct share swap merger to HTC by issuing A-shares, while Hirisun being the merging party, and HTC being the merged party. That is, Hirisun will issue A-shares to all shareholders of HTC in exchange for their shares in HTC. Upon completion of this share swap merger, HTC will delist and terminate its legal entity status, and Hirisun will succeed to and assume all assets, liabilities, businesses, personnel, contracts, and all other rights and obligations of HTC. The A-shares issued by Hirisun in connection with this share swap merger will apply for listing and trading on the <i>GEM market</i> of the Shenzhen Stock Exchange.	
Merging Party	Name of company	Hangzhou Hirisun Technology Incorporated	
	Main business	System integration, software development and sales, technical and consulting services	
	Industry	Software and information technology services	
	Share swap price (issue price)	RMB 9.56 per share	
		Whether a share swap price adjustment mechanism is adopted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	Pricing principles	<p>The pricing benchmark date for this share swap merger is the announcement date of the first board resolution of both parties regarding this merger. Taking into account historical stock prices, operating performance, market capitalization, and other factors, and in accordance with the relevant provisions of the <i>Administrative Measures on Major Asset Restructuring of Listed Companies</i>, the share swap price for Hirisun in this share swap merger is determined as RMB 9.56 per share, based on the average trading price of its shares over the 20 trading days preceding the pricing benchmark date. The average trading price of HTC's shares over the 20 trading days preceding the pricing benchmark date was HKD 7.77 per share. Using the RMB/HKD central parity rate published by the People's Bank of China on the last trading day before HTC's trading suspension (i.e. on October 25, 2024, 1 HKD = RMB 0.91496), this converts to RMB 7.11 per share. The final share swap price for HTC is determined by applying a 34.46% premium to this price. Thus, the share swap price for HTC = HTC's average trading price × (1 + premium rate) = RMB 9.56 per share. The number of Hirisun shares that can be obtained per HTC share = HTC's share swap price / Hirisun's share swap price. Based on the above formula, the share swap ratio between HTC and Hirisun is 1:1, meaning that each 1 share of HTC can be exchanged for 1 share of Hirisun.</p>	
Merged Party	Pricing principles	Hangzhou Turbine Power Group Co., Ltd.	
	Name of company	Design and manufacturing of industrial steam turbines, gas turbines, and other rotating industrial turbine machinery	
	Industry	General equipment manufacturing	
	Share swap price/Transaction price	RMB 9.56 per share	
		Whether a share swap price adjustment mechanism is adopted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Pricing principles	Refer to the "Merging Party" pricing principles	
Relationship Between the Merging Party and the Merged Party		The ultimate controlling shareholder of both the merging party (Hirisun) and the merged party (HTC) is the State-owned Assets Supervision and Administration Commission of Hangzhou Municipal Government	
Evaluation/Valuation Information	Evaluation/Valuation Subject	Merging Party	Merged Party
	Evaluation/Valuation method	Market approach	Market approach
	Base date	Same as the pricing benchmark date of this merger, i.e. the announcement date of the first board resolution of Hirisun regarding this transaction	Same as the pricing benchmark date of this merger, i.e. the announcement date of the first board resolution of HTC regarding this transaction
	Valuation conclusion report	The valuation report concludes that this transaction is with reasonable valuation and fair pricing	The valuation report concludes that this transaction is with reasonable valuation and fair pricing
Price of Claim for Acquisition for Dissenting Shareholders of Merging Party		The cash option price for dissenting shareholders of Hirisun is set at the average trading price of Hirisun's A-shares over the 20 trading days prior to the trading suspension (i.e. the 20 trading days preceding the pricing benchmark date), which is RMB 9.56 per share	

	Whether a cash option price adjustment mechanism is adopted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Cash Option Price for Dissenting Shareholders of Merged Party	The cash option price for dissenting shareholders of HTC is set at the average trading price of HTC's B-shares over the 20 trading days prior to the trading suspension (i.e. the 20 trading days preceding the pricing benchmark date), which is HKD 7.77 per share. Using the RMB/HKD central parity rate published by the People's Bank of China on the last trading day before HTC's B-share suspension (i.e. on October 25, 2024, 1 HKD = RMB 0.91496), this converts to RMB 7.11 per share	
	Whether a cash option price adjustment mechanism is adopted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Lock-up Period Arrangement for Shares	<p>With respect to both the shares of Hirisun acquired by Hangzhou Capital, the controlling shareholder of Hirisun, through this transaction and the shares of Hirisun held prior to this transaction, The Hangzhou Capital shall not transfer or entrust others to manage such shares in any manner, nor shall Hirisun repurchase such shares for a period of thirty-six months commencing from the listing date of the newly-issued shares of Hirisun on the Shenzhen Stock Exchange.</p> <p>With respect to the shares of Hirisun acquired by Steam Turbine Holdings, the controlling shareholder of HTC through this transaction, the Turbine Holdings shall not transfer or entrust others to manage such shares in any manner, nor shall Hirisun repurchase such shares for a period of thirty-six (36) months commencing from the completion date of the issuance of Hirisun's newly-issued shares on the Shenzhen Stock Exchange.</p>	
Whether there are performance compensation commitments in this transaction		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Whether there are impairment compensation commitments in this transaction		<input type="checkbox"/> yes <input checked="" type="checkbox"/> No
Whether this transaction complies with the CSRC's requirements on sector positioning		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the Merging Party and the Merged Party belong to the same industry or upstream/downstream sectors		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Whether the Merging Party and the Merged Party have synergistic effects		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Other matters requiring special explanation	N/A	

II. Payment Method and Specific Plan for the Share Swap Merger

1. Both parties of share exchange and merger

The merger party of this share exchange absorption merger is Hirisun, and the absorbed merger party is HTC.

2. Method of share exchange and absorption merger

Hirisun will issue A shares as consideration to all the share exchange shareholders of HTC, and absorb and merge HTC through share exchange, and the shares held by all the shareholders of HTC will be converted into A shares of Hirisun in accordance with the share exchange ratio.

As the merger party and surviving company of this merger, Hirisun will inherit and undertake all the assets, liabilities, business, personnel and all other rights and obligations of HTC; As the merged party of this merger, HTC will terminate its listing and cancel its legal personality.

3. The type and par value of the shares to be issued in exchange for shares

The type of shares issued by Hirisun as a result of this merger is domestically listed RMB ordinary shares (A shares), with a par value of 1.00 yuan per share.

4. The object of the share exchange and the registration date of the merger

The issuance object of this merger is all shareholders of HTC registered after the market close on the equity registration date of the merger implementation, that is, on the equity registration date of the implementation of the merger, the shareholders of HTC who have not declared, partially declared, have no right to declare or invalidly declare the exercise of the cash option, as well as the provider of the cash option (if it has actually paid cash consideration to the shareholders who exercise the cash option and transferred the shares of HTC), and all the shares held by the share exchange object will be converted into A shares issued by Hirisun due to the merger in accordance with the share exchange ratio.

The board of directors of the two parties will separately negotiate and announce the equity registration date for the implementation of the merger after the transaction is approved by the Shenzhen Stock Exchange (hereinafter referred to as the "Shenzhen Stock Exchange") and the China Securities Regulatory Commission agrees to register.

5. The exchange price and the exchange ratio

The pricing benchmark date of the merger is the date of the announcement of the first board resolution of the two parties. Taking into account factors such as historical stock price, operating performance, market capitalization, etc., in accordance with the relevant provisions of the "Restructuring Management Measures", and after negotiation between the two parties of the merger, the exchange price of Hirisun is determined to be 9.56 yuan per share according to the average stock trading price of the 20 trading days before the pricing benchmark date. The average stock trading price of HTC is HK\$7.77 per share according to the average stock trading price of 20 trading days before the pricing benchmark date, which is equivalent to RMB 7.11 per share by converted according to the median price of RMB to Hong Kong dollar announced by the People's Bank of China on October 25, 2024 (HK\$1 = RMB 0.91496) that is the trading day before HTC share suspension.

It's finally determined that the exchange price of HTC is to give a premium of 34.46% on this basis, and the exchange price of HTC = the average trading price of HTC * (1 + premium rate) = 9.56 yuan / share, and the number of shares of Hirisun that can be exchanged for each 1 share of HTC = the exchange price of HTC / the exchange price of Hirisun. According to the above formula, the exchange ratio between HTC and Hirisun is 1:1, that is, every 1 share of HTC can be exchanged for 1 shares of Hirisun share.

From the pricing benchmark date of the merger to the implementation date of the share exchange (both dates inclusive), the share exchange ratio shall not be adjusted under any other circumstances, except for the distribution of cash dividends, stock dividends, capital reserve conversion to share capital, allotment and other ex-rights and dividends by either party to the merger, or in the event that the exchange price needs to be adjusted in accordance with the requirements of relevant laws, regulations or regulatory authorities.

6. The number of shares to be issued in exchange for shares

As of the signing date of this summary report, the total share capital of HTC is 1,174,946,885¹ shares², and the shares of HTC participating in this share exchange are 1,174,946,885 shares. Calculated with reference to the share exchange ratio, the total number of shares issued by Hirisun for this share exchange is 1,174,946,885 shares.

If either of the two parties to the merger has any ex-rights and dividends such as cash dividends, stock dividends, capital reserve conversion to share capital, allotment and other ex-rights and dividends from the pricing benchmark date to the share exchange date (both dates inclusive), or the stock repurchase and cancellation of HTC, the number of shares issued by the above-mentioned exchange shall be adjusted accordingly.

On March 13, 2025, HTC completed the repurchase and cancellation of 62,712 restricted stocks at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. After this repurchase and cancellation, the total share capital of HTC will decrease from 1,175,009,597 shares to 1,174,946,885 shares.

The A-shares of Hirisun obtained by the share exchange shareholders of HTC shall be integers. If the amount obtained by multiplying the HTC shares held by the exchange ratio is not an integer, then one share will be issued to each shareholder in descending order according to the mantissa after the decimal point until the actual number of shares exchanged matches the planned number of shares. If there are more shares with the same ending than the remaining number, the computer system will randomly distribute them until the actual number of shares exchanged matches the planned number of shares to be issued.

7. The place of listing of the shares issued by the exchange of shares

The A-shares issued by Hirisun for this share exchange will be applied for listing and circulation on GEM market of the Shenzhen Stock Exchange.

8. Disposal of shares held by shareholders whose rights are restricted in share exchange

For the shares of HTC that have been pledged, frozen by the judiciary or restricted by laws and regulations from transferring, such shares will be converted into shares of Hirisun when they are exchanged, and the pledge, judicial freezing status or other rights restrictions originally set on the shares of HTC will continue to be valid on the corresponding shares of Hirisun in exchange.

9. The interest protection mechanism of Hirisun dissenting shareholders

In order to protect the interests of Hirisun shareholders and reduce the impact of Hirisun 's stock price fluctuations on investors after the merger, in accordance with the relevant provisions of "The Company Law" and the "Articles of Association of Hangzhou Hirisun Technology Co., Ltd.", Hirisun 's dissenting shareholders will be given the appraisal rights in this merger.

(1) Dissenting shareholders of Hirisun

The dissenting shareholders of Hirisun who have the right to exercise appraisal rights refer to the shareholders of HTC who have voted valid against at the shareholders' meeting to all the relevant proposals on the merger plan and the sub-proposals voted on one by one and on the relevant proposals on the merger agreement signed by the two parties to the merger, and have continued to hold the shares representing the objection rights until the implementation date of the appraisal rights request of the dissenting shareholders of Hirisun, and meanwhile have performed the relevant reporting procedures within the specified time.

(2) The provider of the appraisal rights

Hangzhou State-owned Capital Investment and Operation Co., Ltd. (hereinafter referred to as "Hangzhou Capital"), as the provider of the appraisal rights, provides the appraisal rights to the dissenting shareholders of Hirisun. Dissenting shareholders of Hirisun shall no longer assert the right to claim the appraisal rights from Hirisun or any shareholder of Hirisun who agrees to the merger. After the Transaction is registered by the China Securities Regulatory Commission, the provider of the appraisal rights promised to unconditionally accept the shares held by the dissenting shareholders of Hirisun who had successfully declared the exercise of the appraisal rights on the implementation date of the appraisal rights claim, and pay the corresponding cash consideration to the dissenting shareholders of Hirisun according to the price of the appraisal rights claim.

(3) The price of the appraisal rights claim

The price of the appraisal rights request of the dissenting shareholders of Hirisun is the average trading price of the A-shares in the 20 trading days before the suspension of the Hirisun A-shares (i.e., the 20 trading days before the pricing benchmark date), that is, 9.56 yuan per share.

If the distribution of cash dividends, stock dividends, capital reserve to share capital, allotment and other ex-rights and dividends occurs from the pricing benchmark date to the implementation date of the appraisal rights request (both dates inclusive), the appraisal rights price shall be adjusted accordingly.

(4) The price adjustment mechanism for appraisal rights

1) Adjustment object

The object of adjustment is the price of the appraisal rights of the dissenting shareholders of Hirisun.

2) The conditions under which the price adjustment plan will take effect

- (1) The state-owned assets authority approves the price adjustment plan;
- (2) The general shareholders' meeting of Hirisun deliberated and approved the price adjustment plan;
- (3) The general shareholders' meeting of HTC deliberated and approved the price adjustment plan.

3) The period in which the price can be adjusted

From the announcement date of the resolution of the merger deliberated and approved in the Hirisun general shareholders' meeting to the date before the China Securities Regulatory Commission agreed to register the Transaction.

