

Lecture 12

Payout Policy

分红政策

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Dividend Policy

➤ Cninfo(巨潮咨询) 证监会官方指定上市公司信息披露网站

● Dividend: 股息, 股利, 分红, 权益分派

The screenshot shows the Cninfo website interface. At the top, there is a navigation bar with links for 首页 (Home), 公告 (Announcements), 资讯 (News), 数据 (Data), and 服务 (Services). A search bar is located on the right side of the navigation bar. Below the navigation bar, there is a section for 信息披露 (Information Disclosure) with a sub-link for 公告查询 (Announcement Query). The main content area displays a list of announcements under the '公告' (Announcements) tab. The list includes columns for 代码 (Code), 简称 (Short Name), 公告标题 (Announcement Title), and 公告时间 (Announcement Time). The right sidebar contains a search filter for '公告速查' (Announcement Quick Search) with various filters like 年份 (Year), 板块 (Sector), and 行业 (Industry).

代码	简称	公告标题	公告时间
000858	五粮液	2024年中期利润分配预案公告	2024-11-29
002385	大北农	2024年前三季度分红派息实施公告	2024-11-29
000062	深圳华强	2024年前三季度权益分派实施公告	2024-11-28
002444	巨星科技	2024年前三季度权益分派实施公告	2024-11-28
002589	瑞康医药	2024年前三季度权益分派实施公告	2024-11-23
002328	新朋股份	2024年半年度权益分派实施公告	2024-11-23
002982	湘佳股份	关于2024年前三季度利润分配预案的公告	2024-11-23
000999	华润三九	2024年前三季度权益分派实施公告	2024-11-22
000776	广发证券	2024年度中期A股利润分配实施公告	2024-11-22
001228	永泰运	2024年前三季度权益分派实施公告	2024-11-22

云南白药2024年分红公告

股票代码：000538

股票简称：云南白药

公告编号：2024-56

云南白药集团股份有限公司

2024年特别分红权益分派实施公告

本公司及其董事会全体成员保证信息披露内容的真实、准确、完整，没有虚假记载、误导性陈述或重大遗漏。

云南白药集团股份有限公司（以下简称“公司”或“本公司”）2024年特别分红权益分派方案已获2024年11月14日召开的公司2024年第四次临时股东大会审议通过，股东大会决议公告刊登于2024年11月14日的《中国证券报》《上海证券报》《证券时报》及巨潮资讯网（<http://www.cninfo.com.cn>）。

一、股东大会审议通过权益分派方案情况

1、公司获股东大会审议通过的2024年特别分红权益分派具体方案为：公司拟以2024年第三季度末公司总股本1,784,262,603股为基数，向全体股东每10股派发现金红利12.13元（含税），送红股0股（含税），不以资本公积金转增股本，分红总金额21.64亿元，占公司前三季度归母净利润50.02%。

What is Dividend Policy?



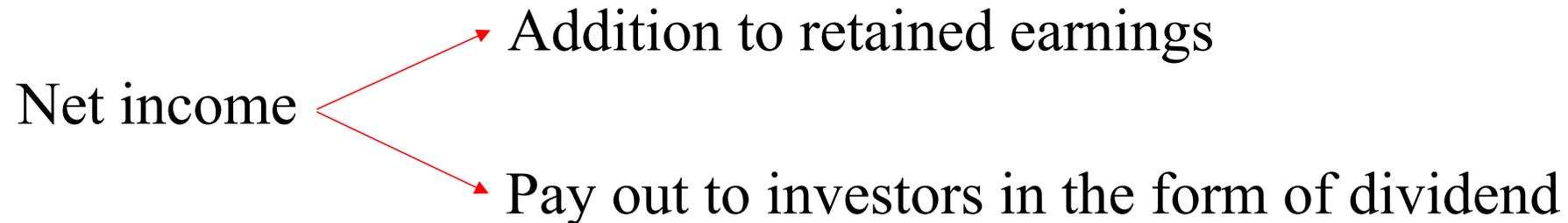
- Dividend: investors received dividends proportional to its holding shares. The decision is made by firm managers.
- Dividend policy:
 - Should a firm pay out?
 - If yes, how much? (Dividend yield(股息率) = $\text{Dividend} / \text{Net income}$)
 - Does dividend policy matter for firm value?



