

Pokfulam Development Company Limited
博富臨置業有限公司
(the “Company”)
(Incorporated in Hong Kong with limited liability)

DIVIDEND POLICY
(the “Policy”)
(Adopted by the Board on 27th March 2019)

1. OBJECTIVE

The Policy provides the guidelines for the board of directors (the “Board”) of the Company to determine whether dividends are to be declared and paid.

2. CONSIDERATION CRITERIA

The Board will take into account, amongst other matters:

- (a) the Company and its subsidiaries’ (the “Group”) business strategies, business cycle, operations, earnings, financial condition, cash requirements and availability as well as capital expenditure and future development requirements and the dividend received by the Company from its subsidiaries;
- (b) the possible effects of the Group’s credit-worthiness, the financial covenants to which the Group is subject and any restrictions on the payment of dividends that may be imposed by the Group’s lenders;
- (c) the interests of the shareholders of the Company (the “Shareholders”) and the taxation consideration;
- (d) the general economic and political conditions and other internal and external factors that may have an impact on the business and financial performance of the Group;
- (e) any restrictions under all applicable laws, Listing Rules, Corporate Governance Codes and regulations, the Hong Kong Financial Reporting Standards that the Group has adopted as well as the articles of association of the Company (the “Articles of Association”); and
- (f) other factors that the Board may consider relevant.

March 2019

3. FORM OF DIVIDENDS

Depending on the conditions and factors as set out above, the Board may propose, recommend and/or declare dividends with respect to the Company issued ordinary shares on a per share basis for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profit that the Board may consider appropriate. Dividends must be paid out of the distributable reserve of the Company and the payment of any final dividend for a financial year will be subject to the Shareholders' approval.

Dividend may be paid up in the form of cash or scrip or by distribution in any form. Any dividend unclaimed will be forfeited and will revert to the Company in accordance with the Articles of Association.

4. APPROVAL AND REVIEW

The Policy has been approved by the Board. The Board will be reviewed and is subject to update, amendment and/or modification annually. There is no assurance that a dividend will be proposed, recommended and/or declared in any amount or at any time or from time to time.

5. DISCLOSURE

The Policy will be disclosed in the annual report of the Company pursuant to any statutory or regulatory requirements.