4) Trigger condition

From the announcement of the first board resolution of Hirisun to the time when the China Securities Regulatory Commission agrees to register the Transaction, if any of the following two circumstances occur, the board of directors of Hirisun has the right to hold a meeting within the price adjustment period to consider whether to make an adjustment to the price of the appraisal rights:

A. The GEM Index(399006. SZ) has a closing point drop of more than 20% in at least 10 out of 20 consecutive trading days prior to any trading day compared to the closing point of the previous trading day before the suspension of trading on the A-share market of Hirisun ; And prior to the trading day, the daily trading average price of Hirisun A-shares has fallen by more than 20% in at least 10 consecutive trading days compared to the trading average price of Hirisun A-shares in the 20 trading days before the suspension of trading (i.e. the 20 trading days before the pricing benchmark date);

Or

B. Wind Information Technology Service Index (866311. WI) has a closing point drop of more than 20% in at least 10 of the 20 consecutive trading days prior to any trading day compared to the closing point of the trading day before the suspension of the A-share trading of Hirisun; And prior to the trading day, the daily average trading price of Hirisun A-shares had fallen by more than 20% in at least 10 out of 20 consecutive trading days compared to the average trading price of Hirisun A-shares in the 20 trading days before the suspension of trading (i.e. the 20 trading days before the pricing benchmark date).

5) Adjustment mechanism and price adjustment benchmark date

The board of directors of Hirisun shall convene a meeting of the board of directors within 20 trading days from whichever date is later-the date to the first achievement of the trigger conditions for price adjustment and the date on which the effective conditions of the price adjustment plan are met, and deliberate and decide whether to adjust the price of the appraisal rights of the dissenting shareholders of Hirisun in accordance with the price adjustment plan. During the price adjustment period, Hirisun will only adjust the price of the dissenting shareholder's appraisal rights once. If Hirisun has convened a meeting of board of directors to review and decide to adjust the price of the dissenting shareholder's appraisal rights, and the price adjustment condition is triggered again, no further adjustment will be made;; If the board of directors has convened a meeting to deliberate and decide not to adjust the price of the appraisal rights of the dissenting shareholder, and the price adjustment condition is triggered again, no further adjustment will be made.

The benchmark date for price adjustment is the next trading day after the date of achievement of the above-mentioned trigger conditions. The adjusted price of the appraisal rights of dissenting shareholders is the average trading price of the stock in the 20 trading days prior to the benchmark date of the price adjustment.

(5) Exercise of the appraisal rights

After the transaction is registered with the China Securities Regulatory Commission, Hirisun will determine the equity registration date for the implementation of the appraisal rights. The dissenting shareholders who exercise the appraisal rights may obtain the cash consideration paid by the provider of the appraisal rights according to the price of the appraisal rights on the implementation date of each share of the appraisal rights that they have validly declared, and at the same time transfer the corresponding shares to the name of the provider of the appraisal rights. The provider of the appraisal rights shall acquire all the shares of Hirisun on the implementation date of the appraisal rights exercised by the dissenting shareholders of Hirisun, and pay the cash consideration accordingly.

The following conditions must be met at the same time for the registered dissenting shareholders of Hirisun to exercise the appraisal rights: (1) as far as the shareholders of Hirisun are concerned, they have cast valid negative votes on the relevant proposals on the merger plan and the sub-proposals voted on one by one at the general shareholders' meeting of Hirisun on the merger plan and on the relevant proposals on the merger agreement signed by the two parties to the merger; (2) From the record date of the shareholders' meeting at which Hirisun deliberated on the merger, as a validly registered shareholder of Hirisun, continue to hold the shares representing the right of opposition until the implementation date of the appraisal rights; (3) Successfully perform the relevant declaration procedures within the filing period of the appraisal rights claim. Shareholders who meet the above conditions are only entitled to exercise the appraisal rights of shares for which they have cast a valid negative vote. If the dissenting shareholders of Hirisun sell their shares (including but not limited to being forcibly deducted by the judiciary) after the registration date of the general shareholders' meeting of the merger of Hirisun's share exchange and absorption, the number of shares entitled to exercise the appraisal rights shall be reduced accordingly; If the dissenting shareholders of Hirisun purchase shares after the registration date of the shareholders' meeting of the merger of Hirisun's share exchange and absorption, the number of shares entitled to the appraisal rights shall not increase, and such shares shall not enjoy the appraisal rights.

The dissenting shareholders of Hirisun of the register who hold the following shares shall not have the right to assert the appraisal rights of the shares they hold: (1) the shares of Hirisun with rights restrictions, such as the shares that have been pledged or set with other third-party rights or are restricted by laws and regulations such as judicial freeze; (2) its legal holder undertakes in writing to give up the appraisal rights of shares of the dissenting shareholder; and (3) other shares that are not subject to the exercise of the appraisal rights under applicable law.

Dissenting shareholders who have submitted Hirisun's shares as collateral for margin trading must transfer Hirisun's shares from the securities company's customer credit guarantee account to their ordinary securities account before the equity registration date of the appraisal rights request before they can exercise the appraisal rights. Dissenting shareholders of Hirisun who have carried out the agreed repurchase securities transaction must complete the early repurchase procedures in a timely manner before they can exercise the appraisal rights before the equity registration date of the appraisal rights claim.

The relevant taxes and fees arising from the exercise of the appraisal rights shall be borne by the dissenting shareholders of Hirisun who exercise the appraisal rights. The provider of the appraisal rights and other entities shall bear the responsibility in accordance with relevant laws, regulations, regulatory authorities, and securities registration and settlement institutions. If there is no clear regulation on this by laws, regulations, regulatory authorities, and securities registration and settlement institutions, the parties shall negotiate and resolve it in accordance with market practices.

If the merger proposal fails to obtain permit or approval from the general shareholders' meeting or relevant regulatory or government departments by both parties, resulting in the ultimate inability to implement the merger, the dissenting shareholders of Hirisun cannot exercise their appraisal rights, nor can they claim any compensation or indemnification from the merging parties.

After the transaction is approved and registered by the China Securities Regulatory Commission, Hirisun will separately announce the detailed arrangements for the appraisal rights request plan of Hirisun dissenting shareholders (including but not limited to the declaration, settlement and

delivery of the appraisal rights), and will disclose information in a timely manner in accordance with laws, regulations and the provisions of the Shenzhen Stock Exchange.

10. Mechanism for protecting the interests of dissenting shareholders of HTC

In order to protect the interests of the shareholders of HTC and reduce the impact of the fluctuation of the stock price of HTC on investors after the merger, in accordance with the relevant provisions of The Company Law and the Articles of Association of Hangzhou Turbine Power Group Co., Ltd., the dissenting shareholders of HTC will be given the cash option right in this merger.

(1) Dissenting shareholders of HTC

The dissenting shareholders of HTC who have the right to exercise the cash option refer to the shareholders who participated in the general shareholders' meeting held by HTC and voted valid against to all the merger plan and the sub-proposals voted on one by one and to the relevant proposals on the merger agreement signed by the two parties in the merger, and have continued to hold the shares representing the objection right until the implementation date of the cash option of the dissenting shareholders of HTC, and at the same time perform the relevant declaration procedures within the specified time.

(2) The provider of the cash option

Hangzhou Capital, as the provider of the cash option, provides the cash option to the dissenting shareholders of HTC. The dissenting shareholders of HTC shall no longer claim the cash option from HTC or any shareholder of HTC who agrees to the merger. After the Transaction is registered with the China Securities Regulatory Commission, the provider of the cash option shall undertake unconditionally to accept the shares held by the dissenting shareholders of HTC who successfully declared the exercise of the cash option on the implementation date of the cash option, and pay the corresponding cash consideration to the dissenting shareholders of HTC according to the cash option price.

(3) The price of the cash option

The cash option price of the dissenting shareholders of HTC is the average trading price of B-shares for the 20 trading days before the suspension of trading of HTC's B-shares (i.e. 20 trading days before the pricing benchmark date), that's HK\$7.77 per share, which is equivalent to RMB 7.11 per share by converted according to the median price of RMB to Hong Kong dollar announced by the People's Bank of China on October 25, 2024 (HK\$1 = 0.91496 RMB) that is the trading day before HTC share suspension. If there are ex-rights and dividends such as cash dividends, stock dividends, conversion of capital reserve to share capital, and allotment from the pricing benchmark date to the implementation date of the cash option (both dates inclusive), the cash option price will be adjusted accordingly.

(4) the price adjustment mechanism for cash option

1) Adjustment object

The object of adjustment is the cash option price of dissenting shareholders of HTC.

2) The conditions under which the price adjustment plan will take effect

- (1) The state-owned assets authority approves the price adjustment plan;
- (2) The shareholders' meeting of Hirisun deliberated and approved the price adjustment plan;
- (3) The shareholders' meeting of HTC deliberated and approved the price adjustment plan.

3) The period in which the price can be adjusted

From the announcement date of the resolution of the merger deliberated and approved in the HTC general shareholders' meeting to the date before the China Securities Regulatory Commission agreed to register the Transaction.

4) Trigger condition

From the announcement of the first board resolution of HTC to the time when the China Securities

Regulatory Commission agrees to register the Transaction, if any of the following two circumstances occur, the board of directors of HTC has the right to hold a meeting within the price adjustment period to consider whether to make an adjustment to the price of the cash option:

A. Shenzhen Stock Exchange Composite Index (399106. SZ) has a closing point drop of more than 20% in at least 10 out of 20 consecutive trading days prior to any trading day compared to the closing point of the previous trading day before the suspension of trading on the HTC's B shares; And prior to the trading day, the daily trading average price of HTCB-shares has fallen by more than 20% in at least 10 consecutive trading days compared to the trading average price of HTCB-shares in the 20 trading days before the suspension of trading (i.e. the 20 trading days before the pricing benchmark date);

Or

B. Wind Electrical Equipment Industry Index (882210.HK) WI) has a closing point drop of more than 20% in at least 10 of the 20 consecutive trading days prior to any trading day compared to the closing point of the trading day before the suspension of the HTC's B shares; And prior to the trading day, the daily average trading price of HTC's B shares-shares has fallen by more than 20% in at least 10 out of 20 consecutive trading days compared to the average trading price of HTC's B shares in the 20 trading days before the suspension of trading (i.e. the 20 trading days before the pricing benchmark date).

5) Adjustment mechanism and price adjustment benchmark date

The board of directors of HTC shall convene a meeting of the board of directors within 20 trading days from whichever date is later-the date to the first achievement of the trigger conditions for price adjustment and the date on which the effective conditions of the price adjustment plan are met, and deliberate and decide whether to adjust the price of the cash option of the dissenting shareholders of HTC in accordance with the price adjustment plan. During the price adjustment period, HTC will only adjust the price of the dissenting shareholder's cash option once. If HTC has convened a meeting of board of directors to review and decide to adjust the price of the dissenting shareholder's cash option, and the price adjustment condition is triggered again, no further adjustment will be made; If the board of directors has convened a meeting to deliberate and decide not to adjust the cash option price of the dissenting shareholders, and the price adjustment condition is triggered again, no further adjustment will be made.

The benchmark date for price adjustment is the trading day following the date on which the above-mentioned trigger conditions are fulfilled. The adjusted cash option price of dissenting shareholders of HTC is the average stock trading price of the 20 trading days before the benchmark date of the price adjustment.

(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. Dissenting shareholders of HTC who exercise the cash option may obtain the cash consideration paid by the cash option provider at the cash option price on the implementation date of each share of HTC validly declared, and at the same time transfer the corresponding shares to the name of the cash option provider. The provider of the cash option shall acquire all the shares of HTC exercising the cash option by the dissenting shareholders of HTC on the implementation date of the cash option, and pay the cash consideration accordingly. The shares of HTC acquired by the cash option provider through the cash option will be converted into A shares issued by Hirisun for the merger in accordance with the share exchange ratio on the implementation date of the merger plan.

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 one 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; (2) From the record date of the shareholders' meeting at which HTC deliberated on the merger, as a validly registered shareholder of HTC, continue to hold the shares representing the right of opposition until the implementation date of the cash option; (3) Successfully perform the relevant declaration procedures within the cash

option reporting period. Shareholders who meet the above conditions are only entitled to exercise the cash option in respect of their share declarations for which they have cast a valid negative vote. If the dissenting shareholders of HTC sell their shares after the registration date of the equity registration date of the shareholders' meeting of the HTC share absorption merger (including but not limited to being judicially compulsorily deducted, etc.), the number of shares entitled to the cash option shall be reduced accordingly; If the dissenting shareholders of HTC purchase shares after the registration date of the equity registration date of the shareholders' meeting of the HTC share absorption merger, the number of shares entitled to the cash option shall not increase, and such shares shall not enjoy the cash option.

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; (2) its legal holder undertakes in writing to give up the shares of the cash option of the dissenting shareholders of HTC; and (3) other shares that are not subject to the exercise of the cash option under applicable law. The above-mentioned shares that are not entitled to claim the cash option will be converted into shares issued by Hirisun in accordance with the exchange ratio on the exchange date.

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. Dissenting shareholders of HTC who have carried out the agreed repurchase securities transaction must complete the early repurchase procedures in a timely manner before the equity registration date of the cash option before exercising 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. If there is no clear regulation on this by laws, regulations, regulatory authorities, and securities registration and settlement institutions, the parties shall negotiate and resolve it in accordance with market practices.

If the merger proposal fails to obtain permit or approval from the general shareholders' meeting or relevant regulatory or government departments by both parties, resulting in the ultimate inability to implement the merger, the dissenting shareholders of HTC cannot exercise the cash option, nor can they claim any compensation or indemnification from the merging parties.

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.

11. Transitional arrangements

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; (2) to do its best to maintain all assets that make up the main business in good condition, and to maintain all good relationships with government authorities, customers, employees and other relevant parties; (3) Make, sort out and keep their respective documents and materials, and pay relevant taxes and fees in a timely manner.

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.

12. 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.

