

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name "东方证券股份有限公司" and carrying on business in Hong Kong as "東方證券" (in Chinese) and "DFZQ" (in English))

(Stock Code: 03958)

POLL RESULTS OF ANNUAL GENERAL MEETING HELD ON JUNE 30, 2022

I. VOTING RESULTS OF THE AGM

References are made to the notice of AGM dated June 2, 2022 and the circular of the AGM (the **"Circular"**) dated June 10, 2022 of 東方證券股份有限公司 (the **"Company"**). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

The board of Directors of the Company (the **"Board"**) is pleased to announce that the AGM was held on-site at Meeting Room, 15/F, No. 119 South Zhongshan Road, Shanghai, the PRC on Thursday, June 30, 2022 at 2:00 p.m..

The meeting was convened by the Board and chaired by Mr. JIN Wenzhong, the Chairman of the Board. Eleven out of twelve Directors of the Company attended the meeting (being Mr. SONG Xuefeng and Mr. JIN Wenzhong, executive Directors of the Company, Mr. YU Xuechun, Mr. CHENG Feng, Mr. REN Zhixiang and Ms. ZHU Jing, non-executive Directors of the Company, and Mr. XU Zhiming, Mr. JIN Qinglu, Mr. WU Hong, Mr. FENG Xingdong and Mr. LUO Xinyu, independent non-executive Directors of the Company); and all nine Supervisors of the Company attended the meeting (being Mr. Zhang Qian, Mr. Wu Junhao, Mr. Zhang Jian, Mr. Shen Guangjun and Ms. Tong Jie, the shareholder representative Supervisors of the Company, Mr. Du Weihua, Ms. Ruan Fei and Ms. Ding Yan, the employee representative Supervisors of the Company and Mr. Xia Lijun, the independent Supervisor of the Company). Mr. ZHOU Donghui, the non-executive Director of the Company, did not attend the AGM due to other business arrangements. The secretary to the Board attended the meeting and some members of the senior management were also present. Voting by A Shareholders at the AGM was conducted by a combination of network voting and on-site poll, and voting by H Shareholders was conducted by way of on-site poll. In accordance with relevant PRC laws and regulations, the A Shareholders were entitled to participate in the voting at the AGM in person, by proxy, or via network for the relevant resolutions. The time of network voting for the resolutions proposed at the AGM for A Shareholders on June 30, 2022 was set out in the notice of the AGM to A Shareholders dated June 2, 2022 published on the website of Shanghai Stock Exchange separately. Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar, two representatives from the Company's Shareholders, a Supervisor of the Company and two representatives from Grandall Law Firm (Shanghai) were appointed by the Company as the scrutineers for the vote-taking at the meeting.

As at the date of the AGM, the total number of issued shares of the Company was 8,496,645,292 shares, which was the total number of shares entitling the holders to attend and vote for or against or abstain from voting in respect of the resolutions at the AGM other than the item 8.01 of the 8th resolution. A total of 64 Shareholders and/or their proxies, holding an aggregate of 3,589,143,953 shares with voting rights of the Company, representing approximately 42.2419% of the total shares with voting rights of the Company, in which, 63 holders of A Shares and/or their proxies, holding an aggregate of 3,480,384,199 A Shares, representing approximately 40.9619% of the total shares with voting rights of the Company while 1 holder of H Shares and/or his/her proxy, holding an aggregate of 108,759,754 H Shares, representing approximately 1.2800% of the total shares with voting rights of the Company, have attended the AGM and voted on the resolutions proposed at the AGM other than the item 8.01 of the 8th resolution.

In respect of the item 8.01 of the 8th resolution, Shenergy (Group) Company Limited, being a Shareholder of the Company holding in aggregate 2,262,428,700 A Shares, representing approximately 26.63% of the total share capital of the Company, has abstained from voting on this resolution at the AGM. As at the date of the AGM, the total number of issued shares of the Company held by the independent Shareholders was approximately 6,234,216,592 shares, being the total number of shares entitling the independent Shareholders to attend and vote on the item 8.01 of the 8th resolution proposed at the AGM and representing 73.37% of the total number of issued shares of the Company as at the date of the AGM. The independent Shareholders, holding in aggregate 1,326,715,253 shares, representing approximately 15.61% of the total number of issued shares of the Company carrying voting rights on the item 8.01 of the 8th resolution, attended the voting at the AGM in person, by proxy or via network in respect of such resolution.

