DIVIDEND FORECASTING

Uncovering the Future of Chinese Dividends

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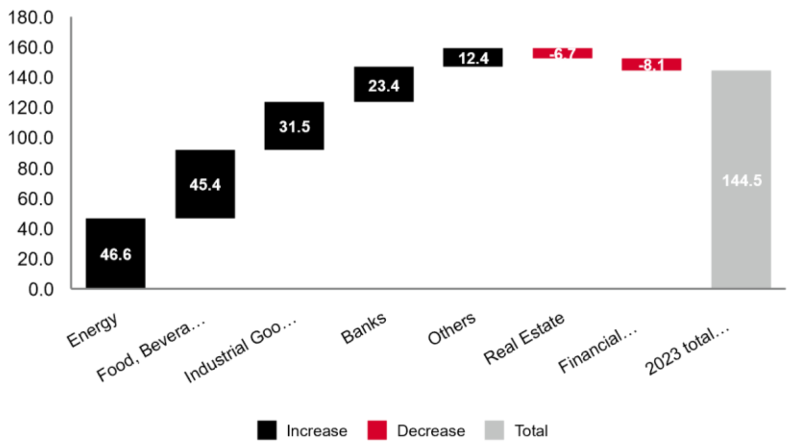
Companies listed in the **CSI300** Index are slated to disburse a historic sum of **CNY 1,201.2 billion** in dividends for FY2022, reflecting **a boost of 14.2% yoy** despite the challenging macroeconomic circumstances experienced last year.

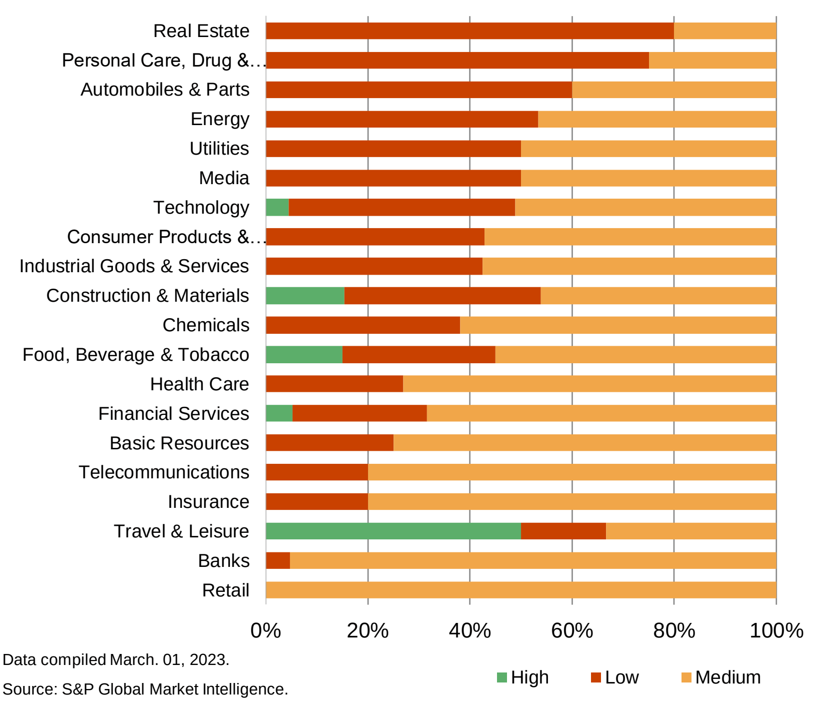
↑↑ Energy
↑↑ Food, Beverage & Tobacco
↑↑ Industrial G&S
↑↑ Banks
↓↓ Real Estate
↓↓ Financial Services

Notable sector changes for CSI30 Index dividends for FY2022 (in CNY billion)



Source: S&P Global

CSI300 Dividend Amount Confidence Rank Distribution by ISIN (%)



Data compiled March. 01, 2023.

Source: S&P Global Market Intelligence.

Sectors that have experienced substantial volatility over the past year, notably **Real Estate** and **Technology**, tend to aggregate a greater share of forecasts with low confidence.

Furthermore, industries that have recently witnessed remarkable earnings growth, such as **Automobile & Parts** and **Energy**, are also likely to harbor a larger proportion of low-confidence forecasts.

Banks are expected to have more reliable forecasts despite being the second largest contributor to the 2023 total dividend increment, thanks to the industry's stable and regulated nature.