(2) Asset delivery

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 Hirisun. HTC agrees to assist Hirisun 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 and vessels, trademarks, patents, etc.) from HTC to the name of Hirisun. 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 Hirisun 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 Hirisun 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 rights and interests of HTC under all valid contracts/agreements signed by HTC is changed to Hirisun.

(5) Data handover

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

(6) Share transfer

On the date of the share exchange, Hirisun 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 Hirisun 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, Hirisun has inherited and undertaken all the assets, liabilities, business, personnel, contracts, qualifications and all other rights and obligations of HTC.

Hirisun 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 Hirisun after the closing date.

14. Employee placement

After the completion of the share exchange and absorption merger, the management and employees of Hirisun will continue to retain their original jobs in accordance with the labor contract signed with Hirisun. 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 Hirisun from the closing date.

Before the relevant shareholders' meetings to consider the merger, the two parties will hold a staff representative meeting or a staff meeting respectively to review the employee placement plan involved in the merger.

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 Hirisun 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. Effects of the transaction on the surviving company

(I) Effects of the transaction on main business of the surviving 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. Hirisun 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, Hirisun's total capital stock is 335 million shares, while HTC's total capital stock is 1,174.9469 million shares. Irrespective of subsequent ex-right or ex-dividend and other effects on the M&A Parties, Hirisun issues a total of 1,174.9469 million 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, Hirisun's shareholders and holding ratios are listed as follows:

In shares 10,000

Shareholder	Before the stock-for-stock merger		After the stock-for-stock merger	
	Number of shares held	Holding ratio	Number of shares held (10,000 shares)	Holding ratio
Hangzhou State-owned Capital Investment and Operation Co., Ltd.	9,983.00	29.80%	9,983.00	6.61%
Hangzhou Turbine Holdings Co., Ltd.	-	-	68,971.59	45.68%
Subtotal shares held by dominant shareholders and persons acting in concert	9,983.00	29.80%	78,954.59	52.29%
Other shareholders	23,517.00	70.20%	72,040.10	47.71%
Total	33,500.00	100.00%	150,994.69	100.00%

(III) Effects of the transaction on key financial indicators of the surviving company

According to Hirisun's 2024 financial data and the *Pro Forma Audit Report* issued by Pan-China Certified Public Accountants, the financial data of Hirisun before and after this transaction are as follows:

In RMB 10,000

Financial Indicators	December 31, 2024/2024	
	Pre-Transaction	Post-Transaction (Pro Forma)
Total assets	67,401.87	1,792,610.11
Owners' equity attributable to the parent company	49,206.60	944,666.77
Operating income	22,805.81	686,697.31
Total profit	2,102.23	65,853.18
Net profit attributable to owners of the parent company	945.81	54,942.04
Basic earnings per share (RMB/share)	0.03	0.36
Return on equity	1.93%	6.21%

Note: Basic earnings per share = Net profit attributable to ordinary shareholders ÷ Weighted average number of ordinary shares outstanding during the period.

Upon completion of this transaction, Hirisun will succeed to and assume all assets, liabilities, businesses, employees, contracts, and all other rights and obligations of HTC. After this transaction, the surviving company will have a larger profit scale and stronger profitability, which will enhance its comprehensive strength and profit potential in the medium to long term, fully safeguarding the interests of its shareholders. Meanwhile, the surviving company will take effective measures to fill the immediate returns to shareholders. For details, please refer to the restructuring report "Chapter XIII Other Significant Matters" - "X. Whether This Transaction Will Dilute the Surviving Company's Earnings Per Share" - "(II) Measures to Mitigate Potential Dilution of Immediate Returns" in this report.

(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 summary report'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.

IV. Mechanism for protection of interest of creditors

Upon the completion of the stock-for-stock merger, HTC will be delisted and disqualified from being a corporation, while Hirisun 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, Hirisun 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 Hirisun upon the completion of the stock-for-stock merger.

(I) Specific debt status of Hirisun

As of the reporting period end, the financial debt of Hirisun's parent company with banks and other financial institutions amounted to RMB 0, and the non-financial debt (excluding contractual liabilities, employee compensation payables, taxes payable, other current liabilities, and deferred tax liabilities) amounted to RMB 96.2594 million.

Regarding the aforementioned non-financial debts, as of the date of signing this summary report, Hirisun has obtained consents from non-financial creditors representing 92.94% of the total debt amount, who have agreed to this transaction and will not require Hirisun to make early repayment or provide additional guarantees. As of the date of signing this summary report, the total amount of non-financial creditor's rights for which Hirisun has not yet obtained creditor consent (where creditors may require early repayment or additional guarantees) accounts for 0.21% of Hirisun's total assets as of the end of the summary reporting period, which is relatively a low proportion, and is not expected to materially adversely affect Hirisun's production and operations.

(II) Specific debt status of HTC

As of the end of the reporting period, the financial debt of HTC's parent company with banks and other financial institutions amounted to approximately RMB 1,056.0982 million, and the non-financial debt (excluding Contract liabilities, employee compensation payables, taxes payable, other current liabilities, deferred tax liabilities, Estimated liabilities, long-term payables, other payables (supplementary medical insurance and individual annuities, etc., not involving creditors), deferred income, etc.) amounted to approximately RMB 717,3473 million.

(1) Regarding the aforementioned financial debt, as of the date of signing this summary report, HTC has either repaid or obtained consent letters from all relevant financial creditors for the outstanding financial debt, agreeing to this transaction and not requiring HTC to make early repayment or provide additional guarantees.

(2) Regarding the aforementioned non-financial debts, as of the date of signing this summary

report, HTC has obtained consents from non-financial creditors representing 80.12% of the total debt amount, who have agreed to this transaction and will not require HTC to make early repayment or provide additional guarantees. As of the date of signing this summary report, the non-financial debt's right for which HTC has not yet obtained creditor consent (where creditors may require early repayment or additional guarantees) accounts for 0.83% of HTC's total assets as of the end of the reporting period, which is relatively a low proportion, and is not expected to materially adversely affect HTC's production and operations.

Hirisun and HTC will perform the creditor notification and announcement procedures in accordance with the provisions of relevant laws and regulations, and, depending on the requirements put forward by their respective creditors within the statutory time limit, it will pay off its debts in advance or urge a third party to provide another guarantee for its respective creditors in accordance with the provisions of relevant applicable laws and regulations. If relevant creditors do not demand early repayment or additional guarantees within the aforementioned statutory period, the unrepaid debts will be assumed by Hirisun after the completion date.

(III) Creditor's notification procedures

Hirisun and HTC will respectively, upon deliberation and approval of this transaction by their shareholders meeting, conduct creditor notifications and public announcements regarding this transaction in accordance with the relevant provisions of the *Company Law*. Creditors may, within thirty days from receipt of the notice or within forty-five days from the announcement date for those who did not receive individual notices, require Hirisun or HTC to settle their debts or provide corresponding guarantees.

Hirisun and HTC shall, in accordance with the requirements raised by their respective creditors within the statutory time limit, either at their own discretion or arrange for a third party to settle the debts in advance or provide additional guarantees to such creditors. Given that the *Company Law* does not explicitly specify the timeframe for debtors to satisfy creditors' demands for early repayment or guarantees, Hirisun and HTC will negotiate specific timelines with such creditors. For creditors not demanding early repayment or guarantees within the aforementioned statutory period, the corresponding outstanding debts will be assumed by Hirisun upon completion of this share swap merger.

(IV) Debt capability and guarantee capacity of Hirisun and HTC, and potential risks or other contingent risks to the company associated with creditors' demands for early debt repayment or additional guarantees, and countermeasures

As of the end of the reporting period, Hirisun's parent company had a monetary fund balance of RMB 60,850,700, a current asset of RMB 328,947,500, and a total liability of RMB 116,549,400.

As of the end of the reporting period, HTC's parent company had a monetary fund balance of RMB 1,057,647,000, a current asset of RMB 5,448,520,800, and a total liability of RMB

4,369.8656 million.

Therefore, both Hirisun and HTC maintain sufficient monetary funds and current assets, demonstrating strong debt repayment capabilities and guarantee capacity. Should creditors demand early repayment or additional guarantees, Hirisun and HTC can respond through cash payments, provision of guarantees, or liquidation of current assets, which would not materially adversely affect their production operations or capital arrangements.

V. Decision-making Process and Approval of This Transaction

(I) Completed procedures and obtained approvals for this transaction

1. This transaction has been deliberated approved by Hirisun's The Fourth Meeting of the Sixth Board of Directors at the Fourth Interim Meeting of 2024;

2. This transaction has been deliberated and approved by HTC's Ninth Board of Directors at the Tenth Meeting and fourteen Meeting;

1. This transaction has been deliberated approved by Hirisun's Sixth Board of Directors at the Fourth Interim Meeting of 2024;

2. This transaction has been deliberated and approved by HTC's Ninth Board of Directors at the Tenth Meeting and fourteen Meeting;

3. This transaction has been approved by the State-owned Assets Supervision and Administration Commission of Zhejiang Province.

(II) Required authorizations and approvals to be obtained for this transaction

1. The formal plan for this transaction must be deliberated and approved by the general meetings of shareholders of both Hirisun and HTC;

2. Hirisun's general meetings of shareholders must approve the exemption of Hangzhou Capital and its concerted party Steam Turbine Holdings from making a mandatory offer to increase their shareholding in Hirisun;

3. This transaction must be approved by the Shenzhen Stock Exchange and registered by the CSRC;

4. This share swap merger must obtain all other required approvals, permits or consents (if any) from competent authorities as stipulated by applicable laws and regulations.

This transaction will not be implemented until all the aforementioned approvals, permits or consents are obtained. There remains uncertainty regarding whether and when this transaction will obtain all the aforementioned approvals, permits or consents. Investors are hereby advised to pay attention to the associated investment risks.

VI. Opinions of principle of dominant shareholders of the M&A Parties and persons acting in concert thereof, and plans for reduction of shares of the dominant shareholders and directors, supervisors and senior executives thereof from the date of restructuring and resumption of trading till the completion of merger

(I) Opinions of principle of dominant shareholders of the M&A Parties and persons acting in concert thereof, and plans for reduction of shares of the dominant shareholders and directors, supervisors and senior executives thereof from the date of restructuring and resumption of trading till the completion of transaction

Concerning the opinions of principle over the restructuring and plans for reduction of shares from the date of restructuring and resumption of trading till the completion of transaction, Hirisun's dominant shareholder Hangzhou Capital has declared as follows

“1. In principle, the Company approves the transaction.

2. From the date of resumption of trading till completion of transaction, the Company shall not directly or indirectly reduce held shares of Hirisun or HTC. Nor shall the Company have any plans for direct or indirect reduction of shares of Hirisun or HTC.

In violation of the commitment, the Company will bear relevant legal liability.”

Concerning the plans for reduction of shares in the transaction from the date of resumption of trading till completion of transaction, Hirisun's directors, supervisors and senior executives have declared as follows:

“1. From the date of resumption of trading till completion of transaction, I myself shall not reduce held shares of Hirisun. Nor shall I have any plans for reduction of shares of Hirisun.

2. In violation of the commitment, I myself will bear relevant legal liability.”

(II) Opinions of principle of dominant shareholders of the Acquiree and persons acting in concert thereof, and plans for reduction of shares of the dominant shareholders and persons acting in concert, directors, supervisors and senior executives thereof from the date of resumption of trading till the completion of transaction

Concerning the opinions of principle over the restructuring and plans for reduction of shares from the date of resumption of trading till the completion of transaction, HTC's dominant shareholder Turbine Holdings has declared as follows

“1. In principle, the Company approves the transaction.

2. From the date of resumption of trading till completion of transaction, the Company shall not reduce held shares of HTC. Nor shall the Company have any plans for reduction of shares of HTC.

In violation of the commitment, the Company will bear relevant legal liability.”

Concerning the plans for reduction of shares in the transaction from the date of resumption of trading till the completion of transaction, HTC's directors, supervisors and senior executives have declared as follows:

“1. From the date of resumption of trading till completion of transaction, I myself shall not reduce held shares of HTC. Nor shall I have any plans for reduction of shares of HTC.

2. In violation of the commitment, I myself will bear relevant legal liability.”

VII. Arrangements for protection of rights and interests of small- and medium-sized investors in the transaction

(I) Discharge of obligation of information disclosure

To protect legitimate rights and interests of investors and safeguard order of securities market, Hirisun, HTC and related parties of information disclosure will faithfully perform the obligation of information disclosure in accordance with the Securities Law, Measures for the Administration of Information Disclosure by Listed Companies, Measures for the Administration of Restructuring and relevant laws, regulations and normative documents. Disclosing all relevant information

which may make a difference in the share trading price of Hirisun or HTC or decisions of investors in an open and fair way, Hirisun, HTC and related parties of information disclosure shall give a pledge on the authenticity, accuracy, integrity and immediacy of the disclosed information.

(II) Implementation of relevant approval requirements

Concerning the transaction, Hirisun and HTC have carried out legal voting procedures and duties of disclosure in compliance with relevant provisions. Since the transaction constitutes a related transaction, related directors have evaded voting. Independent directors have formed a resolutions over relevant proposals at a special meeting. For deliberation on the transaction-related proposals at the meetings of shareholders of Hirisun and HTC, related shareholders will evade voting.

(III) Provision of online voting platform for shareholders' meeting

Pursuant to related regulations of the CSRC and SZSE, Hirisun and HTC will set up an online voting platform for facilitating shareholders attending the shareholders' meeting to vote for the transaction plan, thus ensuring the shareholders can vote and exercise their rights as shareholders online.

