

HENG TAI CONSUMABLES GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(the "**Company**", together with its subsidiaries, the "**Group**")

DIVIDEND POLICY

(Adopted by the Board of the Company with effect from 1 January 2019)

1. PURPOSE

This Policy aims to set out the principles and guidelines that the board of directors of the Company (the "**Board**") intends to apply in relation to the declaration, payment or distribution of its profits as dividends to the shareholders of the Company.

2. PRINCIPLES AND GUIDELINES

2.1 The Board has the sole discretion to propose or declare dividends to the shareholders of the Company, subject to any restrictions under the laws of the Cayman Islands, the Memorandum and Articles of Association of the Company and all applicable laws, rules and regulations and the factors set out below.

2.2 The Board, in recommending or declaring dividends, shall maintain adequate cash reserves for meeting the Group's working capital requirements and future growth as well as the Company's shareholders value.

2.3 The Board shall also take into account the following factors before proposing and declaring dividends:

- the Group's actual and expected financial performance;
- the Group's financial conditions and liquidity position;
- the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- retained earnings and distributable reserves of the Company and each of the members of the Group;
- the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- any other factors that the Board deems relevant.

2.4 The Company does not have any pre-determined dividend distribution ratio.

2.5 The Board may declare and pay dividends for a financial year or period:

- interim dividend;
- final dividend; and
- special dividend.

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

2.7 Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Memorandum and Articles of Association of the Company.

3. REVIEW OF THE POLICY

The Board shall review this Policy from time to time and has the sole discretion to update, amend or modify this Policy as appropriate.