

# ■ Enhancing Shareholder Value Policy Guidelines

## 1. Dividend Policy : Applicable for the next 3 years (2023 to 2025)

- Payout ratio : 20 ~ 30% of HDEC's \*adjusted net income  
(operating profit : 15-25% level)

\* Adjusted net income: Excluding non-operational factors due to foreign exchange rate fluctuation  
- The sum of the foreign exchange gains, foreign exchange losses, foreign currency translation gains, and foreign currency translation losses from net profit.

- Minimum Dividend : KRW 600 per share (common shares)

## 2. Revised Dividend Record Date

- Purpose : To improve dividend predictability by determining dividend recipients after the shareholders' meeting
- Content : Determination of dividend recipients after the confirmation of the dividend  
(before) : end of the financial year  
(after) : after the annual shareholders' meeting
- Dividend record date to be announced 2 weeks prior to the dividend record date

## 3. Summary

- HDEC complied with its very first dividend policy for the past 3 years announced in 2020 (average dividend payout ratio of 34%)

- Avg. CAPEX investment for the past 3 years ('20 ~ '22) :
  - Around KRW 180 billion, which is approximately 60% of operating profit ('20: KRW 199billion, '21: KRW 215billion, '22: KRW 124billion)

- Future Reinvestment Details :
  - CAPEX : Real estate, SOC investments, research and development, etc.
  - Energy Transition Businesses : Nuclear Power value chain (SMR, Nuclear decommissioning, etc.), Offshore wind power, PPA, etc.
  - Talented Professional : Design, Technology, Quality&Safety Professional, etc.
  - Expansion of Smart Construction : Integration of ICT, expansion of smart construction technology

- Sources : (Based on operating profit) 50% or more for Reinvestment, 15% to 25% for Dividend, and 24% for tax and etc.

4. HDEC considered various dividend policies, including dividend based on free cash flow. However, due to the high volatility in cash flows throughout the year, HDEC has decided to establish dividend policy based on operating results.

※ Operating cash flow : 2020 : +KRW 1.73trillion, 2021 +KRW 1.01trillion,  
2023 : -KRW 0.33trillion

HDEC plans to invest 50% or more of operating profit for the new growth engine to pursue overall growth of the company, and as the company grows, HDEC assures the shareholders' value will increase accordingly.