

# **Gotion High-Tech Co., Ltd.**

## **Announcement on the Implementation of the 2023 Annual Profit Distribution**

**The Company and all members of the Board of Directors warrant that the information disclosed is true, accurate and complete and that there are no false presentations, misleading statements or material omissions.**

### **Important notice:**

1. The 2023 annual profit distribution plan of the Gotion High-Tech Co., Ltd. ( hereinafter referred to as “the Company”) is as follows: based on 1,769,400,465 shares after the total share capital of 1,790,557,704 shares registered on the record date (June 20, 2024) for the implementation of the equity distribution deducts the repurchased shares of 21,157,239 shares in the Company’s special securities account for repurchase, a cash dividend of RMB 1.0 (inclusive of tax) will be paid to all shareholders for every 10 shares, with no bonus shares to be distributed and no increase in the share capital by way of conversion from capital reserve. The total amount of actual cash dividend of the Company = total share capital actually participating in the distribution  $\times$  distribution ratio, i.e. RMB 176,940,046.50 = 1,769,400,465 shares  $\times$  RMB 0.1 per share.

2. During the period from the disclosure to the implementation of the distribution plan, the total share capital of the Company changes due to shares repurchase, exercise of equity incentives and other reasons, and the Company shall implement it in accordance with the principle of unchanged distribution ratios per share and accordingly adjust the total amount of distribution.

3. The shares of the Company held by the Company through the special securities account for repurchase will not participate in the equity distribution. Ex-rights and ex-dividend price after the implementation of the Company’s 2023 annual equity distribution = Closing price on the trading day prior to the ex-rights and ex-dividend date - Cash dividend per share discounted on the basis of the Company’s total share capital = Closing price on the record date - RMB 0.0988183 per share (the result is

taken to the seventh decimal place, with the last digit being intercepted directly without rounding up or down).

4. The implementation of the profit distribution plan is not more than two months before it is considered and approved by the Company’s General Meeting of Shareholders.

The Company convened the 2023 Annual General Meeting of Shareholders on May 21, 2024, and considered and approved the *“proposal on the 2023 annual profit distribution plan”*, and hereby announces the matters of the equity distribution as follows:

#### **I. Consideration and approval of profit distribution plan at the General Meeting of Shareholders**

1. The 2023 annual profit distribution plan considered and approved at the 2023 Annual General Meeting of Shareholders of the Company is as follows: based on the total share capital registered on the record date for the implementation of the equity distribution after deducting the repurchased shares in the Company’s special securities account for repurchase, a cash dividend of RMB 1.0 (inclusive of tax) will be paid to all shareholders for every 10 shares, with no bonus shares to be distributed and no increase in the share capital by way of conversion from capital reserve. If measured on the basis of 1,766,883,589 shares after the total share capital of the Company of 1,785,717,757 shares as at April 19, 2024 deducts 18,834,168 repurchased shares in the Company’s special securities account for the repurchase, it is expected that a cash dividend of RMB 176,688,358.90 (inclusive of tax) will be paid. During the period from the disclosure date for the plan announcement to the record date for the implementation of the equity distribution, if there is any change in the total share capital of the Company, or if there is any change in the shares held in the Company’s special securities account for repurchase as a result of the repurchase of shares, the cancellation of the repurchased shares and the completion of non-trading transfers of the shares repurchased in connection with the Employee Stock Ownership Plan, the Company will accordingly adjust the total amount of distribution in accordance with

the principle of the unchanged distribution ratio per share.

2. During the period from the disclosure to the implementation of the profit distribution plan, the total share capital of the Company changed from 1,785,717,757 shares to 1,790,557,704 shares, the total number of shares in the Company's special securities account for repurchase was changed from 18,834,168 shares to 21,157,239 shares.

