

Ad hoc announcement pursuant to Art. 53 LR

**Announcement of Implementation of 2022 Annual Equity
Distribution by Zhejiang Hangke Technology Incorporated
Company**

The Board of Directors and all directors of the Company guarantee that the content of the announcement does not contain any false record, misleading statement or material omission and shall be legally responsible for the truthfulness, accuracy and completeness of its content in accordance with the law.

Important Content:

● Whether all shares of the initial strategic placement have been listed for circulation?: Yes

The number of new shares with unlimited conditions of sale in the equity distribution was 172,477,758

● Whether it involves differentiated dividend distribution and transfer: No

● Distribution ratio per share, Transfer ratio per share

Cash dividends per share 0.35 Yuan

Transfer per share 0.4 Shares

● Related Dates

Equity registration date	Ex-rights (dividend) date	Date of listing of new shares with unlimited sale conditions	Cash Dividend Payment Date
2023/6/6	2023/6/7	2023/6/7	2023/6/7

I. Session and Date of the Shareholders' Meeting to Adopt the Distribution and Capital Increase Plan

The profit distribution and capital increase proposal was approved at the 2022

Annual General Meeting of the Company on May 23, 2023.

II. Distribution and Capital Increase Plan

1. Release year: Year 2022
2. Distributed to:

All shareholders of the Company registered with the Shanghai Branch of China Securities Depository and Clearing Corporation ("CSEC Shanghai Branch") as of the close of business of the Shanghai Stock Exchange in the afternoon of the Share Registration Date.

3. Distribution Plan:

The profit distribution and capital increase were based on the total share capital of the Company of 431,194,394 shares before the implementation of the proposal. A cash dividend of 0.35 yuan (tax included) was distributed per share, and 0.4 shares were transferred to all shareholders by capital reserve fund. A total of 150,918,037.90 yuan was distributed, and 172,477,758 shares were transferred. The total share capital after this distribution is 603,672,152 shares.

III. Relevant Dates

Equity registration date	Ex-rights (dividend) date	Date of listing of new shares with unlimited sale conditions	Cash Dividend Payment Date
2023/6/6	2023/6/7	2023/6/7	2023/6/7

IV. Implementation Method of Distribution and Transfer of Capital

1. Implementation Method

(1) The dividends of shares with unlimited sale conditions are entrusted to the China Clearing and Settlement Corporation (CCSC) Shanghai Branch to distribute

through its fund clearing system to shareholders registered after the close of the Shanghai Stock Exchange on the share registration date and who have made designated transactions with each member of the Shanghai Stock Exchange. Investors who have processed designated transactions can receive cash dividends at their designated securities offices on the dividend payment date, while dividends for shareholders who have not processed designated transactions will be temporarily kept by China Securities Clearing Shanghai Branch and will be paid out after processing designated transactions.

(2) In the case of distributing bonus shares or transferred capital increase, the shareholder's account shall be credited directly by China Securities Clearing Corporation Shanghai Branch on a pro rata basis according to the number of shares held by the shareholders registered on the Shanghai Stock Exchange after the close of business on the share registration date.

2. Self-issued targets

Shareholders Cao Ji, Hangzhou Hangke Intelligent Equipment Group Co., Ltd, Sang Hongyu, Zhao Qunwu and Yu Pingguang are issued by the company itself.

3. Tax Deduction

(1) For natural shareholders and securities investment funds holding shares with unlimited sale conditions, the Company shall not withhold personal income tax when paying dividends and shall calculate the amount of tax payable according to the period of shareholding when the shares are actually transferred according to the relevant provisions of *Notice of the Ministry of Finance, the State Administration of Taxation and Securities Regulatory Commission on Issues Related to the Implementation of the Differentiated Individual Income Tax Policy on Dividends and Bonuses of Listed Companies* (C.S.[2012] No. 85) and the *Notice on Issues Related to the Differentiated Individual Income Tax Policy on Dividends and Bonuses of Listed Companies* (C.S.[2015] No. 101).

When individual shareholders and securities investment funds transfer their shares after the share registration date, China Clearing and Settlement Shanghai Branch calculates the actual taxable amount according to the period of their shareholding, and

the share custodian institutions such as the securities company deducts it from the individual's fund account and transfers it to China Clearing and Settlement Shanghai Branch, which transfers it to the company within 5 working days of the following month. The company will declare the payment to the competent tax authority within the statutory declaration period of the month of receipt.