Source of Dividend

Handwritten notes in red ink: a stylized symbol resembling a triangle or 'A' followed by the Chinese characters '分红' (Fēn Hóng), which translates to 'dividend'.

- Dividend comes from a firm's profits and cash flow in a year.
- Managers trade-off between payout and retained earnings. Payout satisfies the cash need of investors while retained earnings can be use for firm investment.



Four types of payouts



1x #5

- Regular cash dividends (现金股利)
 - In the form of cash
 - One time each year. Sometimes firms will pay an extra cash dividend
 - The extreme case is a liquidating dividend
- Stock repurchase (股票回购)
 - Cash is paid out to buy back shares of its stock
 - The number of shares outstanding decreases while treasury stock increases
- Stock dividend (股票股利) and stock split (股票分拆)
 - No cash is paid out
 - The number of shares outstanding increases
 - A 1% stock dividend means one shareholder receives 1 new share for every 100 currently owned.

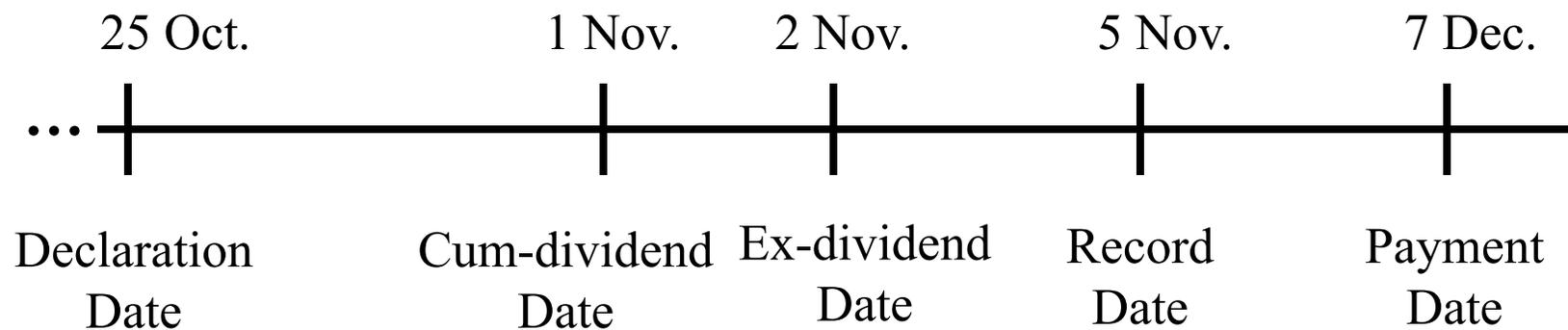
Dividend Measurement

- Absolute value: Dividend amount.
- Relative value: Dividend yield (股息率) = $\text{Dividend} / \text{Net income}$
- 10转4派3元(含税)派2.7元(扣税后): 每10股转增股4股, 派发现金3元含税, 扣税后最后派发到帐户是2.7元。
- 高送转: 上市公司高比例进行“送红股”或“转增股本”的分配行为。核心是“股份拆分”, 不是给股东发现金, 也不增加公司实际净资产。