The Company has accordingly adjusted the total amount of distribution based on the principle of unchanged distribution ratio. Based on 1,769,400,465 shares after the total share capital registered on the record date of the Company deducts the shares in the special securities account for repurchase, a cash dividend of RMB 1.0 (inclusive of tax) was distributed for every 10 shares, and the total amount of the actual cash dividend is RMB 176,940,046.50.

3. The implementation of the profit distribution plan is consistent with the distribution plan approved by the Company's General Meeting of Shareholders.

4. The implementation of the profit distribution plan is not more than two months before it is considered and approved by the Company's General Meeting of Shareholders.

5. In order to ensure the smooth implementation of the equity distribution, during the period of processing the application for the equity distribution, the incentive recipients of the Company's 2022 Stock Option Incentive Plan will suspend the independent exercise of their options and there will be no change in the holdings of the Company's special securities account for the repurchase.

## **II. Profit distribution plan**

The Company's 2023 annual profit distribution plan is as follows: On the basis of 1,769,400,465 shares after the total share capital of 1,790,557,704 shares registered on the record date (June 20, 2024) for the implementation of the equity distribution deducts the repurchased shares in the Company's special securities account for repurchase of 21,157,239 shares, a cash dividend of RMB 1.000000 will be distributed to all shareholders for every 10 shares (inclusive of tax; After tax deduction, Hong Kong market investors holding shares through Shenzhen Stock

Connect, QFII, RQFII, and individuals and securities investment funds holding shares restricted for sale prior to the initial public offering shall be paid RMB 0.900000 per 10 shares; Dividend tax for individuals holding restricted shares after the initial offering, restricted shares for equity incentives and unlimited outstanding shares is levied at a differentiated tax rate, and the Company does not withhold personal income tax for the time being, and calculates the amount of tax payable based on the period of time an individual holds the shares when he/she transfers the shares [Note]; Dividend tax for securities investment funds holding restricted shares after initial public offering, restricted shares for equity incentives and unlimited outstanding shares shall be levied at 10% on the portion of fund shares held by Hong Kong investors, and differentiated tax rates shall be applied to the portion of fund shares held by Mainland investors).

[Note: Based on the first-in-first-out principle, the holding period is calculated on the basis of the investor's securities account, and if shares are held for less than one month (including one month), the back tax is RMB 0.200000 per 10 shares; if shares are held between more than one month and one year (including one year), the back tax is RMB 0.100000 per 10 shares; and if shares are held for more than one year, there is no need to pay the back tax.]

### **III. Record date and ex-dividend date**

The equity distribution's record date for A-shareholders is June 20, 2024, and the ex-dividend for A-shareholders date is June 21, 2024.

### **IV. Equity distribution objects**

The objects of this distribution are: all shareholders of the Company registered with China Securities Depository and Clearing Co., Ltd. Shenzhen Branch (hereinafter referred to as “China Clearing Shenzhen Branch”) as at the close of business of the Shenzhen Stock Exchange in the afternoon on June 20, 2024.

### **V. Equity distribution methods**

1. The cash dividends for A-shareholders entrusted by the Company to China Clearing

Shenzhen Branch and paid on behalf of the company will be directly transferred to their fund accounts on June 21, 2024 through the shareholders’s custodian securities companies (or other custodian institutions).

2. For qualified investors who have invested in the Global Depositary Receipts (“GDRs”) issued by the Company on the SIX Swiss Exchange, their cash dividends will be paid by the Company to Citibank, National Association, the nominal holder of domestic underlying A-shares corresponding to the GDRs, through China Clearing Shenzhen Branch. In accordance with the *“Enterprise Income Tax Law of the People’s Republic of China”* and other relevant tax regulations, the Company withholds and pays income tax at a rate of 10%. Since the acquisition of the GDR dividend income, if the GDR investors need to enjoy the treatment of the relevant tax agreements (arrangements), they may apply to the competent tax authorities on their own in accordance with the regulations.

