



HUNG FOOK TONG

Hung Fook Tong Group Holdings Limited

鴻福堂集團控股有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1446

DIVIDEND POLICY

(Adopted by the Company pursuant to the Board resolution passed on 31 December 2018)

1. PURPOSE

1.1 This Dividend Policy (the “**Policy**”) aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company.

2. PRINCIPLES AND GUIDELINES

2.1 The board of directors (the “**Board**”) of the Company adopts the policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

2.2 The Company does not have any pre-determined dividend payout ratio.

2.3 The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of the Association of the Company and all applicable laws and regulations and the factors set out below.

2.4 The Board shall also take into account the following factors of the Company and its subsidiaries (collectively, the “**Group**”) when considering the declaration and payment of dividends:

- financial condition;
- results of operation;
- level of cash;
- statutory and regulatory restrictions;
- future prospects; and
- any other factors that the Board may consider relevant.

2.5 Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as follows:

- interim dividend;
- final dividend;
- special dividend; and
- any distribution of net profits that the Board may deem appropriate.

2.6 Any final dividend for a financial year will be subject to shareholders' approval.

2.7 The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

2.8 Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Articles of Association.

3. REVIEW OF THE POLICY

3.1 The Board will review this Policy as appropriate from time to time.

Note: If there is any inconsistency between the English and Chinese versions of this Policy, the English version shall prevail.

31 December 2018