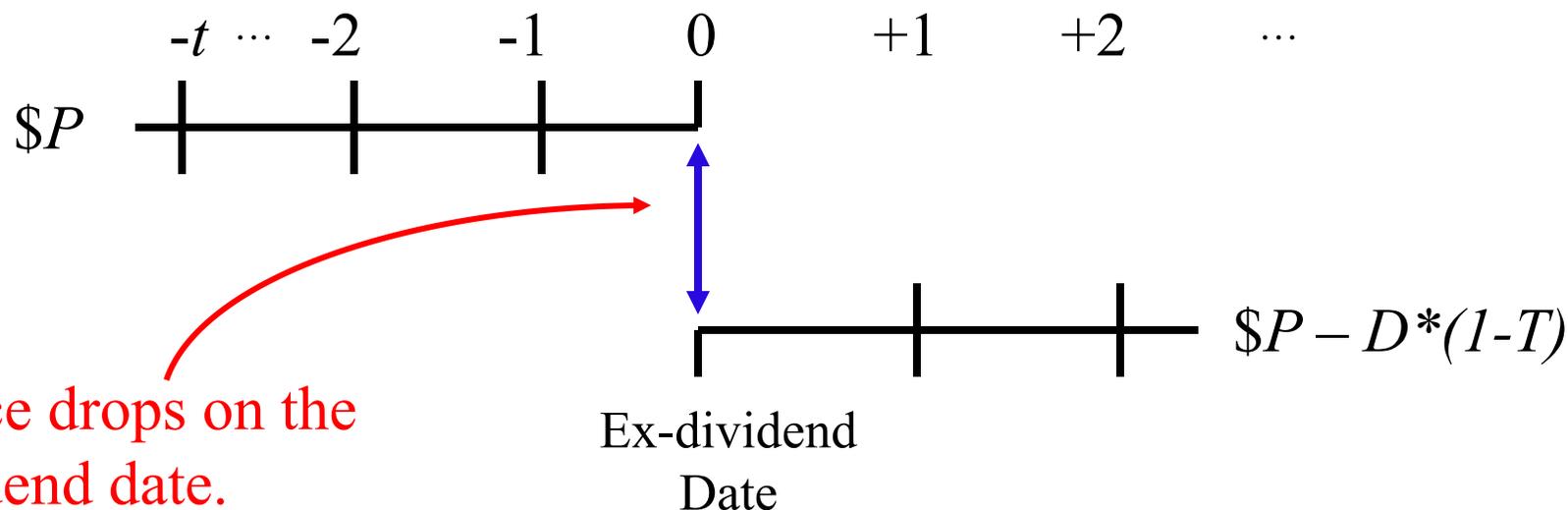
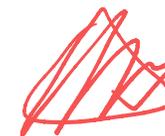
Procedure for cash dividend

- **Declaration Date:** The Board of Directors declares a payment of dividends.
- **Ex-Dividend Date (除息日):** The first day on which a share purchaser will not receive the next dividend. The ex-dividend date is one or two business days before the holder-of-record date. If you buy the share on or after the ex-dividend date, you will not receive the dividend
- **Record Date:** The corporation prepares a list of all individuals entitled to receive dividend.
- **Payment date:** The date dividend checks are mailed to, or payment is made electronically to holders of record.

Time line of cash dividend



Price behavior on ex-dividend date



The price drops on the ex-dividend date.

- Without dividend tax, the stock price will fall by the amount of the dividend (D) on the ex-dividend date.
- With dividend tax, the stock price will fall by the amount of after tax dividend: $D*(1-T)$

How to understand the price behavior?

In an efficient market, investors sell the stock on or before the ex-dividend should have the same payoff. Why?

- Sell right before the ex-dividend date and get: P_0
- Sell on the ex-dividend date and get: $P_1 + D * (1 - T)$

$$P_0 = P_1 + D * (1 - T)$$

We have: $P_1 = P_0 - D * (1 - T)$

Share Repurchase

- Instead of declaring cash dividends, firms can buy shares of their own stock. Recently, share repurchase has become an important way of distributing earnings to shareholders.
- Three ways to repurchase shares
 - Open market purchase: simply buy the shares in the secondary market. The firm does not reveal itself as the buyer.
 - Tender offer (要约): Make an announcement to all shareholders and choose a higher price to induce them to tender their shares
 - Targeted repurchase: Buy shares from specific individual stockholders. The price can be lower than that in tender offer.

Accounting Treatment



- Regular cash dividends
 - Cash (-)
 - Retained earnings (-)
 - **Stock price decrease**
 - **Number of shares outstanding remains.**

- Stock repurchase
 - Cash (-)
 - Retained earnings (-)
 - Common stock (-) Treasury stock (+)
 - **Stock price remains.**
 - **Number of shares outstanding reduces**

Repurchase vs. Dividend

Consider a firm that wishes to distribute \$100,000 to its shareholders.

