



Dividend Policy

The Company explicitly states in Article 175 of the Articles of Association that:

“Dividends may be distributed in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations. The Company should distribute dividends in cash provided that the following conditions are satisfied:

1. the distributable profit realized by the Company for the year is positive and the cash flow is sufficient, and the payment of cash dividends will not affect the subsequent continuing operation of the Company;
2. the audit firm issues an unqualified auditor’s report in respect of the financial report of the Company for the year.

The Company should distribute dividends in cash each year provided that the cash dividend conditions are satisfied. The Company may distribute interim cash dividend. The profit distributed by cash by the Company for the year shall not be less than 20% of the distributable profit for the year, and the profit distributed by cash by the Company for three consecutive years in aggregate shall not be less than 30% of the distributable profit for the three years. Provided that the financial standing and cash flow of the Company are sound and there is no substantial investment or cash outflow, the Company shall endeavor to increase the cash dividend ratio.

Depending on the profitability and business growth for the year, the Company may distribute dividends by way of shares to match share capital expansion with business growth provided the above cash dividend payout ratio and an optimal shareholding structure and share capital base are maintained.”

In addition, the Company has formulated the "2024-2026 Shareholder Return Plan" (please refer to the announcement on July 26, 2024 for details), which further clarifies the methods of profit distribution, the conditions and proportions of cash dividends, and the conditions for issuing stock incentives. The specific contents of the above three aspects are as follows:

1. Method of profit distribution

The company distributes profits through cash, stocks, a combination of cash and stocks, or other methods permitted by laws and regulations, with priority given to cash dividends.

2. Conditions and proportions for cash dividends of the Company

On the premise that the Company's annual distributable profits are positive and the Company has sufficient cash, implementing cash dividends will not affect the Company's normal business development in the future, and the financial condition is good, and the audit institution issues an unqualified opinion audit report on the Company's annual financial report, the Company generally conducts cash dividends once a year. The Company can conduct mid-term cash dividends.

Subject to meeting the conditions for cash dividends and ensuring the normal operation and development of the Company's funding needs, the Company shall distribute profits in cash each year from 2024 to 2026, which shall not be less than 55% of the net profit attributable to the parent company shareholders in the consolidated financial statements for the current year after deducting the profits distributed to holders of perpetual bonds and other equity instruments (if any) (hereinafter referred to as "distributable profits realized for the current year").

3. Conditions for the Company to distribute stock dividends

Based on the annual profitability and performance growth, the Company may distribute dividends through stock based methods, provided that the above cash dividend ratio and reasonable equity structure and share capital size are met, in order to match the Company's share capital size with performance growth.