



CIG SHANGHAI CO., LTD.

上海劍橋科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(the “**Company**”)

DIVIDEND POLICY

The provisions set forth in this policy are intended to outline the Company's dividend policy. This policy is subject to the Company Law of the People's Republic of China, the Company's articles of association (as amended from time to time) (the “**Articles of Association**”), and other applicable laws and regulations:

The Company shall implement a proactive profit distribution policy, attach importance to reasonable investment return to shareholders, and the profit distribution policy shall maintain continuity and stability.

(I) Form of profit distribution of the Company

The Company shall distribute profits in the form of cash, shares or a combination of the two or other methods permitted by laws and regulations, but the profit distribution method of cash dividends is preferred.

(II) Specific conditions and proportion of cash dividend distribution by the Company

The Company shall mainly adopt the profit distribution policy of cash dividends, being when the Company is profitable and has sufficient cash to meet its continuous operation and long-term development needs, cash dividends shall be distributed if there is distributable profit after legally making up losses and setting aside statutory surplus reserves.

1. The Company's cash dividend policy target

Under normal circumstances, the annual profit distributed by the Company in cash shall not be less than 15% of the distributable profit realized in the current year, and the annual profit distribution by the holding subsidiaries of the Company in the form of cash dividend shall be made in accordance with the aforesaid requirements. The Company is not required to distribute cash dividends under any of the following special circumstances: (1) the net operating cash flow for the financial year is negative; (2) the Company has major plans for external investment or major capital expenditures in the next 12 months (excluding projects for capital raising); (3) the Company's latest annual audit report is non-unqualified opinion or unqualified opinion with significant uncertainty paragraphs related to the ongoing concern; (4) the asset-liability ratio at the end of the latest accounting year of the Company exceeds 70%; (5) other circumstances under which the board of directors of the Company (the “**Board**”) deems it inappropriate to distribute cash dividends.

The major investment plans or major cash expenditures mentioned in the preceding paragraph refer to matters in which the total assets involved in the purchase of assets and external investment of the Company within one year account for more than 10% (including 10%) of the latest audited total assets of the Company. The Board shall comprehensively consider industry characteristics, development stages, operational models, profitability levels, debt repayment ability, whether there is any significant capital expenditure arrangements and investor returns to distinguish the following situations and propose a differentiated cash dividend policy according to the procedures stipulated in the Articles of Association: (1) for companies in a mature development stage with no significant capital expenditure arrangements, cash dividends should account for at least 80% of the profit distribution; (2) for companies in a mature development stage with significant capital expenditure arrangements, cash dividends should account for at least 40% of the profit distribution; (3) for companies in a growth stage with significant capital expenditure arrangements, cash dividends should account for at least 20% of the profit distribution. The development stage of the Company shall be determined by the Board based on its specific circumstances. Where the development stage of the Company is difficult to distinguish but there are significant capital expenditure arrangements, it may be dealt with in accordance with the provisions in item 3.

2. Procedures for formulating specific plans for cash dividend distribution

When the Company formulates the specific plan for cash dividend distribution, the Board shall carefully study and discuss the timing, conditions and minimum proportion of the Company's cash dividend distribution, the conditions for adjustment and the procedure requirements for decision-making. Independent non-executive directors shall have the right to express independent opinions if they consider that the cash dividend distribution plan may harm the interests of the Company or minority shareholders. If the opinions of independent non-executive directors are not adopted or not fully adopted by the Board, the opinions of independent non-executive directors and the specific reasons for not adopting shall be recorded in the resolutions of the Board and disclosed. Before the specific cash dividend plan is considered at the general meeting, the Company shall actively communicate and exchange ideas with shareholders, especially minority shareholders, through various channels, fully listen to the opinions and demands of minority shareholders, and timely respond to the concerns of minority shareholders.

(III) The specific conditions for the distribution of share dividends by the Company

On the premise that the size of the Company's share capital and equity structure are reasonable, and considering the return to investors and the sharing of corporate value, and taking into account the real and reasonable factors such as the Company's growth and capital demand, when the valuation of the shares of the Company is within a reasonable range, and the Board considers that the distribution of share dividends is beneficial to the interests of all shareholders of the Company as a whole, the Company may distribute profits in the form of share dividends at the same time as implementing cash dividends.

(IV) Interval of profit distribution

Dividends are generally distributed annually. The Board may also propose interim cash dividends according to the capital needs of the Company. When the Company convenes the annual general meeting to consider the annual profit distribution proposal, the Company may consider and approve the conditions, upper limit in proportion and amount of interim cash dividend for the next year. The upper limit of interim dividend for the next year as considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the Company in the corresponding period. The Board shall formulate a specific interim dividend distribution plan according to the resolutions of the general meeting and subject to the conditions for profit distribution. The Board shall disclose in its periodic reports the profit distribution plan and the arrangements or principles for the use of retained undistributed profits. The retained undistributed profits of the Company after the completion of profit distribution for the current year shall be used for the development of the principal business of the Company.

(V) Review procedures to be performed on profit distribution

The specific profit distribution plan of the Company shall be formulated and proposed by the Board based on the Company's profitability, funding needs and shareholders' return plan. The Board shall carefully study and demonstrate the timing, conditions and minimum ratio of cash dividends, the adjustment conditions, and the requirements of its decision-making procedures. The profit distribution plan shall not be submitted to the general meeting for consideration until it has been approved by more than half of the Board. The convener of the general meeting to review and approve the profit distribution proposal may provide an online voting platform for shareholders to encourage them to attend the meeting and exercise their voting rights.

(VI) Adjustment of the profit distribution policy

The profit distribution policy of the Company shall not be changed arbitrarily, and the cash dividend policy determined in the Articles of Association and the specific cash dividend distribution plan reviewed and approved by the general meeting shall be strictly implemented. If it is necessary to adjust the profit distribution policy due to significant changes in the external operating environment or its own operating conditions, the Board shall fully consider the opinions of minority shareholders during the process of revising the profit distribution policy. If it is indeed necessary to adjust or change the cash dividend policy as stipulated in the Articles of Association, the conditions stipulated in the Articles of Association shall be met. After detailed analysis, the Board shall formulate a change plan and submit it to the general meeting for consideration and approval, and it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

(VII) In the event that a shareholder illegally appropriates funds of the Company, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds appropriated by the shareholder.

(VIII) The Company shall disclose in detail the formulation and implementation of the cash dividend policy in its periodic reports, stating whether it complies with the Articles of Association or the requirements of the resolutions of the general meeting; whether the criteria and proportion of cash dividend distribution are clear and explicit and whether the relevant decision-making procedures and mechanisms are complete. If the Company does not distribute cash dividends, it shall disclose the specific reasons and the measures to be taken in the future to enhance the returns for investors; whether the minority shareholders have the opportunity to fully express their opinions and demands; whether the legitimate rights and interests of the minority shareholders are fully protected, etc. If the cash dividend policy is adjusted or changed, the Company shall also explain in detail whether the conditions and procedures for the adjustment or change are compliant and transparent, etc.

After the resolution on the profit distribution plan is approved at the general meeting of the Company, or after the Board has formulated specific plan based on the conditions and upper limit of interim dividend for the next year approved by the annual general meeting, the Board shall complete the distribution of dividends (or shares) within two months after conclusion of the general meeting. If the specific plan cannot be implemented within two months due to the provisions of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly based on such provisions and actual circumstances.