

Yadong Group Holdings Limited

亞東集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1795)

DIVIDEND POLICY

Yadong Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) adopts a dividend policy (the “**Policy**”) that aims to provide the guidelines to the board (the “**Board**”) of directors of the Company to determine whether dividends are to be declared and paid to the shareholders of the Company (the “**Shareholders**”) and the level of dividend to be paid.

Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board and subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Law of the Cayman Islands and the articles of association of the Company.

In proposing any dividend payout, the Board shall also take into account, *inter alia*:–

1. the actual and expected financial performance of the Group;
2. retained earnings and distributable reserves of the Company and each of the other members of the Group;
3. economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
4. business strategies of the Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
5. the current and future operations, liquidity position and capital requirements of the Group;
6. statutory and regulatory restrictions; and
7. other factors that the Board deems appropriate.

The Board may propose the payment of dividends, if any, with respect to the Company’s shares on a per share basis.

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 and/or special dividends as it considers to be justified by the profits of the Group.

Any declaration and/or payment of future dividends under the Policy are/is subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders as a whole. The Board endeavors to strike a balance between the Shareholders' interests and prudent capital management with a sustainable dividend policy. The Company will continually review the Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Policy at any time, and the 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.

A summary of the Policy will be disclosed in the annual report of the Company.

Adopted by the Board on 21 October 2020.