Save as disclosed above, no Shareholder was required to abstain from voting on any resolution proposed at the AGM under the Hong Kong Listing Rules. No Shareholder who was entitled to attend the AGM had to abstain from voting in favour of any resolution at the AGM pursuant to Rule 13.40 of the Hong Kong Listing Rules. No parties indicated their intention in the Circular to vote against or abstain from voting in respect of any resolution proposed at the AGM.

POLL RESULTS OF THE AGM

The Shareholders present at the AGM considered and approved the following resolutions:

ORDINARY RESOLUTIONS			For		Against		Abstain	
			Shares	Percentage (%)	Shares	Percentage (%)	Shares	Percentage (%)
1.	To consider and approve the report of the Board of the Company for the year 2021.	A Shares	3,479,792,462	99.9830	487,929	0.0140	103,808	0.0030
		H Shares	107,418,154	98.7665	744,000	0.6841	597,600	0.5494
		Total	3,587,210,616	99.9461	1,231,929	0.0343	701,408	0.0196
	As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.							

ORDINARY RESOLUTIONS			For		Against		Abstain	
			Shares	Percentage (%)	Shares	Percentage (%)	Shares	Percentage (%)
2.	To consider and approve the report of the Supervisory Committee of the Company for the year 2021.	A Shares	3,479,791,362	99.9830	489,029	0.0141	103,808	0.0029
		H Shares	107,418,154	98.7665	744,000	0.6841	597,600	0.5494
		Total	3,587,209,516	99.9461	1,233,029	0.0344	701,408	0.0195
	As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.							
3.	To consider and approve the work report of the independent directors of the Company for the year 2021.	A Shares	3,479,791,362	99.9830	489,029	0.0141	103,808	0.0029
		H Shares	107,418,154	98.7665	744,000	0.6841	597,600	0.5494
		Total	3,587,209,516	99.9461	1,233,029	0.0344	701,408	0.0195
	As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.							
4.	To consider and approve the final accounts report of the Company for the year 2021.	A Shares	3,478,505,858	99.9460	489,029	0.0141	1,389,312	0.0399
		H Shares	107,418,154	98.7665	744,000	0.6841	597,600	0.5494
		Total	3,585,924,012	99.9103	1,233,029	0.0344	1,986,912	0.0553
	As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.							
5.	To consider and approve the profit distribution proposal of the Company for the year 2021.	A Shares	3,478,612,746	99.9491	491,453	0.0141	1,280,000	0.0368
		H Shares	108,759,754	100.0000	0	0.0000	0	0.0000
		Total	3,587,372,500	99.9506	491,453	0.0137	1,280,000	0.0357
	As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.							
6.	To consider and approve the proposal regarding the proprietary business scale of the Company in 2022.	A Shares	3,478,600,546	99.9488	503,653	0.0145	1,280,000	0.0367
		H Shares	108,719,354	99.9629	0	0.0000	40,400	0.0371
		Total	3,587,319,900	99.9492	503,653	0.0140	1,320,400	0.0368
	As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.							
7.	To consider and approve the annual report of the Company for the year 2021.	A Shares	3,478,277,862	99.9395	722,529	0.0208	1,383,808	0.0397
		H Shares	107,377,754	98.7293	744,000	0.6841	638,000	0.5866
		Total	3,585,655,616	99.9028	1,466,529	0.0409	2,021,808	0.0563
	As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.							