(IV) Arrangement on the right of claim for acquisition and cash-based option

To fully safeguard rights and interests of small- and medium-sized investors concerned in the stock-for-stock merger, Hirisun's dissenting shareholders will be granted the right of claim for acquisition and HTC's dissenting shareholders the cash-based option. For details, please refer to "II. Payment Method and Specific Plan for Share Swap Merger", "(IX) Protection Mechanism for Dissenting Shareholders of Hirisun" and "(X) Protection Mechanism for Dissenting Shareholders of HTC" in the "Key Notes" of the summary of this report.

(V) Remedial arrangement for diluting the current EPS of the surviving company through M&A Restructuring

1. Impact of the transaction on EPS

The changes in Hirisun's EPS before and after this transaction are as follows:

Item	2024	
	Pre-Transaction	Post-Transaction (Pro Forma)
Basic EPS (RMB/share)	0.03	0.36
Diluted EPS (RMB/share)	0.03	0.36

After the completion of this transaction, Hirisun's EPS will increase. There will be no dilution of the surviving company's EPS as a result of this transaction.

2. Remedial measures to offset dilution of potential immediate return in this transaction

To effectively prevent the risk of potential dilution of immediate return and enhance the future return capacity of the surviving company, Hirisun confirms and undertakes as follows:

1. Promote business integration to improve profitability of the surviving company

Following the completion of the merger, the surviving company will accelerate the integration of business resources from both parties to achieve complementary advantages. By strengthening synergies of both parties, the surviving company will coordinate all business operations, improve

production efficiency and resource utilization, further enhance its profitability, and increase its shareholder returns.

2. Strengthen operational management to improve efficiency of the surviving company

The Company has established comprehensive and sound operational management systems to ensure orderly execution of all business activities of the surviving company. The future surviving listed company will continue to strengthen cost control, enhance financial management capabilities, fully leverage the combined advantages of both parties, further improve operational and managerial competencies, optimize and reinforce investment decision-making processes, and comprehensively and effectively enhance its operational efficiency.

3. Strengthen internal control systems and enhance risk management capabilities of the surviving company

The Company will continuously improve and optimize its corporate governance structure, establish and implement internal control systems, and standardize company operations in strict accordance with the requirements of the *Company Law*, *Securities Law*, *Guidelines for Corporate Governance of Listed Companies*, and other relevant laws, regulations, and normative documents. Upon completion of this transaction, the surviving company shall ensure the shareholders can fully exercise their rights; The Board of Directors can exercise its authorities in compliance with laws and regulations to make scientific, prompt and prudent decisions; The independent directors can diligently fulfill their duties to safeguard the company's overall interests, especially the legitimate rights of minority shareholders, thereby providing institutional safeguards for the surviving company's development.

4. Enhance shareholder returns and protect shareholder rights of the surviving company

The surviving company shall maintain consistent, stable and proactive dividend distribution policies and provide its shareholders with reasonable investment returns and protect investors' interests in strict accordance with the profit distribution provisions in its Articles of Association in accordance with relevant regulations including the *Notice on Further Implementing Cash Dividend Distribution by Listed Companies*, the *Regulatory Guidelines for Listed Companies No. 3—Distribution of Cash Dividends of Listed Companies*, and the *SZSE Self-Regulatory Guideline No. 2 - Standard Operations for GEM Listed Companies*.

3. Relevant parties' commitments on implementing measures to remedy on potential immediate return in this transaction

1. Hirisun's all directors and senior management commit as follows:

"1. Promise to perform duties faithfully and diligently, and safeguard the legitimate rights and interests of the company and all shareholders;

2. Do not transfer benefits to other units or individuals in free or under unfair conditions, nor

damage the interests of the company in other ways;

3. Restrain the consumption behavior of one's own duties;

4. Do not use the company's assets to engage in investment and consumption activities unrelated to the performance of duties;

5. Within the scope of their own responsibilities and authority, make every effort to promote the remuneration system formulated by the board of directors or the remuneration and appraisal committee of the company to be linked to the implementation of the company's compensation measures;

6. If the company subsequently launches the equity incentive policy, within the scope of its own responsibilities and authority, it will make every effort to promote the implementation of the company's equity incentive exercise conditions to be announced to be linked to the implementation of the company's compensation measures;

7. From the date of issuance of this commitment to the completion of the company's transaction, if the regulatory authorities make other requirements on the relevant provisions of the compensation measures and the commitment, and the above commitment cannot meet the new regulatory requirements of the regulatory authorities, I promise to issue supplementary commitment in accordance with the relevant regulations;

8. I promise to strictly fulfill the above commitment I have made, and if I violate the commitment or refuse to fulfill my commitment and cause losses to the company or investors, I am willing to bear the corresponding liability for compensation in accordance with the law.

(2) The controlling shareholder of Hirisun undertakes as follows:

"1. The company promises not to interfere with the operation and management activities of Hirisun beyond its authority, and will not encroach on the interests of Hirisun;

2. After the issuance of this commitment, if the regulatory authorities make other requirements on the relevant provisions of the compensation measures and the commitment, and the above commitment cannot meet the relevant requirements of the regulatory authorities, the company promises to issue supplementary commitment in accordance with the relevant regulations.

3. The company promises to strictly fulfill the above commitment made by the company, and if the company violates the commitment or refuses to fulfill the commitment and causes losses to Hirisun or investors, the company is willing to bear the corresponding liability for compensation according to law.

VIII. Letter of commitment to increase holdings under specific circumstances

In order to fully protect the interests of the minority shareholders of both parties to the share exchange and avoid the irrational fluctuation of Hirisun's stock price after the completion of the

share exchange, Hangzhou Capital, as the controlling shareholder of the surviving company after the completion of the share exchange, has made the following commitment on matters related to the increase in the holdings of Hirisun's shares under specific circumstances after the implementation of the share exchange:

1. If the stock trading price of Hirisun on any trading day within 15 trading days from the date of completion of the implementation of this share exchange is lower than the exchange price of 9.56 yuan per share (hereinafter referred to as the "trigger price for increasing holdings") of the merger of Hirisun in this share exchange absorption, Hangzhou Capital will invest a total of no more than RMB 1.5 billion on the premise of complying with laws, regulations, normative documents and the listing rules of the listing place of Hirisun to increase its holdings of Hirisun shares through the stock trading system of the Shenzhen Stock Exchange, and until the earliest occurrence in the following four circumstances: (1) the aforesaid funds are used up; (2) On the day of the increase, the stock price of Hirisun shall not be lower than the trigger price of the increase; (3) continued increase in holdings will result in the equity distribution of Hirisun not meeting the listing conditions; (4) 15 trading days expire from the date of completion of the implementation of the share exchange.

2. The above-mentioned increased shares by the company will not be sold within 36 months from the date of completion of the implementation of the share exchange by Hirisun.

3. If the ex-rights and ex-dividends such as cash dividends, stock dividends, capital reserve conversion to share capital, and allotment occur from the pricing base date to the implementation date of the share exchange (both dates inclusive) by Hirisun, the trigger price of the increase shall change accordingly.

4. If the above commitment is violated, the company will bear the corresponding legal responsibilities in accordance with the law.

Notification of Major Risks

I. Risks Related to This Transaction

(I) Approval risk of the transaction

The transaction is subject to a number of conditions before it can be implemented, as detailed in "V. Decision-making process and approval of the transaction" in the "Reminder of Major Events" in the summary of this report, and "(B) Authorization and approval to be obtained for this transaction".

The transaction will not be implemented without the above approval, authorization or consent to registration. There is uncertainty as to whether the above approval, authorization or consent to registration can be obtained for this transaction, as well as the timing of obtaining such approval, authorization or consent to registration is uncertain, investors are reminded to pay attention to the relevant risks.

(II) The risk of the transaction being suspended, halted or called off

Though the M&A Parties take precautions for secrecy, take the initiative to manage insider information and narrow down scope of people aware of insider information amid the planning and implementation of the transaction for avoidance of communication of insider information, it cannot rule out the possibility that related agencies and individuals engage in insider trading using the transaction-related insider information. Therefore, the transaction is at a risk of being suspended, halted or called off owing to abnormal fluctuation of stock price or abnormal trading, on suspicion of insider trading.

In view of the complexity of the transaction, there is a certain span from the signing of the transaction-related agreement till the completion of the transaction, relevant policy changes, contingencies or force majeure factors on stock market may affect the progress of the transaction, thus making the transaction at risk of being suspended, halted or called off.

Both the merging party and the merged party will promptly disclose transaction progress updates to keep investors informed and enable proper decision-making. Investors are advised to carefully consider investment risks.

(III) Risk in connection with right of claim for acquisition and cash-based option

To fully safeguard the benefits of shareholders of Hirisun and of HTC, eligible Hirisun's dissenting shareholders shall be granted right of claim for acquisition and eligible HTC's dissenting shareholders shall be granted cash-based option in the stock-for-stock merger. If the stock-for-stock merger cannot be carried out at last, Hirisun's and HTC's dissenting shareholders shall not exercise the right of claim for acquisition or cash-based option, and claim any compensations or indemnities to the M&A Parties on that account.

If Hirisun's stock price is above the price of the right of claim for acquisition when Hirisun's dissenting shareholders request for exercising the right of claim for acquisition, or HTC's stock price is above the price of the cash-based option when HTC's dissenting shareholders request for exercising the cash-based option, Hirisun's and HTC's dissenting shareholders may have their benefits impaired in request for exercising the right of claim for acquisition or cash-based option. In addition, dissenting shareholders who request for exercising the right of claim for acquisition or cash-based option may also be deprived of the opportunity of benefiting from further rise of stock price of the surviving company. Investors should be on the alert for relevant risks.

(IV) Risk of forced stock-for-stock merger

The transaction is yet to be approved by Hirisun's and HTC's boards of shareholders through deliberation at relevant meetings. The resolutions adopted at shareholders' meetings of the M&A Parties are binding to all shareholders (including shareholders that vote against, abstain or are absent from the shareholders' meetings and designate no agents for voting) of the M&A Parties. After essential ratification or approval is granted for the plan for stock-for-stock merger, on the date of record of stock-for-stock merger, HTC's shares held by HTC shareholders that make no request, request in part, are ineligible or invalid in request for exercising the cash-based option, and HTC's shares held by the provider of cash-based option for granting the cash-based option, will be proportionally converted into A-shares issued by Hirisun in whole for the stock-for-stock merger.

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

(V) Risk of creditors' request for paying off debt in advance or providing guarantee

Upon the completion of the stock-for-stock merger, HTC will be delisted and disqualified from being a corporation, while Hirisun 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, Hirisun 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.

At the moment, Hirisun and HTC have no external bonds issued, which is indicative of no relevance to matters of convening a meeting of bond holders. Though the M&A Parties will actively seek the understanding and approval of the merger from creditors, there is uncertainty in creditors' opinions about the merger. If creditors of the M&A Parties make a request for repaying the debt in advance or otherwise providing a guarantee, it may make a difference in Hirisun's and HTC's financial conditions in the short term. Investors should be on the alert for relevant risks.

II. Risks Related to the Surviving Company after the Merger

(1) Risk of industrial policy

The industrial turbine manufacturing industry which the surviving company belongs to is highly susceptible to national policy of "Dual carbon policy", policy of equipment renewal, and global trading policies. China now promotes the strategy of innovation-driven development, keeps improving the green and low-carbon policy, and tightens management of energy saving and emissions reduction, while scaling up equipment renewal and accelerating industrial upgrading. Major adjustments or changes to relevant policies, if any, may make severely adverse impact on the R&D, production and sales of staples of the surviving company in the future.

(2) Integration and management of risks

Upon completion of this transaction, the surviving company will establish a "one core, one auxiliary" business structure, primarily focusing on industrial turbine machinery with power information system integration as a supplementary business. Both the merging party and the merged party will further integrate assets, operations, personnel, and organizational structures. The surviving company will establish a management framework tailored to its actual operational needs according to its overall business pattern and implement necessary reasonable adjustments to its management systems, internal controls, and business models. If integration and management fall short of expectations or fail to meet strategic implementation and operational development, the surviving company's business development may be materially and adversely affected.

(3) Risk of declining operational performance

During the reporting period, HTC reported revenues of RMB 5,518,841,900, RMB 5,924,238,000, and RMB 6,638,915,000, with net profits attributable to shareholders of parent company after non-recurring profit and loss deduction of RMB 380,399,200, RMB 362,006,900, and RMB 411,553,200, respectively.

HTC's performance is subject to multiple factors, including macroeconomic fluctuations, downstream customer demand, industry and market competition, and raw material price volatility. In the future, if policies such as "carbon peaking and carbon neutrality" continue to adversely impact the industrial turbine sector, or if market competition intensifies, HTC may struggle to maintain or enhance its competitive edge. Additionally, breakthroughs in alternative technologies (e.g., electric motor drives) and their large-scale adoption may materially hinder the surviving company's business expansion, potentially leading to significant declines in operational performance.

(4) Risk of declining gross margin

During the reporting period, HTC's gross margins for its main business were 26.58%, 23.89%, and 19.21%, respectively, showing a downward trend mainly due to changes in product structure with varying margin profiles. During the reporting period, HTC's industrial turbines, accessories and spare parts business maintained gross margins of 29.30%, 26.78% and 21.21% respectively, accounting for 80.40%, 74.82% and 67.09% of total operating revenue, while its gas turbines and spare parts business maintained gross margins of 8.77%, 9.53% and 8.85% respectively, accounting for 11.74%, 18.64% and 24.13% of total operating revenue.

In the future, with the intensification of market competition, the gross margin of HTC's industrial turbines, accessories and spare parts will further decrease, or its gross margin of gas turbines will remain low, which will lead to a further decline in the comprehensive gross margin, thus adversely affecting the operating performance of the surviving company.