<i>Assets</i>		<i>Liabilities & Equity</i>	
A. Original balance sheet			
Cash	\$150,000	Debt	0
Other Assets	850,000	Equity	1,000,000
Value of Firm	1,000,000	Value of Firm	1,000,000

Shares outstanding = 100,000

Price per share = $\$1,000,000 / 100,000 = \10

Repurchase vs. Dividend

If the firm pays cash dividend \$100,000 , the balance sheet will look like this:

<i>Assets</i>		<i>Liabilities & Equity</i>	
B. After \$1 per share cash dividend			
Cash	\$50,000	Debt	0
Other Assets	850,000	Equity	900,000
Value of Firm	900,000	Value of Firm	900,000

Shares outstanding = 100,000

Price per share = $\$900,000 / 100,000 = \9

Repurchase vs. Dividend

If the firm repurchases \$100,000 stocks, the balance sheet will look like this:

<i>Assets</i>		<i>Liabilities & Equity</i>	
C. After stock repurchase			
Cash	\$50,000	Debt	0
Other Assets	850,000	Equity	900,000
Value of Firm	900,000	Value of Firm	900,000

Shares outstanding = 90,000

Price per share = $\$900,000 / 90,000 = \10

Advantages of Share Repurchase

- Flexibility: dividends are viewed as a commitment to shareholders and firms are reluctant to cut dividends. Repurchase do not represent a similar commitment.
- Boost stock price: repurchase increases share price while dividend decrease it. When managers hold stock options, they prefer repurchase.
- Anti-dilution: repurchase reduces number of shares outstanding.
- Undervaluation: repurchase stocks when they are undervalued and issue stocks when they are overvalued.
- Tax benefits: Share repurchase pay capital gain tax. Dividends pay dividend tax.

Dividend Policy and Firm Value



Summary of dividend theories

- Irrelevance theory: dividend policy does not affect firm value. All dividend policies are equal.
- “Bird in hand” theory: Investors are risky averse. Dividend is less risky than capital gain.
- Tax difference theory: Capital gain delay tax payable for firm. If tax rate of capital gain is lower than dividend tax, a firm should pay low dividend.
- Clientele Effect: difference investors have difference tax rate bracket.
- Dividend signaling: dividend payout sends a positive signal.
- Agent cost: dividend reduce free cash flow
- Behavior explanation: dividend reduces self-control bias