ORDINARY RESOLUTIONS			For		Against		Abstain	
			Shares	Percentage (%)	Shares	Percentage (%)	Shares	Percentage (%)
8.	To consider and approve the proposal regarding the projected routine related party transactions of the Company in 2022:							
8.01	Routine related-party transactions with Shenergy (Group) Company Limited and its related companies;	A Shares	1,216,498,720	99.8804	1,451,275	0.1192	5,504	0.0004
		H Shares	108,707,354	99.9518	39,600	0.0364	12,800	0.0118
		Total	1,325,206,074	99.8862	1,490,875	0.1124	18,304	0.0014
8.02	Routine related-party transactions with other related parties.	A Shares	3,478,927,420	99.9581	1,451,275	0.0417	5,504	0.0002
		H Shares	108,707,354	99.9518	39,600	0.0364	12,800	0.0118
		Total	3,587,634,774	99.9580	1,490,875	0.0415	18,304	0.0005
As more than half of the votes were cast in favour of each of these resolutions, each of these resolutions was duly passed as an ordinary resolution.								
9.	To consider and approve the proposal regarding the expected provision of guarantees by the Company in 2022.	A Shares	3,474,158,549	99.8211	2,050,639	0.0589	4,175,011	0.1200
		H Shares	103,692,475	95.3409	3,654,400	3.3601	1,412,879	1.2990
		Total	3,577,851,024	99.6854	5,705,039	0.1590	5,587,890	0.1556
As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.								
10.	To consider and approve the proposal regarding the engagement of auditing firms for the year 2022.	A Shares	3,477,610,684	99.9203	1,493,515	0.0429	1,280,000	0.0368
		H Shares	107,976,154	99.2795	783,600	0.7205	0	0.0000
		Total	3,585,586,838	99.9009	2,277,115	0.0634	1,280,000	0.0357
As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.								
11.	To consider and approve the proposal regarding the election of executive director of the Company.	A Shares	3,477,202,200	99.9086	1,901,999	0.0546	1,280,000	0.0368
		H Shares	105,640,921	97.1324	3,118,833	2.8676	0	0.0000
		Total	3,582,843,121	99.8244	5,020,832	0.1399	1,280,000	0.0357
As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.								
12.	To consider and approve the proposal regarding the amendments to the Implementation Rules for Online Voting at Shareholders' General Meetings of the Company.	A Shares	3,478,732,108	99.9525	1,646,587	0.0473	5,504	0.0002
		H Shares	108,759,754	100.0000	0	0.0000	0	0.0000
		Total	3,587,491,862	99.9540	1,646,587	0.0459	5,504	0.0001
As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.								

SPECIAL RESOLUTIONS			For		Against		Abstain	
			Shares	Percentage (%)	Shares	Percentage (%)	Shares	Percentage (%)
13.	To consider and approve the proposal regarding the amendments to certain articles of the articles of association of the Company.	A Shares	3,404,746,561	97.8267	75,621,038	2.1728	16,600	0.0005
		H Shares	16,402,479	15.0814	92,241,675	84.8123	115,600	0.1063
		Total	3,421,149,040	95.3194	167,862,713	4.6770	132,200	0.0036
	As more than two-thirds of the votes were cast in favour of this resolution, the resolution was duly passed as a special resolution.							
14.	To consider and approve the proposal regarding the reports on use of proceeds from previous fund raising activities of the Company.	A Shares	3,478,602,722	99.9488	501,477	0.0144	1,280,000	0.0368
		H Shares	108,759,754	100.0000	0	0.0000	0	0.0000
		Total	3,587,362,476	99.9504	501,477	0.0140	1,280,000	0.0356
	As more than two-thirds of the votes were cast in favour of this resolution, the resolution was duly passed as a special resolution.							

Please refer to the Circular for full text of the resolutions.

II. PAYMENT OF FINAL DIVIDEND

The Board is also pleased to inform Shareholders the details of the payment of the final dividend for 2021 as follows:

The final cash dividend for the year ended December 31, 2021 of RMB2.50 (inclusive of tax) for every 10 shares (the “**Final Dividend**”) will be paid to the holders of H Shares on Friday, July 29, 2022. The register of members of H Shares of the Company will be closed from Thursday, July 7, 2022 to Tuesday, July 12, 2022 (both days inclusive), during which time no share transfers of H Shares will be effected. In order to qualify for receiving the Final Dividend, holders of H Shares should ensure that relevant H Share certificates, accompanied by all transfer documents, are lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, before 4:30 p.m. on Wednesday, July 6, 2022. Holders of H Shares whose names appear on the register of members of the H Shares on Tuesday, July 12, 2022 (the “**Record Date**”) are entitled to receive the Final Dividend.

According to the provisions of the Articles of Association, dividends shall be denominated and declared in Renminbi and dividends payable to holders of H Shares shall be paid in Hong Kong dollars. The actual amount of H Share dividends paid in Hong Kong dollars is calculated based on the average benchmark exchange rate for Renminbi to Hong Kong dollars as announced by the People’s Bank of China for the five business days prior to June 30, 2022, being the date of the AGM, (i.e. RMB0.853448 against HK\$1.00), being a cash dividend of HK\$2.929294 (inclusive of tax) for every 10 H Shares.

