

# **Satu Holdings Limited**

## **Policy Manual – Dividend Policy**

(Adopted on 1 February 2019

and

last revised on 31 August 2022)

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## **Policy**

It is the policy of Satu Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to hereinafter as the “**Group**”) to outline the principles and guidelines as well as the Group’s considerations and approval structure in respect of the Company’s dividends (the “**Dividend Policy**”)

## **Purpose**

This Dividend 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 profits as dividends to the shareholders of the Company.

## **General Principles**

As a matter of general principle, provided that the Group is profitable and without affecting the normal operations of the Group, the Group may consider to declare and pay dividends to the shareholders of the Group.

In considering the payment of dividends, the Group intends to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the shareholders of the Group.

The Board shall also take into account, among other things, when deciding the declaration and payment of dividends:

- a) The Group’s overall results of operation;
- b) The Group’s financial and liquidity position;
- c) the Group’s cash flow, working capital requirements, capital expenditure requirements, business objectives and strategies, future development and expansion plans;
- d) the amount of retained earnings and distributable reserves of the Company;
- e) the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
- f) the general market conditions, business environment, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- g) any restrictions on payment of dividends that may be imposed by the Group’s lenders;
- h) any contractual restriction on the payment of dividends by the Group to the shareholders or by the subsidiaries to the Group, if any; and

- i) Other factors that the Board deems relevant and appropriate.

The declaration and payment of dividends by the Group is subject to any restrictions under the Companies Act of the Cayman Islands, the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, the laws of Hong Kong and the Company's Memorandum and Articles of Association and any other applicable laws and regulations.

Any declaration and payment of future dividends under the Dividend Policy are subject to the Board's determination that the same will have to be in the best interests of the Group and the shareholders of the Group as a whole. The Board aims to make effective use of retained earnings to strengthen the operating base and fund growth of established businesses and the development of new businesses.

The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future. There can be no assurance that dividends will be paid in any particular amount for or in any given period.

The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

Depending on the financial conditions of the Company and the Group as a whole 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 in the following form and manner:

- (i) interim dividend;
- (ii) final dividend;
- (iii) special dividend; and
- (iv) any distribution of profits that the Board may deem appropriate.

Any final dividend for a financial year will be subject to shareholders' approval by an ordinary resolution at an annual general meeting and must not exceed the amount recommended by the Board.

The Company may declare and pay dividends by way of cash or an allotment of shares.

Any dividend unclaimed shall be invested or made use of by the Board or shall be forfeited and shall revert to the Company in accordance with the Articles of Association of the Company

### **Review of the policy**

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time.

### **Disclosure**

A summary of this Policy and the measurable objectives which have been set for implementing this Policy, and the progress on achieving those objectives, will be disclosed in the annual report.

If you have any questions in relation to Dividend Policy, please make a written enquiry to the Company at the Company's principal place of business in Hong Kong at Unit 2504, 25th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.