



KUMPULAN PERANGSANG SELANGOR BERHAD

197501002218 (23737-K)

**DIVIDEND POLICY
VERSION 2/2022**

APPROVED BY BOARD

29 MARCH 2022

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE</u>
1. Introduction	1
2. Objectives	1
3. Statement of policy	2
4. Declaration and Payment of Dividend	2
5. Disclosure Requirements of Dividend	3
6. Exception	3
7. Appendix	4

1.0 INTRODUCTION

The Dividend Policy or to be referred to as “The Policy” is a set of guidelines established to ensure that dividends declared are in reflection of financial position, operating performance and future investment needs in order to ensure stable and sustainable returns to shareholders.

1.1 Scope

This policy applies to Kumpulan Perangsang Selangor Berhad (“KPS or the Company”).

1.2 Responsibilities

It is the responsibility of the Head of Finance (“HF”), for the development and maintenance of the Policy and proposes any changes needed in the Policy to the Board of Directors for approval.

1.3 Approving Authority

The Board of Directors of KPS (“the Board”) is the approving authority of the Policy.

1.4 Date of Implementation

The Policy is effective immediately upon approval by the Board.

1.5 Review Frequency

The Policy will be reviewed annually to ensure that it remains consistent with the overall objectives of the Company.

1.6 Definitions

The key terms and acronyms that appeared in the Policy shall be defined as per **Appendix I**.

1.7 Reference

The Policy document is issued in compliance but not limited to the Companies Act 2016 (as amended from time to time) (“CA 2016”) and Delegation of Authority Policy.

2.0 OBJECTIVES

The main objectives of the Policy are:

- 2.1 to establish a Dividend Policy to facilitate decision making in respect of the declaration and payment of dividends for each financial year;
- 2.2 the Company provides stable and sustainable returns to shareholders consistent with earnings growth; and
- 2.3 any declaration and payment of a dividend are in compliance with CA 2016.

3.0 STATEMENT OF POLICY

KPS is dedicated and committed to delivering financial obligations to shareholders and sharing the enterprise performance via consistent and sustainable returns to ensure continuous support and confidence by shareholders.

4.0 DECLARATION AND PAYMENT OF DIVIDEND

4.1 There are two (2) types of dividends which are:

a) Interim dividend:

- Declared and paid during the year; and
- Dividend payment is subject to Board's approval.

b) Final dividend:

- Declared during the Annual General Meeting ("AGM") and paid thereafter; and
- Dividend payment is subject to Shareholders' approval.

4.2 Dividend declared must be in compliance with the CA 2016 and the KPS Financial Authority Limit in Delegation of Authority Policy.

4.3 KPS will endeavor to pay out dividends of at least 30% of its consolidated normalized annual net profit after taxation and minority interest ("PATAMI") annually, subject to availability of distributable reserves and factors to be considered as per section 4.5.

4.4 Dividend will only be paid-out if approved by the Board and the Shareholders of the Company.

4.5 In considering the level of dividend payment and timing by the Company, the following factors shall be taken into account:

- The level of available cash and cash equivalents;
- Solvency test performed for the next 12 months immediately after the dividend is paid (solvency test to be included as part of the dividend Board Paper);
- Return on equity and sufficient retained earnings;
- The projected levels of capital expenditure;
- Funding needs for future growth;
- Working capital requirement;
- Restrictions and/or covenants imposed by lenders;
- Country/ foreign currency/tax restrictions;
- Repayment of inter-company advances; and
- Other factors which the Board may deem relevant

4.6 In the event the Company is in accumulated losses position, the Company may still declare the dividend from its current year net profit, subject to factors to be considered as per section 4.5.

4.7 In the event that the Company records losses for the current financial year, but there is sufficient cash or cash equivalents to meet the payment, in which case, dividends shall be declared from retained earnings.

5.0 DISCLOSURE REQUIREMENTS OF DIVIDEND

The Company, as an entity incorporated in Malaysia, is required to comply with Malaysian Financial Reporting Standard (“MFRS”) 110: Event after Balance Sheet Date when accounting for dividend as follows:

- Dividend declared after the financial year-end is not recognised as a liability in the financial statements;
- Dividend declared after the financial year-end but prior to the signing date of financial statements are required to be disclosed;
- Interim dividend is recognised as a liability upon approval by the Board of Directors; and
- Final dividend can only be recognised once it is approved in Annual General Meeting.

6.0 EXCEPTION

Any exception from this Policy shall require the approval of the Board unless they are deemed as operational in nature.

Appendix I: Definition

No.	Abbreviation	Details
1.	"the Board"	Board of Directors
2.	"CA 2016"	Companies Act 2016
3.	"FD"	Finance Department
4.	"KPS or the Company"	Kumpulan Perangsang Selangor Berhad
5.	"KPS Group"	Kumpulan Perangsang Selangor Berhad and Subsidiaries
6.	"HF"	Head of Finance
7.	"PATAMI"	Profit After Tax and Minority Interest
8.	"Normalized PATAMI"	Profit After Tax and Minority Interest excluding one-off item
9.	"AGM"	Annual General Meeting