



Hengxing Gold Holding Company Limited
恒興黃金控股有限公司
(the “Company”)

Dividend Policy

ADOPTED BY THE BOARD ON March 29, 2019

1. Objective

The Company considers a prudent dividend policy to be our goal and adheres to seek a balance between meeting the expectation on a reasonable return in investment of the shareholders of the Company (“*Shareholders*”) under a sustainable dividend policy and maintaining the continuity, stability and prospects of the business of the Company.

2. Board’s Approval on the Dividend Policy

On March 29, 2019, the Board of Directors of the Company (the “**Board**”) resolved to adopt a dividend policy that aims at achieving a timely, accurate and complete information about our distribution plans and making proper arrangements for Shareholders.

3. Declaration of Dividend

Declaration and payment of dividends shall always remain to be determined at the sole discretion of the Board.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the Company and each of the members of the Group’s earning performance, financial position, investment requirements and future prospects as well as any other factors that the Board may deem appropriate.

This dividend policy and the declaration and/or payment of dividends under this policy shall remain to be determined at the sole discretion of the Board and are subject to the Board’s continuing determination that this dividend policy and the declaration and/or payment of dividends would be in the best interests of the Group and Shareholders, and are in compliance with all applicable laws and regulations.

The Board shall constantly review the dividend policy and exercise continuing due care in updating, amending, modifying and/or suspending the dividend policy at any time in its sole and absolute discretion.

The Board wishes to reiterate that declaration of dividends are non-guaranteed. Past dividends record is not indicative of future performance. The Company shall not be taken to be obliged to declare any dividend at any time nor shall this Dividend Policy constitute a legally binding commitment by the Company to declare a dividend at any time or from time to time. There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount will be as contemplated above.

4. Amount of Dividend

The amount available for distribution as dividends to Shareholders is determined by the Board in accordance with the Company's internal dividend policy.

The amount of dividends will vary according to the business needs and other considerations at the material times that the Board may think fit. Alternatively, the Board may, at its sole discretion, choose to leave the dividend or other cash payments with the Company to earn interest at a rate determined by the Company based on its investment needs and market conditions. As a consequence, dividends are not guaranteed and may be adjusted from time to time.

5. Shareholders' Approval

Any dividends declared by the Company shall be approved by an ordinary resolution of Shareholders at an annual general meeting and shall not exceed the amount recommended by the Board.

With the sanction of an ordinary resolution, dividends may be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the applicable law and regulations.