III. Other Risks

GEM listed companies are characterized by substantial innovation investments, uncertainties in the integration of traditional and emerging industries, early-stage growth patterns, elevated operational risks, earnings volatility, and heightened delisting risks, thereby exposing investors to significant market risks. Investors should thoroughly evaluate GEM investment risks and all risk factors disclosed in this report summary before making prudent investment decisions.

Chapter I Overview of Transaction

I. Background and objective of transaction

(I) Background of transaction

1. Comprehensively promote the deepening of the reform of state-owned enterprises and encourage the improvement of the quality of listed companies

The report of the 20th National Congress of the Communist Party of China clearly stated that to accelerate the construction of a new development pattern and focus on promoting high-quality development, it is necessary to deepen the reform of state-owned assets and state-owned enterprises, accelerate the optimization of the layout and structural adjustment of the state-owned economy, promote state-owned capital and state-owned enterprises to become stronger, better and bigger, and enhance the core competitiveness of enterprises. The "Opinions of the State Council on Further Improving the Quality of Listed Companies" clearly stated that improving the quality of listed companies is an inherent requirement for promoting the healthy development of the capital market, and is an important part of accelerating the improvement of the socialist market economy system in the new era, and it's required to continuously improve the governance level of listed companies and promote listed companies to become better and stronger.

As a subsidiary of Hangzhou SASAC, the Transaction is an important measure to thoroughly implement the Xijiping's socialist thought with Chinese characteristics in the new era and the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China, and to implement the guiding ideology of the Party Central Committee and the State Council to deepen the reform of state-owned enterprises, which will help improve the industrial layout of state-owned listed companies, improve asset quality and operational efficiency, and realize the preservation and appreciation of state-owned assets.

2. National policies encourage mergers and acquisitions and mergers and acquisitions between listed companies

In March 2024, the China Securities Regulatory Commission (CSRC) issued the "Opinions on Strengthening the Supervision of Listed Companies (Trial)", which clearly proposes to support listed companies to enhance their investment value through mergers and acquisitions, and encourages listed companies to comprehensively use shares, cash, directional convertible bonds and other tools to implement mergers and acquisitions, inject high-quality assets, and support the absorption and merger of listed companies. In April 2024, the State Council issued the "Several Opinions on Further Promoting the Healthy Development of the Capital Market", proposing to give full play to the role of the capital market as the main channel in the process of mergers and acquisitions, strengthen the property rights pricing and transaction functions of the capital market, broaden the financing channels for mergers and acquisitions, and enrich the payment methods for mergers and acquisitions. In September 2024, the China Securities Regulatory Commission (CSRC) issued the Opinions on Deepening the Reform of the M&A and Restructuring Market for Listed Companies to further optimize the restructuring review process, improve the efficiency of restructuring review, and activate the M&A and restructuring market. It supports the absorption and merger of the same industry, upstream and downstream between listed companies not under the common control, and the absorption and merger between listed companies under the common control. With the support of a number of policies, China's capital market mergers and acquisitions have entered an "active period".

The Transaction is a positive response to the encouragement of mergers and acquisitions and the absorption and merger of listed companies by the State Council and the China Securities Regulatory Commission, which will help promote the strong quality and external image of the surviving company, improve the asset quality and operational efficiency of the listed companies,

thereby enhancing the sustainable profitability of the listed company and enhancing the investment value of the listed company.

(II) Objective of transaction

1. Addressing the legacy of B-shares and augmenting HTC's financing capacity

HTC went public on SZSE B-share market in 1998, with IPO of HKD 171,200,000. Subsequently, confined by listing and financing on B-share market, HTC was perpetually unable to raise funds through capital market upon its IPO. Moreover, HTC's B-shares has poor liquidity and stock valuation under prices that of any counterpart listed company on A-share market, which conspires against the company's development and realization of interest of small-and medium-sized shareholders.

Since its IPO, HTC has clawed its way to make solid progress, and now become a leading industrial turbine provider in China's high-end equipment industry. In the face of intensifying marketplace and new trends of industrial development, the transaction is conducive to addressing the legacy of HTC. With more financing channels and greater financing capacity, the company will become a more profitable and premium listed company by leverage of the capital market.

2. Boosting homemade gas turbine production, as high-quality guarantee for implementation of the national strategy of "engine and turbine project"

Therefore, as the pillar equipment of the clean and low-carbon energy system under the strategy of "carbon peak and carbon neutrality", it is urgent to comprehensively improve the development and demonstration application of domestic independent gas turbines, so that the independent and controllable core technologies continue to mature in application practice and realize domestic substitution. In 2016, China fully launched the implementation of the "two-engine special project", hoping to break through the core technology of gas turbines, break the monopoly of foreign products, and accelerate the independent innovation and development of China's gas turbine industry.

Upon the transaction, the surviving company will, by leverage of the capital market, continue to strengthen the development and application of homemade gas turbines, boost development of independent innovation of China's gas turbine industry, as an act of contributing to the implementation of the national strategy of "engine and turbine project".

3. Clearing the bottleneck for growth of Hirisun, and increasing core competence and investment value of the listed company

In increasingly cut-throat marketplace, Hirisun is facing a bottleneck for performance growth, thus urgently seeking transformation and upgrading. Upon the completion of the transaction, the surviving company will scale up production, diversify product portfolios, and improve technical strength and management operation. Using market-oriented instruments, it will spur the M&A Parties into deepening reforms, while refining its own governance structure. The integrated development and mutual promotion of industrial operation and capital operation will spark high-quality development of the surviving company. The development of the electric power information business in tandem with industrial turbine business will further strengthen core competence and sustainable profitability of the surviving company and increase its investment value.

II. Transaction plan

(I) Overview of transaction plan

Hirisun intends to issue A-shares to all HTC shareholders concerned, for stock-for-stock merger of HTC. Hirisun acts as the acquirer, and HTC acts as the acquiree. That is to say, Hirisun issues A-shares to all HTC shareholders concerned, in exchange for HTC shares held by these shareholders.

Upon the completion of the stock-for-stock merger, HTC will be delisted and disqualified from being a corporation, while Hirisun will inherit and take on all HTC's assets, liabilities, businesses, human resources, contracts and all the other rights and obligations. Hirisun will request for listing

and circulating A-shares issued by Hirisun for the stock-for-stock merger on SZSE GEM market.

(II) Merger plan

For details, please refer to "Key Notes" - "II. Payment Method and Specific Plan for the Share Swap Merger" in this summary .

III. Decision-making Process and Approval of This Transaction

(I) Completed procedures and obtained approvals for this transaction

1. This transaction has been deliberated approved by Hirisun's Sixth Board and of Directors at the Fourth Interim Meeting of 2024;

2. This transaction has been deliberated and approved by HTC's Ninth Board of Directors at the Tenth Meeting and fourteen Meeting ;

3. This transaction has been approved by the State-owned Assets Supervision and Administration Commission of Zhejiang Province.

(II) Required authorizations and approvals to be obtained for this transaction

1. The formal plan for this transaction must be deliberated and approved by the general meetings of shareholders of both Hirisun and HTC;

2. Hirisun's general meetings of shareholders must approve the exemption of Hangzhou Capital and Steam Turbine Holdings from making a mandatory offer to increase their shareholding in Hirisun;

3. This transaction must be approved by the Shenzhen Stock Exchange and registered by the CSRC;

4. This share swap merger must obtain all other required approvals, permits or consents (if any) from competent authorities as stipulated by applicable laws and regulations.

This transaction will not be implemented until all the aforementioned approvals, permits or consents are obtained. There remains uncertainty regarding whether and when this transaction will obtain all the aforementioned approvals, permits or consents. Investors are hereby advised to pay attention to the associated investment risks.

IV. Valuation of This Transaction

The exchange ratio for this share swap merger was determined based on the 20-trading-day average stock price of both the merging party and the merged party prior to the pricing benchmark date for this share swap merger, with comprehensive reference to the valuation levels of comparable companies in the same industry and the exchange ratio premium levels in comparable transactions, while giving full consideration to the specific circumstances of this transaction and the interests of all shareholders involved. In accordance with the requirements of the *Administrative Measures on Major Asset Restructuring of Listed Companies, Guideline No. 26* and other relevant laws,

regulations, and normative documents governing significant asset restructuring of listed companies, and for the purpose of providing reference to the boards of directors of both the merging party and the merged party to analyze whether the pricing of this share swap merger is fair. CITIC Securities has issued the *Valuation Report by CITIC Securities Company Limited on the Share Swap Merger Between Hangzhou Hirisun Technology Incorporated and Hangzhou Turbine Power Group Co., Ltd. and the Related-Party Transaction* with respect to this share swap merger. For details of the valuation, please refer to "Chapter VI Valuation of This Merger" in this report. CITIC Securities believes that "this transaction is with reasonable valuation and fair pricing ", while China Securities believes that "this transaction is with reasonable valuation and fair pricing".

V. The transaction constitutes a related party transaction

In the transaction, Hirisun'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 *GEM Listing Rules*, the transaction constitutes a related party transaction between Hirisun and HTC.

Regarding the aforementioned related-party transactions, when the Boards of Directors of Hirisun and HTC deliberated the relevant proposals for this transaction, their respective interested directors abstained from voting. Similarly, at the general meetings of shareholders of Hirisun and HTC to consider the proposals for this transaction, the interested shareholders will abstain from voting.

VI. The transaction constitutes material asset restructuring

According to Hirisun's and HTC's 2024 audit reports and transaction amount, the transaction constitutes material asset restructuring, specifically calculated as follows:

In RMB 10,000			
Item	Total assets	Operating revenue	Net assets
Acquiree (HTC)	1,725,208.24	663,891.50	895,460.17
Transaction amount	1,123,249.22		
Acquirer (Hirisun)	67,401.87	22,805.81	49,206.60
Acquiree/acquirer	2,559.59%	2,911.06%	1,819.80%
Transaction amount/acquirer	1,666.50%	-	2,282.72%
Criterion for material asset restructuring in the Measures for the Administration of Restructuring	50%	50% and> RMB 50 million	50% and> RMB 50 million
Whether to meet the criterion for material asset restructuring	Yes	Yes	Yes

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.

VII. 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, Hirisun's dominant shareholder was altered from HFI to Hangzhou Capital. In February 2024, HFI voluntarily transferred all 99,830,000 shares of Hirisun held (representing 29.80% of Hirisun's total capital stock) to Hangzhou Capital. Till the signing date of the plan, HFI no longer held shares of Hirisun, and Hangzhou Capital held 99,830,000 non-selling-restricted tradable shares of Hirisun, accounting for 29.80% of Hirisun's total capital stock. Hirisun's dominant shareholder is thus altered from HFI to Hangzhou Capital. As of the signing date of this summary report, Hirisun altered its dominant shareholder less than 36 months earlier.

According to Hirisun's and HTC's 2024 audit reports, HTC's related financial data account for over 100% of Hirisun'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 surviving 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. Hirisun 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, Hirisun's total capital stock is 335,000,000 shares, while HTC's total capital stock is 1,174.9469 million shares. Irrespective of subsequent ex-right or ex-dividend and other effects on the M&A Parties, Hirisun issues a total of 1,174.9469 million 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, Hirisun's shareholders and holding ratios are listed as follows:

In 10,000 shares

Shareholder	Before the stock-for-stock merger		After the stock-for-stock merger	
	Number of shares	Holding ratio	Number of shares	Holding ratio

Shareholder	Before the stock-for-stock merger		After the stock-for-stock merger	
	Number of shares	Holding ratio	Number of shares	Holding ratio
Hangzhou State-owned Capital Investment and Operation Co., Ltd.	9,983.00	29.80%	9,983.00	6.61%
Hangzhou Turbine Holdings Co., Ltd.	-	-	68,971.59	45.68%
Subtotal shares held by dominant shareholders and persons acting in concert	9,983.00	29.80%	78,954.59	52.29%
Other shareholders	23,517.00	70.20%	72,040.10	47.71%
Total	33,500.00	100.00%	150,994.69	100.00%

(III) The impact of this transaction on the main financial indicators of the surviving company

According to Hirisun's 2024 financial data and the *Pro Forma Audit Report* issued by Pan-China Certified Public Accountants, the financial data of Hirisun before and after this transaction are as follows:

In RMB 10,000

Financial Indicators	December 31, 2024/2024	
	Pre-Transaction	Post-Transaction (Pro Forma)
Total assets	67,401.87	1,792,610.11
Owners' equity attributable to the parent company	49,206.60	944,666.77
Operating income	22,805.81	686,697.31
Total profit	2,102.23	65,853.18
Net profit attributable to owners of the parent company	945.81	54,942.04
Basic earnings per share (RMB/share)	0.03	0.36
Return on equity	1.93%	6.21%

Note: Basic earnings per share = Net profit attributable to ordinary shareholders ÷ Weighted average number of ordinary shares outstanding during the period.

After the implementation of this transaction, Hirisun will inherit and undertake all the assets, liabilities, business, personnel, contracts and all other rights and obligations of HTC. After this transaction, the surviving company will possess businesses with larger profit scale and stronger profitability, which will enhance its comprehensive strength and profit potential in the medium to long term, fully safeguarding the interests of its shareholders. Meanwhile, the shareholders of the surviving company will take effective measures to fill the immediate returns to shareholders. For details, please refer to "Chapter XIII Other Significant Matters" - "X. Whether This Transaction Will Dilute the Surviving Company's Earnings Per Share" - "(II) Measures to Mitigate Potential Dilution of Immediate Returns" in this report.

(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 summary report'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.