The specific effective tax burden is:

The effective tax burden is 20% if the holding period is less than 1 month (including 1 month);

The effective tax burden is 10% if the holding period is more than 1 month to 1 year (including 1 year);

Dividends and bonuses are temporarily exempted from personal income tax if the shareholding period exceeds one year.

(2) For the personal income tax of cash dividends for natural shareholders holding shares with limited sales conditions, the personal income tax of cash dividends for natural shareholders with unlimited sales conditions shall be handled with reference to the aforementioned regulations on personal income tax of cash dividends for natural shareholders with unlimited sales conditions.

(3) For Qualified Foreign Institutional Investor ("QFII") shareholders, the Company is required to withhold and pay corporate income tax on behalf of QFIIs in accordance with the *Notice on Issues Relating to Withholding and Payment of Corporate Income Tax on Dividends, Dividends and Interest Paid by Chinese Resident Enterprises to QFIIs* (G.S.H.[2009] No. 47) issued by the State Administration of Taxation on January 23, 2009. The actual cash dividend per share after tax is RMB0.315. If QFII shareholders consider that they need to enjoy the tax treaty (arrangement) treatment for the dividends and bonuses they have received, they can apply to the competent tax authorities on their own in accordance with the regulations after receiving the dividends and bonuses.

(4) For investors (both corporate and individual) in the Hong Kong market who hold the Company's shares through the Shanghai Stock Exchange, their dividends will be paid by the Company in renminbi through the Shanghai branch of CSC on the basis

of the account of the nominal holder of the shares (Hong Kong Securities Clearing Company Limited), with tax deducted in accordance with the relevant provisions of *Notice of the Ministry of Finance, the State Administration of Taxation and the Securities and Futures Commission on the Taxation Policies Relating to the Pilot Scheme of the Interconnection and Interoperability Mechanism for Shanghai and Hong Kong Stock Market Transactions* (C.S.[2014] No. 81) in accordance with the relevant provisions of the tax rate of 10% withholding income tax. The actual cash dividends paid after tax is RMB0.315 per share. For Hong Kong investors who are tax residents of other countries and whose countries have entered into tax treaties with China that provide for a tax rate of less than 10% on dividend income, the enterprises or individuals may apply to the Company's competent tax authorities to enjoy the tax treaty treatment on their own.

(5) For investors holding Global Depositary Receipts (GDRs) issued by the Company on the SIX Swiss Exchange (hereinafter referred to as "GDR investors"), the cash dividends will be paid by the Company through the Shanghai branch of China Depository Corporation to the nominal holders of domestic underlying A shares corresponding to the GDRs. The cash dividends will be distributed by the Company to the nominal holders of the GDRs' domestic underlying A shares, Citibank, National Association, through the Shanghai branch of China Securities Regulatory Commission, and the income tax will be withheld and paid on their behalf at a rate of 10% in accordance with the *Enterprise Income Tax Law of the People's Republic of China* and other relevant tax regulations. After receiving the dividend income from GDRs, if GDR investors need to enjoy the treatment of relevant tax treaties (arrangements), they can apply to the Company's competent tax authorities on their own in accordance with the regulations.

The registration date for GDR investors will be the same as the registration date for A-shareholders, and the cash dividend will be paid by Citibank, National Association to GDR investors through Euroclear Bank SA/NV, Clearstream Banking, S.A. on June 14, 2023 Swiss time.

(6) For other institutional investors and corporate shareholders, their income tax on

dividends and bonuses is paid by them, and the actual cash dividend is RMB0.35 per share before tax.

V. Statement of Changes in Share Capital

	Before this change	Number of changes	After this change
		Transferred	
Total share capital	431,194,394	172,477,758	603,672,152

Whether all shares of the Company's initial strategic placement have been listed for circulation?: Yes

The new shares with unlimited conditions of sale in the equity distribution were 172,477,758 shares

V. Description of Diluted Earnings Per Share

After the implementation of the share transfer program, earnings per share for FY2022 based on the new total share capital of 603,672,152 shares on a diluted basis was \$0.86.

VII. About Consulting Methods

If you have any questions regarding the distribution of interests, please contact the following:

Contact Department: Securities Affairs Department

Tel: 0571-82210886

This announcement is hereby made.

Board of Directors

Zhejiang Hangke Technology Incorporated Company

June 1, 2023