



延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

香港聯合交易所上市公司 Listed on the Stock Exchange of Hong Kong Limited (Stock Code: 00346)

DIVIDEND POLICY

1. Purpose

- 1.1 The dividend policy (the “**Policy**”) sets out the guidelines for the board of directors of the Company (the “**Board**”) to determine (i) whether dividends are to be declared and paid to the shareholders of the Company, and (ii) the level of dividend to be paid.
- 1.2 It is the policy of the Company to allow its shareholders to participate in the Company’s profits whilst to retain adequate cash reserves for meeting its working capital needs and future development.

2. Factors for Consideration

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:

- a. the Group’s actual and expected financial performance;
- b. retained earnings and distributable reserves of the Company and each member of the Group;
- c. the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- d. the Group's expected working capital requirements and future expansion plans;
- e. liquidity position and future commitments at the time of declaration of dividend;
- f. general economic conditions, general business environment and business cycle of the Group;
- g. other internal or external factors that may have an impact on the business or financial performance and financial position of the Group; and
- h. other factors that the Board considers appropriate.

3. Approval

- 3.1 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.
- 3.2 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.



延長石油國際有限公司

YANCHANG PETROLEUM INTERNATIONAL LIMITED

香港聯合交易所上市公司 Listed on the Stock Exchange of Hong Kong Limited (Stock Code: 00346)

4. Form of Dividend

- 4.1 The declaration and payment of dividends shall be determined at the sole discretion of the Board and subject to the Company's articles of association and all applicable laws and regulations and the factors set out above. The Company does not have any pre-determined dividend payout ratio. 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 Company's articles of association.
- 4.2 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.

5. Disclosure of the Policy

- 5.1 The Policy will be published on the Company's website for public information.
- 5.2 A summary of the Policy will be disclosed in the Corporate Governance Report contained in the Company's annual report.

August 2025