



## **SCUD GROUP LIMITED**

### **飛毛腿集團有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01399)**

### **Dividend policy**

#### **Purpose**

1. This dividend policy (the “Policy”) is the policy of the board of directors (the “Board”) of SCUD Group Limited (the “Company”, or together with its subsidiaries, the “Group”), in considering the payment of dividends, to allow shareholders of the Company to participate in the Company’s profit whilst retaining adequate reserves for the Group’s future growth. This Policy aims at setting out the factors the Board shall consider before declaring or recommending any dividends.

#### **Policy Statement**

2. The Company adopts the Policy to ensure maximum transparency for shareholders of the Company in the process of deciding on dividend payment and the level of dividends. The Board is committed to upholding a consistent dividend payout ratio whilst maintaining an equitable balance between returns to shareholders and investment for sustaining growth.

#### **Factors to consider by the Board**

3. The factors listed below would be used as reference by the Board before declaring or recommending any dividends:
  - the Company’s actual and expected financial performance;
  - the Group’s liquidity position;
  - retained earnings and distributable reserves of the Company and each of the members of the Group;
  - the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
  - any restrictions on payment of dividends that may be imposed by the Group’s lenders;

- the Group's expected working capital requirements and future expansion plans;
  - general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
  - any other factors that the Board deem appropriate.
4. The declaration, recommendation and payment of any dividends are also subject to compliance with applicable laws, regulations and the Articles of Association of the Company.

**Review and disclosure of the Policy**

5. The Board will continually review the Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.
6. According to Code Provision E1.5 of the Corporate Governance Code as set out in the Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company will disclose the Policy in the Company's corporate governance report under its annual report.

Adopted by the Board on 27 September 2018 to take effect from 1 January 2019.

*\* For identification purpose only*