IX. Important commitments made by the transaction-related parties

Party of commitment	Matter of commitment	Particulars
Hirisun	Statement and commitment of authenticity, accuracy and integrity of information provided	<p>1. The Company gives a pledge: all the transaction-related materials provided to all intermediaries are authentic, accurate and intact original written materials or duplicates and information; such duplicates or photocopies are consistent with relevant original materials or original copies; all the documents bear authentic signature or seal and contain no false records, misleading statements or major omissions whatsoever.</p> <p>2. The Company gives a pledge: the statement and confirmation issued for the transaction is authentic, accurate and intact, and contains no false records, misleading</p> <p>3. Depending on the process of the transaction, if related documents and relevant information are further needed, the Company ensures that such documents and information be provided in time, with guarantee on the authenticity, accuracy and integrity of such information.</p> <p>4. If the given or disclosed information in the transaction relates to any false records, misleading statements or major omissions, and causes losses to the Company or investors, the Company will bear liability of compensation by law.</p>
Hirisun's directors, supervisors and senior executives	Statement and commitment of authenticity, accuracy and integrity of information provided	<p>1. I myself give a pledge: all the transaction-related materials provided to all intermediaries are authentic, accurate and intact original written materials or duplicates and information; such duplicates or photocopies are consistent with relevant original materials or original copies; all the documents bear authentic signature or seal and contain no false records, misleading statements or major omissions whatsoever.</p> <p>2. I myself give a pledge: the statement and confirmation issued for the transaction is authentic, accurate and intact, and contains no false records, misleading statements or major omissions whatsoever.</p> <p>3. Depending on the process of the transaction, if related documents and relevant information are further needed, I myself ensure that such documents and information be provided in time, with guarantee on the authenticity, accuracy and integrity of such information.</p> <p>4. If the given or disclosed information in the transaction relates to any false records, misleading statements or major omissions, and causes losses to Hirisun or investors, I will bear liability of compensation by law.</p> <p>5. If the disclosed or given information in the transaction relates to any false records, misleading statements or major omissions, as a result of which, I am investigated and put on file by the judiciary or inquired and put on file by the CSRC, shares of Hirisun shall not be transferred before conclusions are drawn. And within two trading days upon the receipt of notice on case investigation, suspended stock accounts and relevant written request shall be handed over to the board of Hirisun, which will then, on my behalf, apply for locking to the stock exchange and securities depository and clearing agency; if no application for locking is filed in within two trading days, the mandated board of Hirisun shall verify and submit my personal identity information and account information to the stock exchange and securities depository and clearing agency in application for locking; if the board of Hirisun fails to submit my personal identity information and account information to the stock exchange and securities depository and clearing agency, the stock exchange and securities depository and clearing agency shall be authorized to lock relevant shares. In case of any breaches of laws or regulations found in the conclusion of</p>

Party of commitment	Matter of commitment	Particulars
		investigation, I myself pledge to lock shares for use subject to arrangements for compensation to relevant investors.
	Statement on the plan for reduction of shares from the date of restructuring and resumption of trading till the completion of merger	<p>1. From the date of resumption of trading till the completion of the transaction, I myself shall not reduce Hirisun's shares held, nor do I have any plans for reduction of Hirisun's shares.</p> <p>2. In violation of the commitment, I myself will bear relevant legal liability.</p>
Hirisun and directors, supervisors and senior executives thereof	Commitment Regarding Remedial Measures to Offset Dilution of Potential Immediate Returns in This Transaction	<p>1. To perform duties faithfully and diligently, safeguard the legitimate rights and interests of the company and all shareholders;</p> <p>2. Not to provide benefits to other entities or individuals for free or under unfair conditions, nor take any other actions to harm the company's interests;</p> <p>3. To restrain my job-related consumption activities;</p> <p>4. Not to utilize company assets for investments or consumption activities unrelated to the performance of my official duties;</p> <p>5. Within the scope of my authority, to ensure that remuneration systems established by the Board of Directors or the Remuneration and Appraisal Committee are linked to the implementation of remedial measures to offset dilution of returns;</p> <p>6. If the company subsequently implement an equity incentive policy, I shall, within the scope of my authorized duties and responsibilities, make best efforts to ensure that the proposed vesting conditions of such equity incentives are linked to the implementation progress of the company's remedial measures to offset dilution of returns;</p> <p>7. From the date of this commitment until the completion of this transaction, if regulatory authorities issue new regulations regarding remedial measures and the commitments related to them, and if such commitment cannot meet the above updated regulations, I commit to promptly issue supplementary commitments in accordance with the latest regulations;</p> <p>8. I undertake to strictly fulfill all commitments stated above. If I violate these commitments or refuse to comply the same, resulting in losses to the company or investors, I shall bear corresponding legal liability for compensation as required by law.</p>
Hirisun and directors, supervisors and senior executives thereof	Statement on law abiding and integrity	<p>On December 13, 2024, the Zhejiang Securities Regulatory Bureau issued the <i>Decision on Taking Measures to Issue a Warning Letter to Hangzhou Hirisun Technology Incorporated and Relevant Personnel</i> ([2024] No. 273) to the Company, its then Chairman/General Manager, CFO, and Board Secretary, while the GEM Company Management Department of Shenzhen Stock Exchange simultaneously issued the <i>Regulatory Letter to Hangzhou Hirisun Technology Incorporated, Ying Yeping, and Ma Hongjie</i> (CYBJGH [2024] No. 182) to the Company, its then Chairman/General Manager, and CFO, except for the above matters:</p> <p>1. In the latest five years, the Company and all directors, supervisors and senior executives thereof were put under no criminal or administrative penalty (except for those apparently irrelevant with the securities market); they involved no major civil lawsuit or arbitration in connection with any economic disputes; and they were not investigated and put on file by the judiciary on suspicion of crime or inquired and put on file by the CSRC on suspicion of breach against laws or regulations.</p> <p>2. In the latest five years, the Company and all directors, supervisors and senior executives thereof encountered no administrative regulation measures of the CSRC or disciplinary sanctions of the stock exchange for failing to repay large debt or to honor promises.</p> <p>3. In the latest twelve months, the Company and all directors, supervisors and senior executives thereof were not denounced in public by the stock exchange or committed other dishonest acts, nor did they</p>

Party of commitment	Matter of commitment	Particulars
		<p>have other records of bad conduct.</p> <p>In violation of the confirmed contents above, the Company and all directors, supervisors and senior executives thereof will bear relevant legal liability of their own accord.</p>
	Statement of no occurrence of circumstances in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Material Asset Restructuring by Listed Companies	<p>Till the issue date of the statement, the Company and all agencies under control of the Company, directors, supervisors and senior executives of the Company were not investigated and put on file or inquired and put on file on suspicion of insider trading in connection with the transaction. Nor were they imposed any administrative penalty by CSRC or held accountable for criminal liability by the judiciary by law on suspicion of insider trading regarding material asset restructuring in the latest 36 months.</p> <p>In all, the Company and all agencies under control of the Company, directors, supervisors and senior executives of the Company were not under circumstances prescribed in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Material Asset Restructuring by Listed Companies: Not engaged in material asset restructuring by listed companies.</p>
HTC	Statement and commitment of authenticity, accuracy and integrity of information provided	<p>1. The Company gives a pledge: all the transaction-related materials provided to all intermediaries are authentic, accurate and intact original written materials or duplicates and information; such duplicates or photocopies are consistent with relevant original materials or original copies; all the documents bear authentic signature or seal and contain no false records, misleading statements or major omissions whatsoever.</p> <p>2. The Company gives a pledge: the statement and confirmation issued for the transaction is authentic, accurate and intact, and contains no false records, misleading statements or major omissions whatsoever.</p> <p>3. Depending on the process of the transaction, if related documents and relevant information are further needed, the Company ensures that such documents and information be provided in time, with guarantee on the authenticity, accuracy and integrity of such information.</p> <p>4. If the given or disclosed information in the transaction relates to any false records, misleading statements or major omissions, and causes losses to the Company or investors, the Company will bear liability of compensation by law.</p>
HTC's directors, supervisors and senior executives	Statement and commitment of authenticity, accuracy and integrity of information provided	<p>1. I myself give a pledge: all the transaction-related materials provided to all intermediaries are authentic, accurate and intact original written materials or duplicates and information; such duplicates or photocopies are consistent with relevant original materials or original copies; all the documents bear authentic signature or seal and contain no false records, misleading statements or major omissions whatsoever.</p> <p>2. I myself give a pledge: the statement and confirmation issued for the transaction is authentic, accurate and intact, and contains no false records, misleading statements or major omissions whatsoever.</p> <p>3. Depending on the process of the transaction, if related documents and relevant information are further needed, the Company ensures that such documents and information be provided in time, with guarantee on the authenticity, accuracy and integrity of such information.</p> <p>4. If the given or disclosed information in the transaction relates to any false records, misleading statements or major omissions, and causes losses to HTC or investors, I will bear liability of compensation by law.</p> <p>5. If the disclosed or given information in the transaction relates to any false records, misleading statements or major omissions, as a result of which, I am investigated and put on file by the judiciary or inquired and put on file by the CSRC, shares of HTC and Hirisun shall not be transferred before conclusions are drawn. And within two trading days</p>

Party of commitment	Matter of commitment	Particulars
		upon the receipt of notice on case investigation, suspended stock accounts and relevant written request shall be handed over to the boards of HTC and Hirisun, which will then, on my behalf, apply for locking to the stock exchange and securities depository and clearing agency; if no application for locking is filed in within two trading days, the mandated board of Hirisun shall verify and submit my personal identity information and account information to the stock exchange and securities depository and clearing agency in application for locking; if the boards of HTC and Hirisun fails to submit my personal identity information and account information to the stock exchange and securities depository and clearing agency, the stock exchange and securities depository and clearing agency shall be authorized to lock relevant shares. In case of any breaches of laws or regulations found in the conclusion of investigation, I myself pledge to lock shares for use subject to arrangements for compensation to relevant investors.
	Statement on the plan for reduction of shares from the date of restructuring and resumption of trading till the completion of merger	<p>1. From the date of resumption of trading till the completion of the transaction, I myself shall not reduce HTC's shares held, nor do I have any plans for reduction of HTC's shares.</p> <p>2. In violation of the commitment, I myself will bear relevant legal liability.</p>
HTC and directors, supervisors and senior executives thereof	Statement on law abiding and integrity	<p>1. In the latest five years, the Company and all directors, supervisors and senior executives thereof were put under no criminal or administrative penalty (except for those apparently irrelevant with the securities market); they involved no major civil lawsuit or arbitration in connection with any economic disputes; and they were not investigated and put on file by the judiciary on suspicion of crime or inquired and put on file by the CSRC on suspicion of breach against laws or regulations.</p> <p>2. In the latest five years, the Company and all directors, supervisors and senior executives thereof encountered no administrative regulation measures of the CSRC or disciplinary sanctions of the stock exchange for failing to repay large debt or to honor promises.</p> <p>3. In the latest twelve months, the Company and all directors, supervisors and senior executives thereof were not denounced in public by the stock exchange or committed other dishonest acts, nor did they have other records of bad conduct.</p> <p>In violation of the confirmed contents above, the Company and all directors, supervisors and senior executives thereof will bear relevant legal liability of their own accord.</p>
	Statement of no occurrence of circumstances in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Material Asset Restructuring by Listed Companies	<p>Till the issue date of the statement, the Company and all agencies under control of the Company, directors, supervisors and senior executives of the Company were not investigated and put on file or inquired and put on file on suspicion of insider trading in connection with the transaction. Nor were they imposed any administrative penalty by CSRC or held accountable for criminal liability by the judiciary by law on suspicion of insider trading regarding material asset restructuring in the latest 36 months.</p> <p>In all, the Company and all agencies under control of the Company, directors, supervisors and senior executives of the Company were not under circumstances prescribed in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Material Asset Restructuring by Listed Companies: Not engaged in material asset restructuring by listed companies.</p>
Hangzhou	Statement and	1. The Company gives a pledge to Hirisun, HTC and all intermediaries

Party of commitment	Matter of commitment	Particulars
Capital	commitment of authenticity, accuracy and integrity of information provided	<p>involved in the transaction: all the transaction-related materials provided to all intermediaries are authentic, accurate and intact original written materials or duplicates and information; such duplicates or photocopies are consistent with relevant original materials or original copies, with legal procedures performed and legal authorization obtained for signing or sealing the documents; all the documents bear authentic signature or seal and contain no false records, misleading statements or major omissions whatsoever.</p> <p>2. The Company gives a pledge: the statement and confirmation issued for the transaction is authentic, accurate and intact, and contains no false records, misleading statements or major omissions whatsoever.</p> <p>3. Depending on the process of the transaction, if related documents and relevant information are further needed, the Company ensures that such documents and information be provided in time, with guarantee on the authenticity, accuracy and integrity of such information.</p> <p>4. If the given or disclosed information in the transaction relates to any false records, misleading statements or major omissions, and causes losses to Hirisun, HTC or investors, the Company will bear liability of compensation by law.</p> <p>5. If the disclosed or given information in the transaction relates to any false records, misleading statements or major omissions, as a result of which, the Company is investigated and put on file by the judiciary or inquired and put on file by the CSRC, the Company will not transfer, directly or indirectly, shares of Hirisun or HTC before conclusions are drawn. And within two trading days upon the receipt of notice on case investigation, suspended stock accounts and relevant written request shall be handed over to the boards of Hirisun and HTC, which will then, on my behalf, apply for locking to the stock exchange and securities depository and clearing agency; if no application for locking is filed in within two trading days, the mandated boards of Hirisun and HTC shall verify and submit the Company's identity information and account information to the stock exchange and securities depository and clearing agency in application for locking; if the boards of Hirisun and HTC fail to submit the Company's identity information and account information to the stock exchange and securities depository and clearing agency, the stock exchange and securities depository and clearing agency shall be authorized to lock relevant shares. In case of any breaches of laws or regulations found in the conclusion of investigation, the Company gives a pledge to lock shares for use subject to arrangements for compensation to relevant investors.</p>
	Statement on the opinions of principle about the restructuring and plans for reduction of shares from the date of restructuring and resumption of trading till the completion of merger	<p>1. In principle, the Company approves the transaction.</p> <p>2. From the date of resumption of trading till completion of the transaction, the Company shall not directly or indirectly reduce held shares of Hirisun or HTC. Nor shall the Company have any plans for direct or indirect reduction of shares of Hirisun or HTC.</p> <p>In violation of the commitment, the Company will bear relevant legal liability.</p>
	Statement of no occurrence of circumstances in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Asset	<p>Till the issue date of the statement, the Company and all agencies under control of the Company, directors, supervisors and senior executives of the Company were not investigated and put on file or inquired and put on file on suspicion of insider trading in connection with the transaction. Nor were they imposed any administrative penalty by CSRC or held accountable for criminal liability by the judiciary by law on suspicion of insider trading regarding material asset restructuring in the latest 36 months.</p> <p>In all, the Company and all agencies under control of the Company,</p>