The record date for GDR investors is the same as that for A-shareholders, the ex-dividend date for GDR investors is June 19, 2024, and the cash dividend payment date is June 28, 2024. The cash dividend will be distributed to GDR investors by the Citibank and National Association through the Euroclear Bank SA/NV and the Clearstream Banking, S.A..

3. The cash dividends for the following A-shareholders were paid by the Company itself:

No.	Shareholder Account Number	Name of Shareholder
1	08*****167	Nanjing Gotion Holding Group Co., Ltd.
2	00*****702	Li Zhen

During the application period for the equity distribution business (The application date: June 13, 2024 to the record date: June 20, 2024), if the cash dividends entrusted to China Clearing Shenzhen Branch and paid on behalf of the Company are insufficient due to a decrease in the number of shares in the securities accounts of shareholders paid by the Company itself, all legal liabilities and consequences shall be borne by our Company.

## **VI. Adjustment of relevant parameters**

### **(I) Calculation principles and methods for ex-rights and ex-dividend prices**

As the shares on the Company's special securities account for repurchase will not participate in the equity distribution, after the implementation of the equity distribution, according to the principle of unchanged market value of shares, the total share capital of the Company will remain unchanged before and after the implementation of the equity distribution, and the proportion of the total amount of cash dividends to be apportioned to each share will be reduced. The total amount of actual cash dividend of the Company = total share capital actually participating in the distribution  $\times$  distribution ratio, i.e. RMB 176,940,046.50 = 1,769,400,465 shares  $\times$  RMB 0.1 per share. Therefore, when calculating the ex-dividend price after the implementation of this equity distribution, the cash dividend per share shall be calculated at RMB 0.0988183 per share (Cash dividend per share = Total cash dividends / Total share capital, i.e. RMB 0.0988183 per share = RMB 176,940,046.50  $\div$  1,790,557,704 shares).

In summary, under the premise of ensuring that this profit distribution plan remains unchanged, the ex-rights and ex-dividend price after the implementation of the 2023 annual equity distribution will be executed in accordance with the above principles and calculation method, i.e., ex-rights and ex-dividend price after the implementation of this equity distribution = Closing price on the record date - RMB 0.0988183 per share.

### **(II) Price adjustments related to the stock option incentive plan and the share repurchase plan**

After the implementation of this equity distribution, the exercise price of the 2021 Stock Option Incentive Plan and the 2022 Stock Option Incentive Plan currently being implemented by the Company, as well as the subscription price of the Fourth Employee Stock Ownership Plan yet to be implemented will be adjusted accordingly, and the Company will fulfill deliberation procedures for adjustments and disclose announcements in a timely manner. Meanwhile, the repurchase price involved in the repurchase program being implemented by the Company will also be adjusted accordingly, details of which can be found in the *“Announcement on Adjustment of*

*the Price Ceiling for Repurchased shares after Implementation of the 2023 Annual Equity Distribution*” disclosed on the same day by the Company in the Securities Times, the Securities Daily, the China Securities Journal, the Shanghai Securities News, and the Cninfo ([www.cninfo.com.cn](http://www.cninfo.com.cn)) (Announcement no. : 2024-044).

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**About Gotion**

Gotion High-Tech Co., Ltd., as the earliest private enterprise in power battery industry to enter the capital market in China, was listed on the Shenzhen Stock Exchange in May 2015, specializing in power battery for new energy vehicles, energy storage application, power transmission and distribution equipment, etc.

Gotion High-Tech is a technology-based company focused on power battery technology research and development and innovation. It is one of the earliest enterprises engaged in the independent research and development, production and sales of new energy vehicle power lithium-ion batteries in China. Gotion High-Tech has global operations and has carried out strategic cooperation with Volkswagen, Tata Group, Vinfast and Jinko, among others.

**Disclaimers**

This announcement may contain forward looking statements, estimates, opinions and projections with respect to anticipated future performance of the Company (“forward-looking statements”). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events



to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release. Gotion undertakes no obligation, and does not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. Gotion accepts no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.