

Deyun Holding Ltd.
德運控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(the “**Company**”)

(**Stock Code: 1440**)

DIVIDEND POLICY

1. PURPOSE

1.1 This dividend policy (the “**Dividend Policy**”) aims to set out the principles and guidelines that the Company (the Company together with its subsidiaries, the “**Group**”) intends to apply in relation to the declaration, payment or distribution of its profits, realized or unrealized, or from any reserve set aside from profits which the directors of the Company determine is no longer needed, as dividends to the shareholders of the Company.

2. PRINCIPLES AND GUIDELINES

2.1 In considering the payment of dividends, there shall be a balance between retaining adequate reserves for the Group’s future growth and rewarding the Company’s shareholders.

2.2 In deciding whether to propose a dividend and in determining the dividend amount, the board of directors of the Company (the “**Board**”) shall take into account the following factors before declaring or recommending dividends:

- (a) the Company’s actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Group;
- (c) the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group’s contracting parties;
- (e) the Group’s expected working capital requirements and future expansion plans;
- (f) 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
- (g) any other factors that the Board may deem appropriate.

The Company does not have any pre-determined dividend distribution ratio. The declaration and payment of dividends by the Company shall be determined at the sole discretion of the Board and subject to compliance with applicable laws and regulations including the laws of the Cayman Islands and the Company's articles of association.

The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

3. REVIEW OF THE DIVIDEND POLICY

The Board will continually review the Dividend Policy from time to time and reserves the right in its sole and absolute discretion to update, amend and modify the Dividend Policy at any time. There can be no assurance that dividends will be paid in any particular amount for any given period.

4. DISCLOSURE OF THE DIVIDEND POLICY

The Company shall disclose the policy on payment of dividend in its annual report.

- * Corporate communication refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including, but not limited to, the Directors' report and annual accounts together with a copy of the auditors' report, the interim report, a notice of meeting, a circular and a proxy form.

12 January 2021