Party of commitment	Matter of commitment	Particulars
	Restructuring by <i>Listed Companies</i>	directors, supervisors and senior executives of the Company were not under circumstances prescribed in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Material Asset Restructuring by Listed Companies: Not engaged in material asset restructuring by listed companies.
	Commitment to retaining independence of a listed company	<p>I. Hirisun's human resources, assets, financial affairs, agencies and businesses are categorically separate from those of the Company and other companies under control of the Company, which is indicative of independence and no merger of human resources, assets, financial affairs, agencies and businesses between each other.</p> <p>II. Upon the completion of the transaction, pledge is given that Hirisun will keep human resources, assets, financial affairs, agencies and businesses separate from those of the Company and other companies under control of the Company, thus retaining the independence of a listed company in terms of human resources, assets, financial affairs, agencies and businesses, specifically as follows:</p> <p>(I) HR independence</p> <p>1. The Company gives a pledge: Hirisun's general manager, deputy general manager, financial director, board secretary and other senior executives do not take up posts other than directorship and supervisorship in the Company and other companies under control of the Company, or get paid in the Company and other companies under control of the Company; Hirisun's financial staff do not take up concurrent posts and get paid in the Company and other companies under control of the Company.</p> <p>2. The Company gives a pledge: Hirisun has its own sound labor, HR and compensation management systems, which are entirely independent of those of the Company and other companies under control of the Company.</p> <p>(II) Asset independence and integrity</p> <p>1. Pledge is given that Hirisun boasts facilities and supporting facilities in connection with production and operation, owns land, plant, equipment, as well as ownership and right to use trademarks, patents and non-patented technologies in relation to production and operation, and has its own purchasing and marketing system.</p> <p>2. Pledge is given that Hirisun has its own assets in entirety, and all such assets are wholly under control of Hirisun and solely owned and run by Hirisun.</p> <p>3. Pledge is given that the Company and other companies under control of the Company illegally appropriate Hirisun's funds or assets in any manners; guarantee is not given to the Company and other companies under control of the Company, using Hirisun's assets.</p> <p>(III) Financial independence</p> <p>1. Pledge is given that Hirisun has set up an independent financial department and financial accounting system. Pledge is given that Hirisun has its own standardized financial accounting system and financial management system for affiliates and subsidiaries thereof. Pledge is given that Hirisun opens its own bank account, and does not share a bank account with the Company and other companies under control of the Company.</p> <p>2. Pledge is given that Hirisun is capable of making independent financial decisions, and the Company does not illegally intervene in Hirisun's use and allocation of funds, or Hirisun's tax payment by law.</p> <p>(IV) Organizational independence</p> <p>1. Pledge is given that Hirisun has its own sound organization and is</p>

Party of commitment	Matter of commitment	Particulars
		<p>capable of independently running the organization.</p> <p>2. Pledge is given that Hirisun's workplace and premises are separate from the Company's.</p> <p>3. Pledge is given that Hirisun's board of directors, board of supervisors and all functional departments are independently functioning and not affiliated to the Company's functional departments. (V) Business independence</p> <p>1. Pledge is given that Hirisun's businesses are independent of those of the Company and other companies under control of the Company. Pledge is given that Hirisun boasts assets, human resources, qualifications and capabilities for carrying out operating activities on its own, as well as abilities of making independent and sustainable market-oriented operation.</p> <p>2. Pledge is given that the Company does not intervene in Hirisun's business activities, except for exercising rights as a shareholder.</p> <p>The commitment retains binding to the Company or its actual controller till they lose power of control over Hirisun. If the Company causes any losses to Hirisun for failure of honoring the commitment, the Company will bear relevant liability of compensation by law.</p>
	Commitment to reducing and standardizing related party transaction	<p>I. The Company pledges not to grant Hirisun and affiliates thereof the priority over any third party on market in terms of business cooperation, by taking advantage of its own status as the dominant shareholder of Hirisun.</p> <p>II. The Company and other companies under control of the Company will avoid engaging in related party transaction with Hirisun and affiliates thereof as practical as possible.</p> <p>III. Where related party transaction is inevitable or happens for reason, the Company and other companies under control of the Company will handle the transaction with Hirisun and affiliates thereof on principles of fairness, justice and compensation of equal value, and not engage in any acts that jeopardize the rights or interests of Hirisun and other shareholders taking advantage of the transaction.</p> <p>IV. Besides, the Company pledges that Hirisun will take precautions below against any related party transaction with the Company:</p> <p>1. In accordance with relevant laws, regulations and other normative documents, as well as Hirisun's articles of association, and related party transaction decision system, carry out related party transaction decision procedures, for information disclosure in time.</p> <p>2. On the principle of market economy, resort to market pricing for setting trading price.</p> <p>The commitment retains binding to the Company or its actual controller till they lose power of control over Hirisun. If the Company causes any losses to Hirisun for failure of honoring the commitment, the Company will bear relevant liability of compensation by law.</p>
	Commitment to granting dissenting shareholders right of claim for acquisition and cash-based option	<p>1. For Hirisun's dissenting shareholders/HTC's dissenting shareholders that submit a valid application for exercising the right of claim for acquisition/cash-based option in line with procedures prescribed in the plan for right of claim for acquisition/plan for cash-based option as announced in due course by Hirisun/HTC, the Company will unconditionally be transferred the right of claim for acquisition/cash-based option exercised in valid application, except for shares in the following cases:</p> <p>(1) Right-restricting Hirisun's/HTC's shares, such as shares restricted</p>

Party of commitment	Matter of commitment	Particulars
		<p>from transfer owing to any pledge, other third party rights, judicial freezing and other circumstances prescribed by laws or regulations;</p> <p>(2) Shares whose lawful holders pledge to waive the right of claim for acquisition/cash-based option to Hirisun/HTC in writing;</p> <p>(3) Other shares which the right of claim for acquisition/cash-based option cannot be exercised in accordance with applicable laws.</p> <p>The Company will pay cash consideration to Hirisun's dissenting shareholders by price of right of claim for acquisition, i.e., RMB 9.56/share, and pay cash consideration to HTC's dissenting shareholders by price of cash-based option, i.e., RMB 7.11/share.</p> <p>In the event 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 regarding Hirisun's/HTC/s shares between the base date of pricing the stock-for-stock merger and the date of exercising the right of claim for acquisition/cash-based option, the price of the right of claim for acquisition/cash-based option will be adjusted accordingly. If price adjustment is triggered, and Hirisun/HTC convenes a board meeting for adjusting the price of right of claim for acquisition/cash-based option through deliberation, the Company will pay cash consideration to Hirisun's dissenting shareholders/HTC's dissenting shareholders by adjusted price.</p> <p>2. The provider of cash-based option shall proportionally convert all HTC shares held into shares issued by Hirisun for the stock-for-stock merger via the cash-based option transferred, on the date of exercising the stock-for-stock merger.</p> <p>3. The commitment will be made with the official seal of the Company, and come into force as from the date of record of the CSRC approval of the transaction and remain effective till the date of completion of stock-for-stock merger in the transaction.</p> <p>4. If the CSRC, stock exchange or any other competent authority promulgates and enforces new regulations prior to completion of the plan for right of claim for acquisition/cash-based option, the Company will have the right to make adjustments to the commitment in accordance with relevant regulations.</p>
	Statement on law abiding and integrity	<p>1. After the implementation of this transaction, Hirisun will inherit and undertake all the assets, liabilities, business, personnel, contracts and all other rights and obligations of HTC.</p> <p>2. In the latest five years, the Company and all directors, supervisors and senior executives thereof were put under no criminal or administrative penalty (except for those apparently irrelevant with the securities market); they involved no major civil lawsuit or arbitration in connection with any economic disputes; and they were not investigated and put on file by the judiciary on suspicion of crime or inquired and put on file by the CSRC on suspicion of breach against laws or regulations</p> <p>3. In the latest five years, the Company and all directors, supervisors and senior executives thereof encountered no administrative regulation measures of the CSRC or disciplinary sanctions of the stock exchange for failing to repay large debt or to honor promises</p> <p>4. In the latest twelve months, the Company and all directors, supervisors and senior executives thereof were not denounced in public by the stock exchange or committed other dishonest acts, nor did they have other records of bad conduct.</p> <p>In violation of what's confirmed above, the Company will bear relevant legal liability of its own accord.</p>

Party of commitment	Matter of commitment	Particulars
	Commitments on the Share Lock-up Period Regarding This Restructuring	<p>1. With respect to the shares of Hirisun held by the Company prior to this transaction, the Company shall not transfer or entrust others to manage such shares in any manner, nor shall Hirisun repurchase such shares for a period of thirty-six months commencing from the listing date of the newly issued shares of Hirisun on the Shenzhen Stock Exchange.</p> <p>2. With respect to the shares of Hirisun obtained by the Company through this transaction, the Company shall not transfer or entrust others to manage such shares in any manner, nor shall Hirisun repurchase such shares for a period of thirty-six months commencing from the listing date of the newly issued shares of Hirisun on the Shenzhen Stock Exchange.</p> <p>3. Any Hirisun shares acquired by the Company through corporate actions by Hirisun (including but not limited to bonus share issues and capital reserve conversions) shall likewise be subject to the aforementioned lock-up arrangements. If the Company's lock-up period commitments conflict with the latest regulatory requirements of securities authorities, the Company will make corresponding adjustments in accordance with the relevant regulatory opinions. Upon expiration of the aforementioned lock-up period, the Company will comply with the relevant rules of the CSRC and the Shenzhen Stock Exchange.</p>
	Letter of Commitment on Avoidance of Competition in the Same Industry	<p>1. As of the date of this commitment, neither the Company nor any other enterprise controlled by the Company competes with the listed company in the same industry, and it is undertaken that the Company will not engage in, or cause any enterprise controlled by it to engage in, any business or activity that would, commercially, constitute direct or indirect competition with the listed company or any enterprise controlled by it.</p> <p>2. If the listed company further expand its business scope, neither the Company nor any other enterprise controlled by the Company will compete with the expanded business of the listed company; If any potential competition with the expanded business of the listed company may arise, the Company and any other enterprise controlled by the Company will withdraw from such competition in the following manner: (1) Ceasing the business that competes or may compete with the listed company; (2) Incorporating the competing business into the listed company for operation; or (3) Transferring the competing business to an unrelated third party.</p> <p>3. If the Company or any other enterprise controlled by the Company identifies any business opportunity to engage in activities that may compete with the operation of the listed company, they shall promptly notify the listed company of such opportunity. If the listed company provides a definitive response within the reasonable period specified in the notice expressing its willingness to pursue the opportunity, the Company shall make best efforts to grant the business opportunity to the listed company.</p> <p>4. In the event of any breach of the above commitments, the Company shall bear all resulting liabilities and shall fully indemnify or compensate the listed company for all direct or indirect losses incurred thereby.</p> <p>5. This commitment shall remain in full force and effect and shall not be modified or revoked during the period in which the Company controls the listed company.</p>
Hangzhou Capital	Commitment of the Controlling Shareholders Regarding Remedial Measures to Offset Dilution of Potential Immediate Returns in This Transaction	<p>1. The company commits not to improperly interfere with Hirisun's operations and management activities, nor appropriate Hirisun's interests;</p> <p>2. After the issuance of this commitment, if regulatory authorities impose additional requirements regarding remedial measures and related commitments, and such commitments cannot meet the above regulatory requirements, the Company commits to promptly issue supplementary commitments in accordance with the relevant provisions;</p>