Tax relief of shareholders

(1) A Shareholders

According to the Notice on Issues Regarding Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)) and the Notice on Issues Regarding the Implementation of Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) jointly issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for individual shareholders of a company, if the term of shareholding (a period from the date when the individual acquires the listed shares on public offering and transferring markets to the date one day before the shares are transferred and settled) is within one month (inclusive), all the dividend and bonus incomes thereof are counted as taxable income at the effective tax rate of 20%; if the term of shareholding is between one month and one year (inclusive), temporarily, 50% of the dividend and bonus incomes are counted as taxable income at the effective tax rate of 10%; if the term of shareholding exceeds one year, temporarily, the dividend and bonus incomes are exempted from individual income taxes. When dividends and bonus incomes are distributed by a listed company, such company, temporarily, shall not withhold or pay any individual income taxes on behalf of the individuals whose term of shareholding is within one year (inclusive); instead, the taxable incomes shall be calculated by a securities registration and settlement company based on the term of shareholding when the individual transfers those shares and the company shall withhold and pay the taxes through the securities registration and settlement company. For dividend and bonus incomes obtained by securities investment funds from listed companies, the individual income taxes thereof are calculated and levied pursuant to the provisions in the document of Cai Shui [2012] No. 85.

For qualified foreign institutional investors (QFII), according to the Notice on Issues Regarding Withholding and Payment of Corporate Income Taxes when PRC Resident Enterprises Distribute Dividends, Bonuses and Interests to the QFII (Guo Shui Han [2009] No. 47) (《關於中國居民企業向 QFII 支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47 號)) issued by State Administration of Taxation, the listed company withholds and pays corporate income taxes at a uniform tax rate of 10%. If the dividend and bonus incomes obtained by QFII shareholders are entitled to the treatment as stipulated in tax treaties (arrangements), application for tax refund can be submitted to the governing tax authority after the acquisition of such dividends and bonuses according to regulations.

According to the requirements of the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for the dividend and bonus incomes obtained by investors (including enterprises and individuals) on Hong Kong market from investing in A Shares listed on Shanghai Stock Exchange, the implementation of differentiated taxation is suspended before Hong Kong Securities Clearing Company Limited meets the conditions to provide CSDC with the investors' identifications, terms of shareholding and other specific data. The listed company withholds and pays the income taxes at the tax rate of 10%, which should be duly declared to the governing taxation authority. For Hong Kong investors who are tax residents of foreign countries that have entered a tax treaty with the PRC specifying an income tax rate for dividend and bonus incomes below 10%, the enterprises or individuals can, by themselves or entrust a withholding agent to apply to the governing tax authorities of the listed company for the treatment as stipulated in such tax treaties. The governing tax authorities shall refund the taxes according to the discrepancy between the levied taxes and taxes payable based on the rate specified in the tax treaty after verifying and approving the application.

For institutional investors, the taxes on their dividends and bonus incomes shall be paid on their own.

(2) H Shareholders

According to the Notice of the PRC State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the dividend received by the overseas resident individual shareholders from the stocks issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of "interests, dividend and bonus income", which shall be withheld by the withholding agents according to the relevant laws. The overseas resident individual shareholders who hold the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China or the tax arrangements between Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividend, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividend is not equal to 10%, the following provisions shall apply: (1) for citizens from countries under agreements to be entitled to tax rates lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, over withheld tax amounts will be refunded; (2) for citizens from countries under agreements to be entitled to tax rates higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividend (bonus), and are not obligated to file an application; (3) for citizens from countries without tax agreements or are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividend.

According to the Notice Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Shareholders Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation, a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to H shareholders who are overseas nonresident enterprises, shall be subject to the enterprise income tax withheld at a uniform rate of 10%.

According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20%. For dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the individual income tax shall be levied as per above regulations. For dividends received by mainland enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax on their own. Meanwhile, for the dividends and bonuses acquired by Mainland resident enterprises for continuous holding of H Shares for 12 months, the corporate income tax shall be exempted according to laws.

According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the individual investors. For dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the relevant tax themselves.

