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Hangzhou GreatStar Industrial Co., Ltd.
2022 Annual Equity Distribution Implementation Announcement

The Company and all the members of the Board of Directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false, misleading statement or material omission in this announcement.

Special notes:

After the implementation of this equity distribution, on the basis of the total share capital of Hangzhou GreatStar Industrial Co., Ltd. (hereinafter referred to as "the Company", "Company"), the cash dividend per share ratio and the ex-rights and ex-dividend reference price are as follows.

Considering that the shares on the Company's special repurchase securities account is not included in the 2022 Annual Equity Distribution, the total amount of the Company's actual cash dividend = the total share capital actually participating in the distribution × the distribution ratio, i.e. RMB198,283,378.21 = 1,194,478,182 shares × RMB0.166/share; cash dividend per share = total cash dividend ÷ total share capital (including the repurchased shares), i.e. RMB0.164892/share = RMB198,283,378.21 ÷ 1,202,501,992 shares (results are rounded to six decimal places and the last digit is intercepted directly without rounding).

In summary, the ex-rights and ex-dividend price after the 2022 annual equity distribution implement = closing price on the share registration date - RMB0.164892 per share.

The Company's 2022 Annual Equity Distribution Plan has been deliberated and approved in the 2022 annual general meeting held on 22 May 2023, and the distribution of equity is hereby announced as follows:

I. The equity distribution plan approved in the General Meeting

1. On 22 May 2023, the company held the 2022 Annual General Meeting where Proposal on the Company's Annual Profit Distribution Plan for 2022 was deliberated and approved. The Company's 2022 Annual Equity Distribution Plan is as follows: 1,202,501,992 shares of the company's total share capital on 31 December 2022 deducts 8,023,810 shares capital held in the Company's special securities account for repurchase, i.e. With 1,194,478,182 shares as bases, a cash dividend of RMB1.66 (including tax) will be paid to all shareholders for every 10 shares, resulting in a total cash dividend of RMB198,283,378.21. And the remaining undistributed profits will be settled in the next year, without being bonus shares or capital reserve converted into share capital. Before the implementation of this equity distribution plan, the company will adopt the principle of unchanged total amount of cash dividends and make corresponding adjustments if the total share capital changes due to share repurchase and other reasons,

2. There has been no change in the total share capital of the Company between the disclosure and implementation of this equity distribution plan.

3. The distribution plan implemented is line with the distribution plan and its adjustment principle considered and approved in the general meeting.

4. The implementation of the distribution plan is less than two months before it is deliberated and approved in the general meeting.

II. The equity distribution plan

The Company's 2022 Annual Equity Distribution Plan: the existing total share capital of the Company minus 8,023,810.00 repurchased shares is 1,194,478,182.00 shares which is the base. For every ten shares, all shareholders will be distributed RMB1.660000 in cash (including tax, and after tax, for Hong Kong market investors holding shares by Shenzhen Stock Exchange, QFII, RQFII, and individuals and securities investment funds holding post-IPO restricted shares, they are distributed RMB1.494000 per 10 shares; for those who have post-IPO restricted shares, restricted shared of equity incentive and shares with unlimited circulation, their equity dividend tax will be paid at different tax rate and the Company will not withhold individual income tax for the time being and will calculate the taxable amount according to the period of shareholding when the individual transfers the shares [Note]; the tax rate on dividends related to post-IPO restricted shares, restricted shared of equity incentive and shares with unlimited circulation and fund shares for Hong Kong investors is 10%. While for domestic investors holding fund shares, tax rate is different.

【Note: According to the FIFO principle, the period of shareholding will be calculated on the basis of the investor's securities account. For every ten shares held for less than one month (including one month), a supplementary tax of RMB 0.332000 should be paid; for every ten shares held for between one month and one year (including one year), a supplementary tax of RMB 0.166000 should be paid; for shares held for more than one year, no supplementary tax will be paid.】

III. Share registration date and ex-rights and ex-dividend date

The registration date for the equity distribution: 31 May 2023 The ex-dividend date: 1 June 2023.

IV. Subjects of equity distribution

The subjects of the distribution: all shareholders of the Company registered by Shenzhen subsidiary of China Securities Depository and Clearing Corporation (short for Shenzhen subsidiary of CSDC) as at the close of business on the Shenzhen Stock Exchange in the afternoon of 31 May 2023.

V. Method of equity distribution

1. The cash dividends entrusted by Shenzhen subsidiary of CSDC to distribute to its A-share shareholders will be transferred directly to their capital accounts through their custodian securities companies (or other custodian institutions) on 1 June 2023.

2. The following cash dividends to A-share shareholders are paid by the Company itself:

Serial number	Shareholders' account	Name of shareholders
1	08*****990	GreatStar Holding Group Co., Ltd.

2	00*****129	Qiu Jianping
3	00*****652	Wang Lingling

During the application period of the equity distribution business (application date: 23 May 2023 to the registration date: 31 May 2023), if there is a shortfall in the cash dividends entrusted and distributed by Shenzhen subsidiary of CSDC due to a decrease in the shares in the securities account of the self-distributing shareholders, all legal liabilities and consequences shall be borne by the Company itself.

VI. Adjustment of relevant parameters

After the implementation of this equity distribution, the cash dividend per share ratio and the ex-rights and ex-dividend reference price will be calculated based on the total share capital of the Company as follows:

Taking into account that the shares on the Company's special repurchase securities account do not participate in the 2022 Annual Equity Distribution, the total amount of the Company's actual cash dividend = the total share capital actually participating in the distribution x the distribution ratio, i.e. RMB198,283,378.21 = 1,194,478,182 shares x RMB0.166 per share; cash dividend per share = total cash dividend ÷ total share capital (including repurchased shares) i.e. RMB0.164892 per share = RMB198,283,378.21 ÷ 1,202,501,992 shares (the result is rounded to six decimal places and the last digit is intercepted directly without rounding.)

In summary, the ex-rights and ex-dividend price after the implementation of the 2022 Annual Equity Distribution = closing price on the share registration date - RMB0.164892 per share.

VII. Consulting Agency:

Address for consultation: No. 35 Jiuxuan Road, Shangcheng District, Hangzhou City, Zhejiang Province

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It is hereby announced.

The Board of Directors of Hangzhou GreatStar Industrial Co., Ltd.

25 May 2023