Party of commitment	Matter of commitment	Particulars
		<p>3. The Company commits to strictly fulfill the commitments set forth herein. Any violation of such commitments or refusal to perform them, causing losses to Hirisun or its investors shall render the Company liable for corresponding compensation under applicable laws.</p>
Hangzhou Capital	Letter of commitment to increase holdings under specific circumstances	<p>1. If the stock trading price of Hirisun on any trading day within 15 trading days from the date of completion of the implementation of this share exchange is lower than the exchange price of 9.56 yuan per share (hereinafter referred to as the "trigger price for increasing holdings") of the merger of Hirisun in this share exchange absorption, Hangzhou Capital will invest a total of no more than RMB 1.5 billion on the premise of complying with laws, regulations, normative documents and the listing rules of the listing place of Hirisun to increase its holdings of Hirisun shares through the stock trading system of the Shenzhen Stock Exchange, and until the earliest occurrence in the following four circumstances: (1) the aforesaid funds are used up; (2) On the day of the increase, the stock price of Hirisun shall not be lower than the trigger price of the increase; (3) continued increase in holdings will result in the equity distribution of Hirisun not meeting the listing conditions; (4) 15 trading days expire from the date of completion of the implementation of the share exchange.</p> <p>2. The above-mentioned increased shares by the company will not be sold within 36 months from the date of completion of the implementation of the share exchange by Hirisun.</p> <p>3. If the ex-rights and ex-dividends such as cash dividends, stock dividends, capital reserve conversion to share capital, and allotment occur from the pricing base date to the implementation date of the share exchange (both dates inclusive) by Hirisun, the trigger price of the increase shall change accordingly.</p> <p>4. If the above commitment is violated, the company will bear the corresponding legal responsibilities in accordance with the law.</p>
Turbine Holdings	Statement and commitment of authenticity, accuracy and integrity of information provided	<p>1. The Company gives a pledge to HTC and all intermediaries involved in the transaction: all the transaction-related materials provided to all intermediaries are authentic, accurate and intact original written materials or duplicates and information; such duplicates or photocopies are consistent with relevant original materials or original copies, with legal procedures performed and legal authorization obtained for signing or sealing the documents; all the documents bear authentic signature or seal and contain no false records, misleading statements or major omissions whatsoever.</p> <p>2. The Company gives a pledge: the statement and confirmation issued for the transaction is authentic, accurate and intact, and contains no false records, misleading statements or major omissions whatsoever.</p> <p>3. Depending on the process of the transaction, if related documents and relevant information are further needed, the Company ensures that such documents and information be provided in time, with guarantee on the authenticity, accuracy and integrity of such information.</p> <p>4. If the given or disclosed information in the transaction relates to any false records, misleading statements or major omissions, and causes losses to HTC or investors, the Company will bear liability of compensation by law.</p> <p>5. If the information disclosed or given by the Company in the transaction relates to any false records, misleading statements or major omissions, as a result of which, the Company is investigated and put on file by the judiciary or inquired and put on file by the CSRC, shares of HTC and Hirisun shall not be transferred before conclusions are drawn. And within two trading days upon the receipt of notice on case investigation, suspended stock accounts and relevant written request shall be handed over to the boards of HTC and Hirisun, which will then,</p>

Party of commitment	Matter of commitment	Particulars
		on my behalf, apply for locking to the stock exchange and securities depository and clearing agency; if no application for locking is filed in within two trading days, the mandated board of Hirisun shall verify and submit the Company's identity information and account information to the stock exchange and securities depository and clearing agency in application for locking; if the boards of HTC and Hirisun fails to submit the Company's identity information and account information to the stock exchange and securities depository and clearing agency, the stock exchange and securities depository and clearing agency shall be authorized to lock relevant shares. In case of any breaches of laws or regulations found in the conclusion of investigation, the Company gives a pledge to lock shares for use subject to arrangements for compensation to relevant investors.
	Statement on the opinions of principle about the restructuring and plans for reduction of shares from the date of restructuring and resumption of trading till the completion of merger	<p>1. In principle, the Company approves the transaction.</p> <p>2. From the date of resumption of trading till the completion of the transaction, the Company shall not reduce HTC's shares held, nor do I have any plans for reduction of HTC's shares.</p> <p>In violation of the commitment, the Company will bear relevant legal liability.</p>
	Statement of no occurrence of circumstances in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Material Asset Restructuring by Listed Companies	<p>Till the issue date of the statement, the Company and all agencies under control of the Company, directors, supervisors and senior executives of the Company were not investigated and put on file or inquired and put on file on suspicion of insider trading in connection with the transaction. Nor were they imposed any administrative penalty by CSRC or held accountable for criminal liability by the judiciary by law on suspicion of insider trading regarding material asset restructuring in the latest 36 months.</p> <p>In all, the Company and all agencies under control of the Company, directors, supervisors and senior executives of the Company were not under circumstances prescribed in Article 12 of Guide to Regulation of Listed Companies No.7 - Regulation of Suspicious Stock Transactions Regarding Material Asset Restructuring by Listed Companies: Not engaged in material asset restructuring by listed companies.</p>
	Statement on law abiding and integrity	<p>1. In the latest five years, the Company and all directors, supervisors and senior executives thereof were put under no criminal or administrative penalty (except for those apparently irrelevant with the securities market); they involved no major civil lawsuit or arbitration in connection with any economic disputes; and they were not investigated and put on file by the judiciary on suspicion of crime or inquired and put on file by the CSRC on suspicion of breach against laws or regulations.</p> <p>2. In the latest five years, the Company and all directors, supervisors and senior executives thereof encountered no administrative regulation measures of the CSRC or disciplinary sanctions of the stock exchange for failing to repay large debt or to honor promises.</p> <p>3. In the latest twelve months, the Company and all directors, supervisors and senior executives thereof were not denounced in public by the stock exchange or committed other dishonest acts, nor did they have other records of bad conduct.</p> <p>In violation of what's confirmed above, the Company will bear relevant legal liability of its own accord.</p>
	Commitment to retaining independence	I. Upon the completion of the transaction, pledge is given that Hirisun will keep human resources, assets, financial affairs, agencies and

Party of commitment	Matter of commitment	Particulars
	of a listed company	<p>businesses separate from those of the Company and other companies under control of the Company, thus retaining the independence of a listed company in terms of human resources, assets, financial affairs, agencies and businesses, specifically as follows:</p> <p>(I) HR independence</p> <p>1. The Company gives a pledge: Hirisun's general manager, deputy general manager, financial director, board secretary and other senior executives do not take up posts other than directorship and supervisorship in the Company and other companies under control of the Company, or get paid in the Company and other companies under control of the Company; Hirisun's financial staff do not take up concurrent posts and get paid in the Company and other companies under control of the Company.</p> <p>2. The Company gives a pledge: Hirisun has its own sound labor, HR and compensation management systems, which are entirely independent of those of the Company and other companies under control of the Company.</p> <p>(II) Asset independence and integrity</p> <p>1. Pledge is given that Hirisun boasts facilities and supporting facilities in connection with production and operation, owns land, plant, equipment, as well as ownership and right to use trademarks, patents and non-patented technologies in relation to production and operation, and has its own purchasing and marketing system.</p> <p>2. Pledge is given that Hirisun has its own assets in entirety, and all such assets are wholly under control of Hirisun and solely owned and run by Hirisun.</p> <p>3. Pledge is given that the Company and other companies under control of the Company illegally appropriate Hirisun's funds or assets in any manners; guarantee is not given to the Company and other companies under control of the Company, using Hirisun's assets.</p> <p>(III) Financial independence</p> <p>1. Pledge is given that Hirisun has set up an independent financial department and financial accounting system. Pledge is given that Hirisun has its own standardized financial accounting system and financial management system for affiliates and subsidiaries thereof. Pledge is given that Hirisun opens its own bank account, and does not share a bank account with the Company and other companies under control of the Company.</p> <p>2. Pledge is given that Hirisun is capable of making independent financial decisions, and the Company does not illegally intervene in Hirisun's use and allocation of funds, or Hirisun's tax payment by law.</p> <p>(IV) Organizational independence</p> <p>1. Pledge is given that Hirisun has its own sound organization and is capable of independently running the organization.</p> <p>2. Pledge is given that Hirisun's workplace and premises are separate from the Company's.</p> <p>3. Pledge is given that Hirisun's board of directors, board of supervisors and all functional departments are independently functioning and not affiliated to the Company's functional departments.</p> <p>(V) Business independence</p> <p>1. Pledge is given that Hirisun's businesses are independent of those of the Company and other companies under control of the Company. Pledge is given that Hirisun boasts assets, human resources, qualifications and capabilities for carrying out operating activities on</p>

Party of commitment	Matter of commitment	Particulars
		<p>its own, as well as abilities of making independent and sustainable market-oriented operation.</p> <p>2. Pledge is given that the Company does not intervene in Hirisun's business activities, except for exercising rights as a shareholder.</p> <p>The commitment retains binding to the Company or its actual controller till they lose power of control over Hirisun. If the Company causes any losses to Hirisun for failure of honoring the commitment, the Company will bear relevant liability of compensation by law.</p>
	Commitment to reducing and standardizing related party transaction	<p>I. The Company pledges not to grant Hirisun and affiliates thereof the priority over any third party on market in terms of business cooperation, by taking advantage of its own status as the dominant shareholder of Hirisun.</p> <p>II. The Company and other companies under control of the Company will avoid engaging in related party transaction with Hirisun and affiliates thereof as practical as possible.</p> <p>III. Where related party transaction is inevitable or happens for reason, the Company and other companies under control of the Company will handle the transaction with Hirisun and affiliates thereof on principles of fairness, justice and compensation of equal value, and not engage in any acts that jeopardize the rights or interests of Hirisun and other shareholders taking advantage of the transaction.</p> <p>IV. Besides, the Company pledges that Hirisun will take precautions below against any related party transaction with the Company:</p> <p>1. In accordance with relevant laws, regulations and other normative documents, as well as Hirisun's articles of association, and related party transaction decision system, carry out related party transaction decision procedures, for information disclosure in time.</p> <p>2. On the principle of market economy, resort to market pricing for setting trading price.</p> <p>The commitment retains binding to the Company or its actual controller till they lose power of control over Hirisun. If the Company causes any losses to Hirisun for failure of honoring the commitment, the Company will bear relevant liability of compensation by law.</p>
	Commitment on the Lock-up Period for Hirisun's Shares Held	<p>1. With respect to the shares of Hirisun held by the Company obtained due to this transaction, the Company shall not transfer or entrust others to manage such shares in any manner, nor shall Hirisun repurchase such shares for a period of thirty-six months commencing from the completion date of the issuance of the newly issued shares of Hirisun on the Shenzhen Stock Exchange.</p> <p>2. Any Hirisun shares acquired by the Company through corporate actions by Hirisun (including but not limited to bonus share issues and capital reserve conversions) shall likewise be subject to the aforementioned lock-up arrangements. If the Company's lock-up period commitments conflict with the latest regulatory requirements of securities authorities, the Company will make corresponding adjustments in accordance with the relevant regulatory opinions. Upon expiration of the aforementioned lock-up period, the Company will comply with the relevant rules of the CSRC and the Shenzhen Stock Exchange.</p>

Party of commitment	Matter of commitment	Particulars
	Letter of Commitment on Avoidance of Competition in the Same Industry	<p>1. As of the date of this commitment, neither the Company nor any other enterprise controlled by the Company competes with the listed company in the same industry, and it is undertaken that the Company will not engage in, or cause any enterprise controlled by it to engage in, any business or activity that would, commercially, constitute direct or indirect competition with the listed company or any enterprise controlled by it.</p> <p>2. If the listed company further expand its business scope, neither the Company nor any other enterprise controlled by the Company will compete with the expanded business of the listed company; If any potential competition with the expanded business of the listed company may arise, the Company and any other enterprise controlled by the Company will withdraw from such competition in the following manner: (1) Ceasing the business that competes or may compete with the listed company; (2) Incorporating the competing business into the listed company for operation; or (3) Transferring the competing business to an unrelated third party.</p> <p>3. If the Company or any other enterprise controlled by the Company identifies any business opportunity to engage in activities that may compete with the operation of the listed company, they shall promptly notify the listed company of such opportunity. If the listed company provides a definitive response within the reasonable period specified in the notice expressing its willingness to pursue the opportunity, the Company shall make best efforts to grant the business opportunity to the listed company.</p> <p>4. In the event of any breach of the above commitments, the Company shall bear all resulting liabilities and shall fully indemnify or compensate the listed company for all direct or indirect losses incurred thereby.</p> <p>5. This commitment shall remain in full force and effect and shall not be modified or revoked during the period in which the Company controls the listed company.</p>

X. Necessity of This Transaction

(I) This transaction has a clear and feasible development strategy

Upon completion of this transaction, the surviving company will establish a "one core, one auxiliary" business structure, primarily focusing on Industrial turbine machinery with power information system integration as a supplementary business. In the future, the surviving company will implement a development strategy centered on Industrial turbine machinery, guided by green and intelligence and technological progress, and driven by dual engines of technological innovation and deepened transformation to accelerate business transformation and upgrading, with the goal of establishing the surviving company as a "world-class industrial drive service provider". Therefore, this transaction is supported by a clear and feasible development strategy.

(II) No improper market capitalization management practices in this transaction

The merger and absorption parties and their directors, supervisors, or senior management personnel have made any commitments or guarantees regarding the company performance or market capitalization that exceed relevant regulations. This transaction involves no improper market capitalization management practices.

(III) Share reduction of relevant parties to this transaction

As of the date of signing this summary report, the controlling shareholders and their merger and absorption parties, directors, supervisors, and senior management personnel of both transacting parties have submitted statements regarding share reduction plans. The aforementioned relevant parties will not reduce their direct or indirect shareholdings in Hirisun or HTC from the date of resumption of this transaction until its completion, nor do they have any plans to do so.

(IV) This transaction has commercial substance

Upon completion of this transaction, the surviving company will achieve comprehensive improvements in production scale, product variety, technological capabilities, and management operations. Through market-oriented approaches, it will deepen reforms of both the merging party and the merged party, enhance the corporate governance structure of the surviving company, and realize integrated development and mutual reinforcement of industrial operations and capital management, thereby promoting high-quality development of the surviving company. For the background and objectives of this transaction, please refer to this summary report "Chapter I Overview of this Transaction" - "I. Background and Objectives of this Transaction" in this report. Therefore, this transaction demonstrates rationality and commercial substance, with no occurrence of improper benefit transfers.

(V) Compliance with national industrial policies

According to the *Industrial Classification for National Economic Activities* (GB/T4754-2017) issued by the National Bureau of Statistics of the People's Republic of China, Hirisun falls under Software and Information Technology Services Industry (I65), while HTC falls under General Equipment Manufacturing (C34). According to the NDRC's *Guidance Catalog for Industrial Restructuring (2024 Edition)*, both the information technology services industry and machinery industry are classified as encouraged categories under national industrial policy. Therefore, this transaction does not violate any relevant national industrial policies.