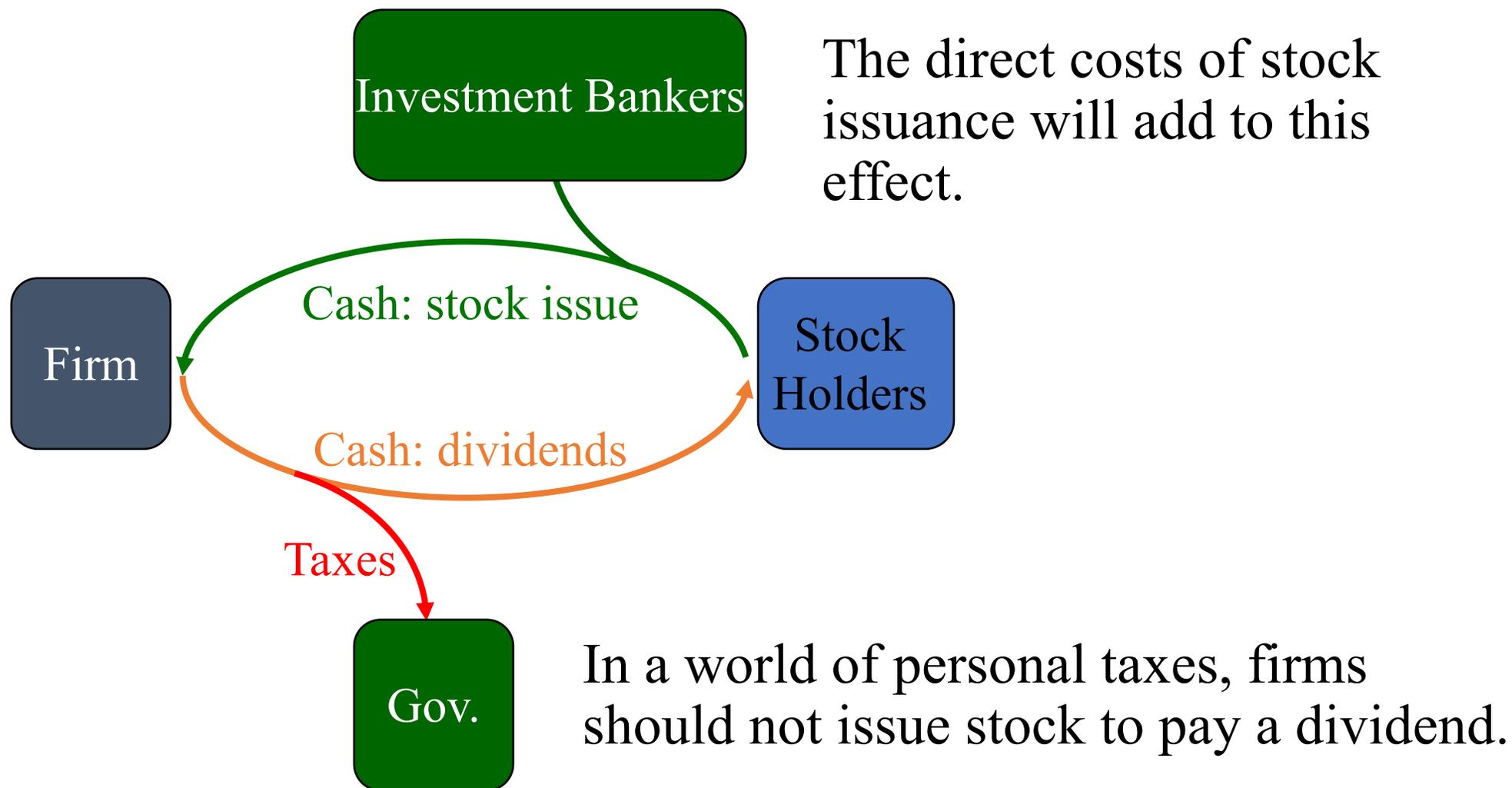
The irrelevance of dividend policy

- Dividend policy: given the level of its distributable cash flow, pay or not pay? When to pay? How much to pay?
- An illusion: stocks paying high dividends should be of higher prices. Recall that equity value is the PV of expected future dividend payouts. This is wrong.
- Dividend policy is irrelevant for firm value as long as all distributable cash flow is paid out.
- Since price drops on the ex-dividend day, dividend policy does not change the wealth of shareholders. It simply convert equity to cash.

Dividends and investment policy

- With cash in hand, a firm can choose to pay out or invest.
- Firms should never forgo positive NPV projects to increase a dividend (or to pay a dividend for the first time).
- Recall that one of the assumptions underlying the dividend-irrelevance argument is: “The investment policy of the firm is set ahead of time and is not altered by changes in dividend policy.”
- That is why firms with high growth opportunities seldom pay out.

Should firm issue stock to pay dividend?



Use of excess cash

Consider a firm that has \$1 million in cash after selecting all available positive NPV projects. Besides paying out, the company could also:

- Select additional capital budgeting projects (by assumption, these are negative NPV).
- Acquire other companies
- Purchase financial assets
- Repurchase shares

Taxes and Dividend

- In the presence of personal taxes, a firm should not issue stock to pay a dividend.
- If dividend tax is higher than capital gain tax, firm should pay low dividend
- Tax in China:
 - Dividend tax depends on investment horizon: more than 1 year: 5%; between one month and one year: 10%; less than one month: 20%
 - Capital gain tax: there is no capital gain tax for individual investors in China
 - Personal tax reduce firms' incentive to pay dividend. Maybe this is the reason why Chinese companies seldom payout.

Clientele Effect

Clienteles for various dividend payout policies are likely to form in the following way:

Group	Stock Type
High Tax Bracket Individuals	Zero-to-Low payout
Low Tax Bracket Individuals	Low-to-Medium payout
Tax-Free Institutions	Medium payout
Corporations	High payout

Dividend Signaling

- Dividend declaration send two signals to the market:
 - The firm is profitable
 - The firm won't be hoarding cash, thereby reducing agency costs and enhancing shareholder wealth.
- Stock market react to *unanticipated* dividend payouts.
 - Dividend initiation or increase leads a positive reaction
 - Dividend omission or decrease leads a negative reaction
- To serve as a signal, it has to be costly. Otherwise, low-quality firms can mimick and fool investors.