(3) Profit Distribution for Investors Investing in H Shares of the Company Through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect

For investors of the Shanghai Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares through Shanghai-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares through Shanghai-Hong Kong Stock Connect through its depository and clearing system.

The cash dividends for the investors of H Shares through Shanghai-Hong Kong Stock Connect will be paid in RMB. According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the CSRC, for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20%. For dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. For dividends received by mainland enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax on their own.

For investors of the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, which is expected to be the nominee of the holders of H Shares through Shenzhen-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares through Shenzhen-Hong Kong Stock Connect through its depository and clearing system.

The cash dividends for the investors of H Shares through Shenzhen-Hong Kong Stock Connect will be paid in RMB. According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the individual investors. For dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall port and pay the relevant tax themselves.

The Record Date, ex-dividend date, Dividend payment date and other time arrangements for the investors of the Company through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will be the same as those for those H Shareholders of the Company.

(4) Profit Distribution for Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the “**Investors of Northbound Trading**”), their final dividend will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such A Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For the Investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises or individuals may, or may entrust a withholding agent to, apply to the competent tax authorities of the Company for the preferential treatment under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The Record Date, ex-dividend date, Dividend payment date and other time arrangements for investors of Northbound Trading are consistent with those A Shareholders of the Company.

Shareholders of the Company are advised to seek advice from their tax advisers on the tax implications of holding and dealing with the Company’s shares in the PRC, Hong Kong and other countries (territories).

III. APPOINTMENT OF EXECUTIVE DIRECTOR

The proposal in relation to election of Mr. LU Weiming as an executive Director of the Company has been duly passed as an ordinary resolution. For biographical details of Mr. LU Weiming, please refer to the Circular. As of the date of this announcement, such information remains unchanged.

As at the date of this announcement and to the best of the Directors’ knowledge, Mr. LU Weiming has not held any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. As at the date of this announcement, Mr. LU Weiming does not have other relationship with any Directors, Supervisors, senior management or substantial shareholders of the Company. Mr. LU Weiming does not have any interest in the shares of the Company or its associated corporation within the meaning of Part XV of the SFO.

There is no other information in relation to the appointment of Mr. LU Weiming which is required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, nor are there any matters which need to be brought to the attention of the Shareholders of the Company. Mr. LU Weiming has not been subject to any punishment by the CSRC or other competent authorities or censorship by any stock exchanges.

As at the date of this announcement, the Company has entered into a service contract with Mr. LU Weiming in relation to his position as an executive Director. The remuneration of Mr. LU Weiming as an executive Director of the Company is determined based on the remuneration system of the Company. Mr. LU Weiming will take office from the date of this announcement with a term till the expiry of the fifth session of the Board.

IV. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The proposal in relation to amendments to certain articles of the Articles of Association has been duly passed as a special resolution at the AGM. For details of the amendments, please refer to the Circular. The amended Articles of Association will take effect from the date of this announcement, the full text of which is available on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the HKEXnews (<http://www.hkexnews.hk>) and the Company (<http://www.dfzq.com.cn>). The Company will go through the filing and other procedures in accordance with laws as required.

V. ATTESTATION BY LAWYERS

Grandall Law Firm (Shanghai), the PRC legal adviser to the Company, considers that the convening and convocation procedures of the AGM are in accordance with the relevant laws, regulations and administrative documents as well as the Articles of Association; the qualifications of the attendees at and conveners of the AGM are lawful and valid; the voting procedures and poll results of the AGM are in accordance with the relevant laws, regulations and administrative documents as well as the Articles of Association; and the resolutions duly passed at the AGM are lawful and valid.

By order of the Board of Directors
JIN Wenzhong
Chairman

Shanghai, PRC
June 30, 2022

As at the date of this announcement, the Board of Directors comprises Mr. SONG Xuefeng, Mr. JIN Wenzhong and Mr. LU Weiming as executive Directors; Mr. YU Xuechun, Mr. ZHOU Donghui, Mr. CHENG Feng, Mr. REN Zhixiang and Ms. ZHU Jing as non-executive Directors; and Mr. XU Zhiming, Mr. JIN Qinglu, Mr. WU Hong, Mr. FENG Xingdong and Mr. LUO Xinyu as independent non-executive Directors.