



STRONG PETROCHEMICAL HOLDINGS LIMITED

海峽石油化工控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 852)

DIVIDEND POLICY

(Adopted by written resolution of the board of directors of Strong Petrochemical Holdings Limited passed on 27 December 2018)

Strong Petrochemical Holdings Limited (the “Company”) adopts a general dividend policy (the “Policy”) that aims to provide shareholders of the Company out of the Group’s profit attributable to shareholders in any financial year, subject to the criteria set out below.

Such declaration and payment of dividends shall remain to be determined at the sole discretion of the board (the “Board”) of directors (the “Directors”) of the Company and subject to all applicable requirements (including without limitation, restrictions on dividend declaration and payment) under the Companies Law of the Cayman Islands and the articles of association of the Company.

The Board shall also take into account the following factors when considering the declaration and payment of dividends:-

- the Company’s and its subsidiaries’ (collectively, the “Group”)’s actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the members of the Group;
- the Group’s working capital requirements, capital expenditure requirements and future expansion plans;
- the Group’s liquidity position;
- general economic conditions, 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 Company; and
- other factors that the Board deems relevant.

The Board may propose the payment of dividends, if any, with respect to the Company’s shares on a per share basis.

In addition to cash, dividends may be distributed in the form of shares subject to and in accordance with the procedures set out in the Company’s memorandum and articles of association.

Except for interim dividend, any dividends declared by the Company must be approved by an ordinary resolution of shareholders at the general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the shareholders such interim dividends as appear to the Directors to be justified by the profits of the Company available for distribution.

The Board will continually review the Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Policy at any time, and this Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Pursuant to the Code Provision E.1.5 which will be effective on 1 January 2019 under Appendix 14 Corporate Governance Code and Corporate Governance Report to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company should disclose the Policy in the annual report.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.

** For identification purpose only*