Why Investors Favor High Dividends?

- Desire for current income (一鸟在手) : dividends are certain while capital gain is risky since it can be cashed out in the future.
- Behavioral bias (self-control): Compared with dividend, selling stock to get cash is not easy to control. Investors may sell too much for consumption.
- Agency Costs: High dividends reduce free cash flow. Managers are less able to use firm cash flow for private benefits

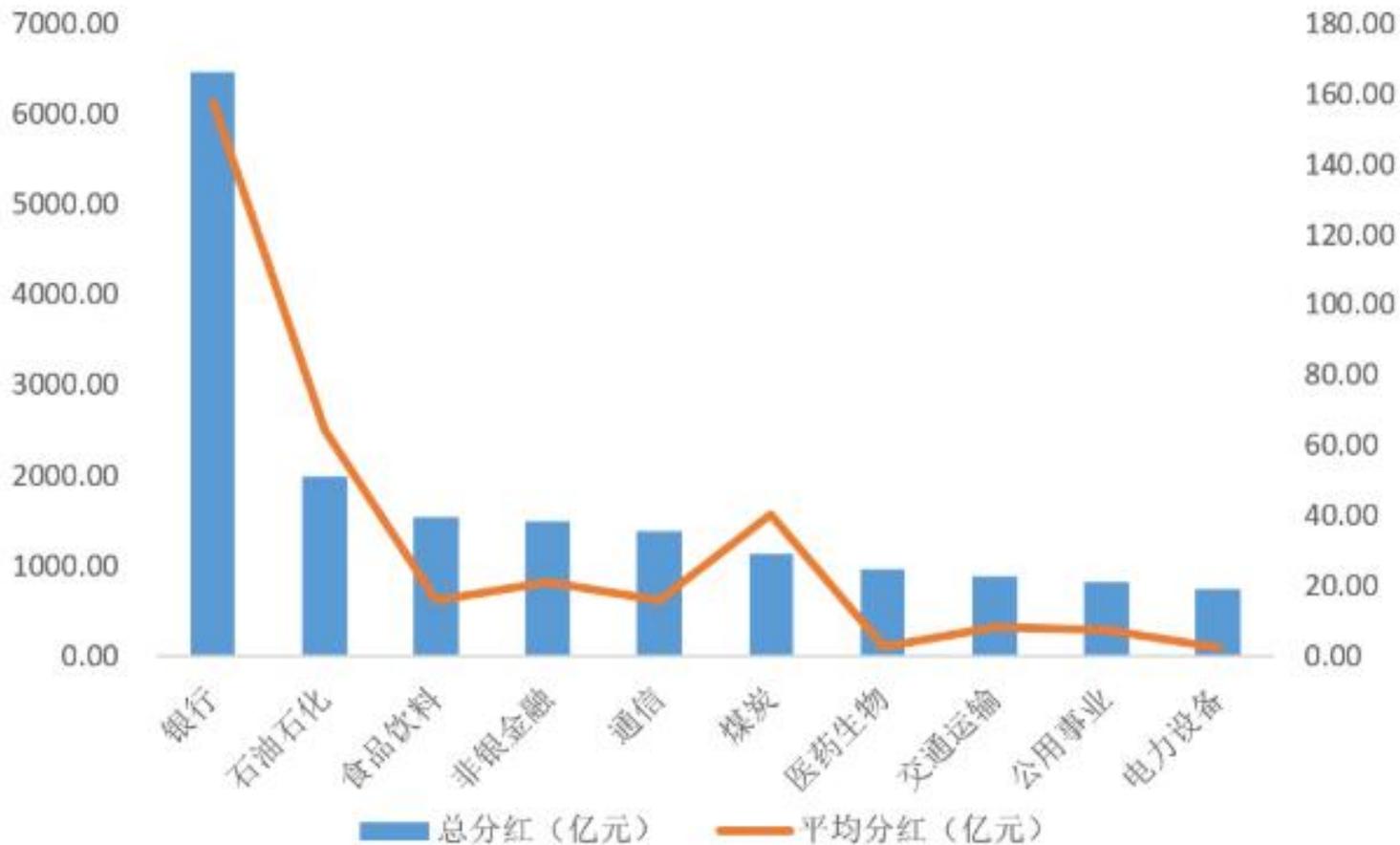
Stock Dividend

- Pay additional shares of stock instead of cash
- Increases the number of outstanding shares while stock price decrease. Nothing else would change.
- If you own 100 shares and the company declared a 10% stock dividend, you would receive an additional 10 shares.
 - ▣ Small stock dividend: Less than 20 to 25%
 - ▣ Large stock dividend: More than 20 to 25%

