

DIVIDEND POLICY AS AMENDED JUNE 2008
GSH-M-005-08

1. Maintain P0.05 per share dividend payout in July each year for the foreseeable future at an annual cost of not less than P50 Million, provided profitability of the Company in the year concerned and cash requirements for the year of declaration and payment warrant payment of the dividend.
2. If earnings and cash resources in future years are beyond current and anticipated requirements, consider paying "extra" cash dividends over and above the regular dividend up to a maximum of 50% of the prior year's earnings/share.
3. When circumstances warrant, declare stock dividends in addition to or alternatively to the cash dividends.
4. To finance intra-year cash needs for working capital or regular capital expenditure which cannot be met by current cash flow from earnings, the company will rely on its existing short-term credit lines.
5. To finance extraordinary requirements for capital expenditure and expansion programs, the company will raise long-term loans at prevailing cost.
6. The company to comply with all loan covenants with emphasis on the consolidated financial statements debt to equity ratio not to exceed 5x and current ratio not less than 0.6x.
7. Cash surpluses generated from time to time (after liquidating short-term borrowings) will be invested in the money market.
8. The Board should review the Dividend Policy annually in March to ensure flexibility vis-à-vis changing circumstances, particularly in the event that cash surpluses are large enough to allow reduction of any long-term borrowings in addition to payment of extra dividends.