

Zhejiang Hangke Technology Incorporated Company.

Announcement on 2022 profit distribution and conversion of capital reserve into share capital

Reminder on important content

● Distribution per share, and conversion per share: A cash dividend of 0.35 yuan (tax included) will be distributed per A share, and 4 shares will be transferred to shareholders for each 10 shares from the capital reserve, and no bonus shares will be granted.

● This profit distribution is based on the total share capital registered on the equity registration date for the implementation of equity distribution. The specific date will be disclosed in the equity distribution implementation announcement.

● If the company's total share capital changes before the equity registration date for the implementation of equity distribution, it is planned to maintain the total amount of cash dividend distribution unchanged and adjust the distribution amount per share accordingly, and to maintain the same ratio of conversion per share and adjust the total amount of capital conversion accordingly; the specific adjustments will be announced separately.

● The plan for profit distribution and conversion of capital reserve into share capital still needs to be submitted to the company's 2022 annual general meeting of shareholders for deliberation.

1. Content of the profit distribution plan

According to the audit report of Pan-China Certified Public Accountants (LLP), as of December 31, 2022, the company's distributable profit at the end of the period was RMB1,346,492,128.33, and the capital reserve balance was RMB 1,401,737,825.15. In order to positively return all shareholders, as per stipulations of *Company Law*, rules and regulations as well as *Articles of Association*, and considering the overall operation and financial status of the company, after deliberation by the board of directors, the company plans to distribute profits and increase share capital based on the total share capital registered on the equity registration date for the implementation of equity distribution in 2022. The plan for

profit distribution and conversion of capital reserve into share capital is as follows:

1. The company plans to distribute a cash dividend of 3.5 yuan (including tax) to all shareholders for every 10 shares. As of the date of the meeting of the board of directors for deliberating the plan for profit distribution and conversion of capital reserve into share capital, the company's total share capital was 431,194,394 shares, and the total proposed cash dividend was 150,918,037.90 yuan (tax included). The company's cash dividends this year accounted for 30.76% of the net profit attributable to shareholders of listed enterprises in the company's 2022 consolidated financial statements.

2. The company plans to transfer 4 shares from capital reserves for every 10 shares to all shareholders. As of the date of the meeting of the board of directors for deliberating the plan for profit distribution and conversion of capital reserve into share capital, the company's total share capital was 431,194,394 shares, and it was planned to transfer a total of 172,477,758 shares based on this calculation. After this transfer, the company's total share capital will be increased to 603,672,152 shares (the final number of converted shares is subject to the final registration result of China Securities Depository and Clearing Co., Ltd. Shanghai Branch, and if there is a difference, it is rounded off).

If during the period from the date of approval of this announcement to the registration date for the implementation of equity distribution, the total share capital of the company changes due to conversion of convertible bonds / share repurchase / cancellation of share repurchase granted by equity incentives / cancellation of share repurchase of major asset restructuring, etc., it is planned to maintain the total cash dividend distribution unchanged and adjust the distribution amount per share accordingly and to maintain the conversion ratio per share unchanged and adjust the total capital conversion accordingly; the specific adjustment will be announced separately.

The plan for profit distribution and conversion of capital reserve into share capital still needs to be submitted to the general meeting of shareholders for deliberation.

2. The decision-making process performed by the company

(1) Convening, deliberation and voting of board meetings

The company convened the fourteenth meeting of the third board of directors on April 26, 2022, and reviewed and approved the *Proposal on Deliberating the Plan for 2022 Annual Profit Distribution and Conversion of Capital Reserve into Share Capital*, and agreed to submit the proposal to the company's 2022 annual general meeting of shareholders for deliberation.

(2) Opinions of independent directors

The independent directors of the company issued the following independent opinions:

The company's plan for 2022 annual profit distribution and conversion of capital reserve into share capital is in line with the company's current actual operating conditions and financial conditions, and has taken into account factors such as the company's normal operations and long-term development, reasonable returns to shareholders, etc. It is in line with relevant regulations including the *Regulatory Guidelines No. 3 for Listed Enterprises - Cash Dividends of Listed Enterprises* and the *Articles of Association* of the company and does not harm the interests of the company and all shareholders, especially small and medium investors.

In summary, the independent directors of the company approved the *Proposal on Deliberating the Plan for 2022 Annual Profit Distribution and Conversion of Capital Reserve into Share Capital* and agreed to submit it to the company's 2022 annual general meeting of shareholders for deliberation.

(3) Opinions of the board of supervisors

The company convened the twelfth meeting of the third board of supervisors on April 26, 2022, and reviewed the *Proposal on Deliberating the Plan for 2022 Annual Profit Distribution and Conversion of Capital Reserve into Share Capital*. The board of supervisors believe that the proposal has fully considered various factors such as the company's profitability, cash flow status and capital needs, would not harm the

interests of small and medium shareholders, and is in line with the company's current operating conditions and is beneficial to the company's continuous, stable and healthy development. Therefore, the board of supervisors approved the plan and agreed to submit it to the company's 2022 annual general meeting of shareholders for deliberation.

3. Warning on relevant risks

(1) Analysis of the impact of cash dividends on earnings per share, cash flow, and production and operation of listed enterprises

The plan for profit distribution and conversion of capital reserve into share capital has taken into account the company's profitability, future capital needs and other relevant factors and will not have a significant impact on the company's operating cash flow, nor will it affect the company's normal operation or long-term development.

(2) Description of other risks

The plan for profit distribution and conversion of capital reserve into share capital still needs to be submitted to the company's 2022 annual general meeting of shareholders for deliberation and approval before implementation. All investors please pay attention to the investment risks.

End of announcement.

Board of Directors of Zhejiang Hangke Technology Incorporated Company.

April 27, 2023