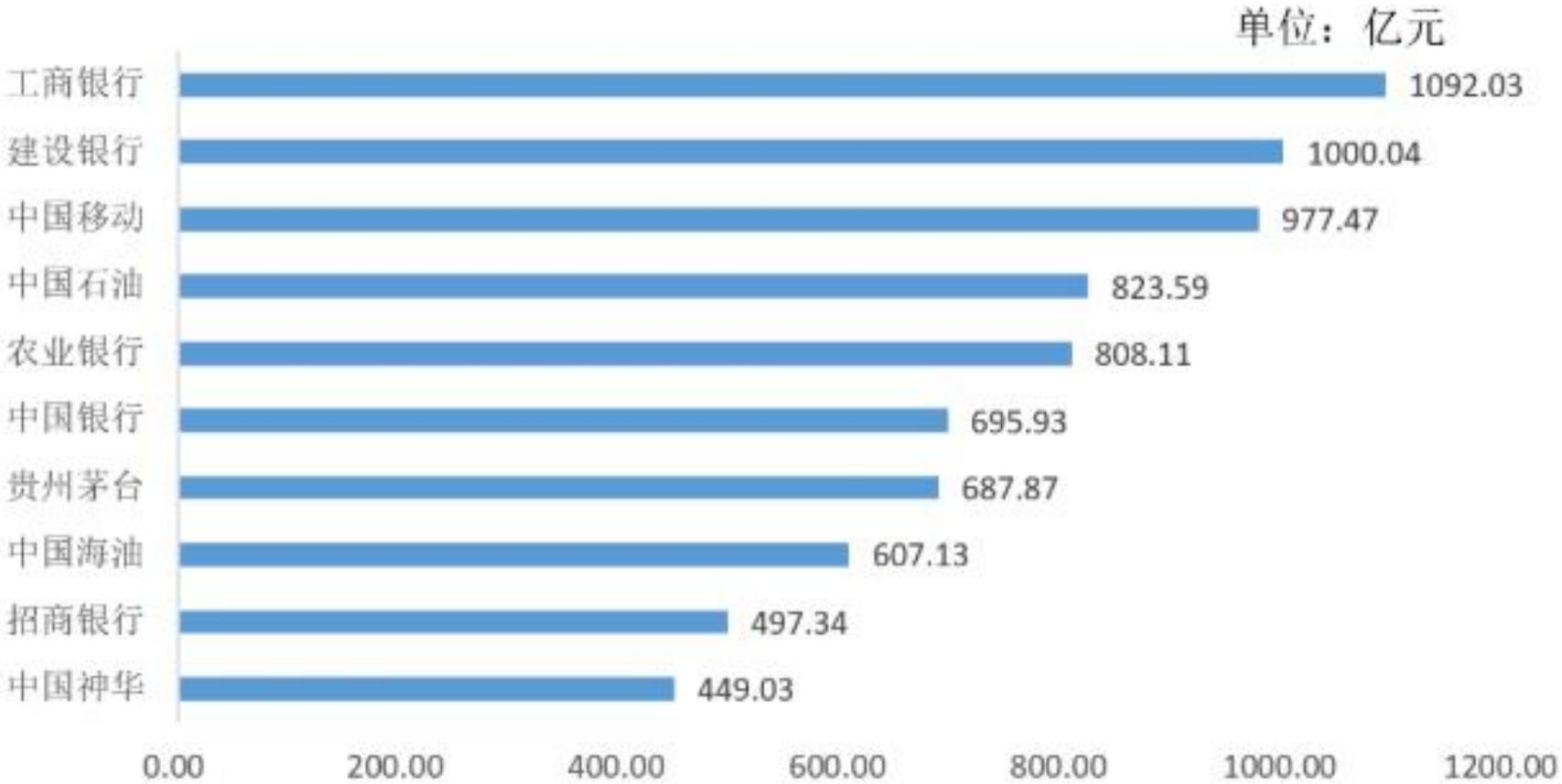
Stock Split

- Stock splits – essentially the same as a stock dividend except it is expressed as a ratio
 - ▣ For example, a 2 for 1 stock split is the same as a 100% stock dividend.
- Stock price is reduced when the stock splits.
- Common explanation for split is to return price to a “more desirable trading range.”
 - ▣ 1 million shares trading at 10,000 RMB per share vs. 2 million shares trading at 5,000 RMB per share.

Top 10 Payout Industry (2024)



Top 10 Payout Company (2024)



What We Know in the Real World?

- Corporations “smooth” dividends.
- Dividends are concentrated among a small number of large, mature firms.
- Managers are reluctant to cut dividends.
- Dividends provide information to the market. Stock prices react to unanticipated changes in dividends.
- Firms should follow a sensible policy:
 - Do not forgo positive NPV projects just to pay a dividend.
 - Avoid issuing stock to pay dividends.
 - Consider share repurchase when there are few better uses for the cash.

What Kind of Firms Pay Out?

- Firms with sustained and stable profitability, and sufficient cash flow (not just "book profits")