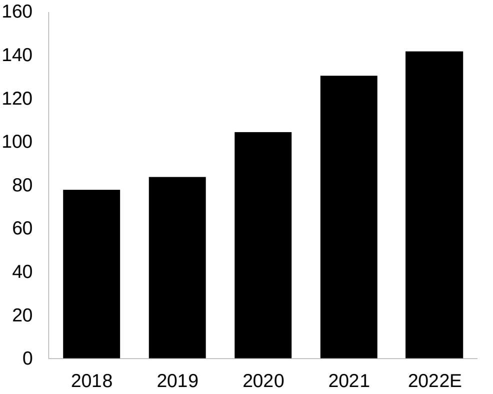
CSI1000 Index expected to record CNY 141.8 billion in dividends for 2023

Top paying sectors	FY21-22E change
Industrial G&S	+17.1%
Chemicals	+11.1%
Consumer P&S	+30.2%
Health Care	-11.2%

Companies listed in the CSI1000 Index are expected to deliver **an increase of 8.6% yoy** in aggregate dividends to be paid for FY2022.

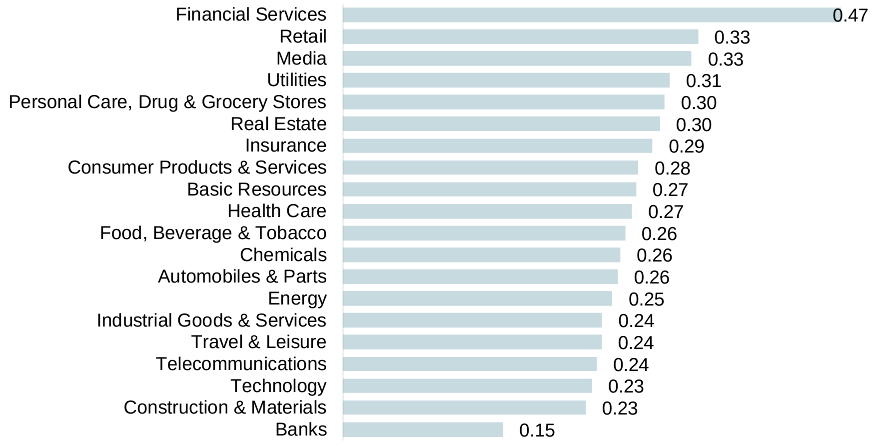
The growth rate gap is mainly due to variations in the top paying sectors. Sectors experienced over 20% yoy increase in the CSI300 Index were not prominent constituents in the CSI1000 Index.

CSI1000 Index aggregate dividends by fiscal year 2018-2022E (CNY billion)



Data compiled March. 01, 2023.
Source: S&P Global Market Intelligence.

Average Drop Score by Sector for CSI1000 Index

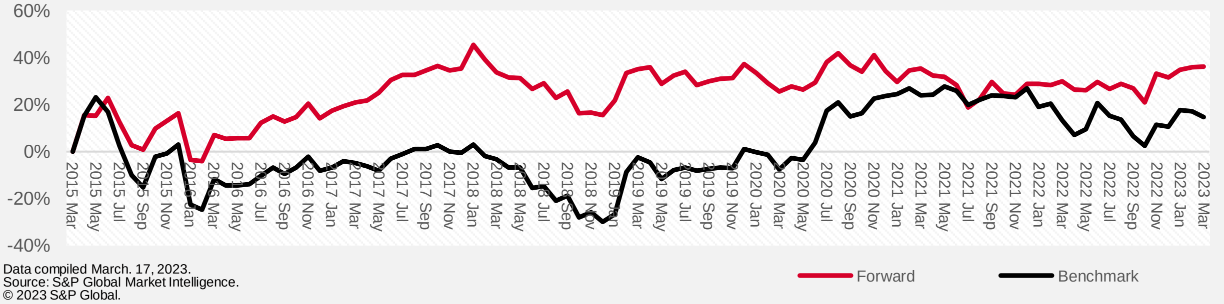


Data compiled Mar. 1st, 2023.
Source: S&P Global Market Intelligence.

Drop score is a dividend risk metric to help customers better predict **the probability of a dividend cut or suspension**. The model is developed to complement our existing analyst-driven forecasts to provide users with alternative **quantitative** insights.

In the CSI1000 Index, **Financial Services** is at most vulnerable to dividend reductions while **Banks** is expected to be resilient.

Cumulative return tested for High Forecast Dividend Yield vs CSI300 Benchmark (2015-2023)



Data compiled March. 17, 2023.
Source: S&P Global Market Intelligence.

	1Y F-yield	1Y Benchmark
8Y Annualized Return	3.94%	1.74%
8Y Annualized Std	15.71%	22.44%
8Y Sharpe Ratio	0.06	-0.06

	1Y F-yield	1Y Benchmark
1Y Annualized Return	4.79%	1.35%
1Y Annualized Std	12.46%	19.15%
1Y Sharpe Ratio	0.14	-0.09

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