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綠色動力
DYNAGREEN

綠色動力環保集團股份有限公司
Dynagreen Environmental Protection Group Co., Ltd.*
(a joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1330)

INSIDE INFORMATION

PROPOSED SHAREHOLDERS' RETURN PLAN FOR NEXT THREE YEARS (2024-2026)

This announcement is made by Dynagreen Environmental Protection Group Co., Ltd.* (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In order to further perfect and improve the profit distribution and supervision mechanism of the Company, enhance the cash dividends level of the Company, and clarify the reasonable investment return of the Company to its shareholders in the next three years, the Company formulated the Shareholders' Return Plan for the Next Three Years (2024-2026) in accordance with the requirements of the Notice on Further Implementation of Matters Relating to Cash Dividends for Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution (Revised in 2023) (《上市公司監管指引第3號—上市公司現金分紅(2023修訂)》) issued by China Securities Regulatory Commission (the “**CSRC**”) and the Guidelines for

Self-Regulation of Listed Companies of the Shanghai Stock Exchange No. 1 – Standardized Operation (Revised in December 2023) (《上海證券交易所上市公司自律監管指引第1號—規範運作(2023年12月修訂)》), as well as the articles of association (the “**Articles of Association**”) and the actual situation of the Company. On 29 August 2024, the board of directors of the Company considered and approved, among other things, the proposed Shareholders’ Return Plan For Next Three Years (2024-2026). Details for the proposed Shareholders’ Return Plan For Next Three Years (2024-2026) (the “**Plan**”) are set out below:

I. FACTORS CONSIDERED FOR FORMULATION OF THE PLAN

With the focus on long-term and sustainable development, the Company has established a continuous, stable and scientific return plan and mechanism for investors after giving comprehensive consideration to the actual operation and development, future development strategy and shareholder demands and other factors of the Company, so as to make institutional arrangements for profit distribution to ensure the continuity and stability of profit distribution policy.

II. PRINCIPLES FOR FORMULATION OF THE PLAN

Under the premise of compliance with relevant laws and regulations and the relevant provisions on profit distribution under the Articles of Association of the Company, the Plan pays full attention to reasonable returns to investors and takes into account the actual operation of the Company, the overall interests of all shareholders and the sustainable development of the Company, and has established a sustainable, stable and scientific return mechanism for investors. The board of directors, the supervisory committee and the general meeting of the Company fully considered the opinions of public investors in the process of decision-making and demonstration of profit distribution policy.

III. SPECIFIC SHAREHOLDERS’ RETURN PLAN FOR THE NEXT THREE YEARS (2024-2026)

(1) Form of profit distribution

Any profit distribution of the Company shall not exceed the amount of accumulated distributable profits and shall not adversely affect the continued operation of the Company. The Company may distribute interim dividends according to its profit and capital requirements. The Company can distribute its profit in cash, in shares or in a combination of cash and shares. When the Company meets the conditions for cash dividends, it should give priority to the profit distribution method of cash dividends.

(2) Conditions for cash dividends

1. *Conditions for cash dividends*

The Company shall give priority to the payment of cash dividends. If no cash dividends are available, no scrip dividends shall be declared for the same year. If the current profit and accumulated retained earnings of the Company shall be positive and its cash flow shall be sufficient to support the continued operation and long-term development of the Company, the Company shall proactively adopt the way of cash dividends.

2. *Conditions for payment of scrip dividends*

With a view to providing investment returns to its shareholders and sharing its corporate values, the Company may declare the payment of scrip dividends in addition to the cash dividends, taking into account factors such as the growth of the Company, dilution of net asset value per share and the maintenance of an adequate reflection of its share capital on its share price.

(3) Proportion and time interval of cash dividends

1. *Minimum proportion of cash dividends*

Under the premise of meeting the conditions for cash dividends and ensuring the normal operation and long-term development of the Company, the profit to be distributed by the Company in cash each year of the next three years shall not be less than 40%, 45% and 50% of the distributable profits of the year, respectively.

2. *Time interval of cash dividends*

The Company may distribute interim dividends according to its profit and capital needs. Where the Company records surplus for consecutive years, each cash dividend shall not be more than 24 months apart. The specific distribution proportion shall be determined by the Board of the Company in accordance with the operating conditions and development needs of the Company and the relevant provisions of the CSRC, and shall be subject consideration and approval at the general meeting.

(4) Decision-making mechanism and procedures for profit distribution

Particulars of any profit distribution plan shall be determined by the board of directors in accordance with the requirements of the Articles of Association, the Company's profits, cash flows and shareholders' return plan as approved by a simple majority at the supervisory committee and as proposed for approval at a general meeting.

Before a cash dividend proposal is considered at a general meeting, the Company shall take full account of the opinions of supervisors and public investors, and proactively communicate and exchange with shareholders, especially minority shareholders, through effective means such as investor relations interactive platform, website of the Company, telephone, fax, E-mail, etc. to listen to the opinion and requests from minority shareholders and give timely responses to issues which minority shareholders are concerned about. Upon finalization of the resolution on profit distribution plan at the general meeting, the Company's board of directors shall complete the dividend payment within 2 months after the general meeting is held.

If the profit distribution policy should be adjusted due to the production and operation conditions, investment plans and long-term development, or the changes in external operation environment, the Company shall focus on the protection of shareholders' rights and interests and the adjusted profit distribution policy should not violate relevant laws and regulations and provisions of regulatory documents and the Articles of Association. The proposal to adjust the profit distribution policy will be considered by the board of directors before submission to the general meeting of the Company for approval, the resolution must be passed by not less than two thirds of the voting rights held by the shareholders attending the general meeting, and whether the conditions and process of the adjustment are in compliance should be explained in detail in the periodic reports.

IV. RELATED DECISION-MAKING PROCEDURES FOR THE SHAREHOLDERS' RETURN PLAN

The Company shall formulate a shareholders' return plan according to the profit distribution policy under the Articles of Association and the actual operation of the Company, as well as with the opinions of the supervisors and shareholders of the Company, and submit it to the general meeting for approval after consideration and approval by the board of directors.

If the shareholders' return plan should be adjusted due to the production and operation conditions, investment plans and long-term development, or the changes in external operation environment, the Company shall focus on the protection of shareholders' rights and interests, and the adjusted shareholders' return plan should not violate relevant laws and regulations and provisions of regulatory documents and the Articles of Association and should be considered and approved by the board of directors before submission to the general meeting of the Company for approval.

- V. Any matters not covered in the Plan shall be implemented in accordance with relevant laws and regulations, regulatory documents and the Articles of Association.
- VI. The board of directors of the Company is responsible for the interpretation of the Plan, which shall be effective from the date of approval at the Company's general meeting.

By Order of the Board
Dynagreen Environmental Protection Group Co., Ltd.*
Qiao Dewei
Chairman

Shenzhen, the PRC
29 August 2024

As at the date of this announcement, the executive directors of the Company are Mr. Qiao Dewei and Mr. Hu Shengyong; the non-executive directors of the Company are Mr. Liu Shuguang, Mr. Zhao Zhixiong and Mr. Tong Xiangyu; and the independent non-executive directors of the Company are Ms. Ouyang Jiejiao, Mr. Xie Lanjun and Mr. Zhou Beihai.

* *For identification purposes only*