



CHINA WANTIAN HOLDINGS LIMITED
中國萬天控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1854)

(the “**Company**”)

DIVIDEND POLICY

This Policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company (the “**Shareholders**”), for their participation in the Company’s profits whilst retaining adequate reserves for future growth.

In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The declaration and payment of dividends shall be determined at the sole discretion of the board of directors (the “**Board**”) of the Company and subject to the Company’s articles of association (the “**Articles of Association**”) and all applicable laws and regulations and the factors set out below. The Company does not have any pre-determined dividend payout ratio.

The Board shall take into account, inter alia, the following factors of the Company and its subsidiaries (collectively, the “**Group**”) before declaring or recommending dividends:-

- the Group’s actual and expected financial performance;
- shareholders’ interests;
- retained earnings and distributable reserves of the Company and each of the other members of the Group;
- the level of the Group’s debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- possible effects on the Group’s creditworthiness;
- any contractual restrictions on payment of dividends;
- the Group’s expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- statutory and regulatory restrictions;
- general business conditions and strategies;
- general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

Any final dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at an annual general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim dividends and/or special dividends as it considers to be justified by the profits of the Group available for distribution. In addition to cash, dividends may be distributed in the form of shares or by other means that the Board considers appropriate subject to and in accordance with the Articles of Association.

The Board will review this Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify this Policy at any time as it deems fit and necessary. This Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

This Policy is available on the Company's website for public information. A summary of this Policy will be disclosed in the annual Corporate Governance Report.

(November 2022)