- Mature-stage firms pay more. Start-up/growth-stage firms usually do not pay dividends—they need to invest money in R&D, expanding production capacity, and seizing market share
- Some industries have stable cash flow, little fluctuation due to economic cycles, and low reinvestment needs.
- Corporate governance and shareholder-oriented Tendency: firms valuing shareholder returns, with no large-scale reinvestment needs, or wanting to convey development confidence

Discussion



不是的，企业分红并非“越多越好”，分红多少需要平衡短期股东收益、长期企业发展、财务健康等多方面因素。

1. 分红过多的弊端

- 挤占长期投资资金：如果把利润全部分红，企业会缺少资金投入正NPV项目（比如研发、扩产），长期会导致公司价值增长放缓，反而损害股东的长期财富（股价上涨收益会减少）。
- 影响财务弹性：分红过多会消耗现金储备，当遇到突发风险（比如行业低谷、紧急投资机会）时，企业可能因现金流不足陷入困境（甚至需要高成本融资）。
- 税负成本更高：对部分投资者（比如高税率的个人股东）来说，分红收益需要缴纳股息税；而如果企业不分红、将利润用于再投资，股东可以通过“股价上涨”获得资本利得（部分国家资本利得税率更低，或可延迟缴税）。

2. 分红过少的问题

Is the more dividends a firm pays, the better?

- 股东不满（尤其是依赖分红的投资者）：对退休人群、追求稳定现金流的股东来说，分红是重要的收入来源，分红过少会导致这类股东抛售股票，可能压低股价。
- 代理问题风险：如果企业长期不分红、囤积大量现金，管理者可能滥用资金（比如投资负NPV项目、过度在职消费），损害股东利益。

3. 合理分红的核心：平衡

企业的“最优分红”需要结合自身情况：

- 成长型企业：通常分红较少（甚至不分红），因为需要把利润投入扩张（比如科技、初创企业）；
- 成熟型企业：通常分红较高（比如公用事业、消费龙头），因为行业增长放缓，多余资金更适合返还股东；
- 还要看现金流稳定性：如果企业现金流波动大（比如周期行业），分红过高可能导致后续分红“断档”，反而影响市场信心。

总结：分红是“分蛋糕”，而企业发展是“把蛋糕做大”——过多分红会限制“做大蛋糕”的能力，过少分红可能引发股东不满，关键是找到两者的平衡点。