

MALAYSIA SMELTING CORPORATION BERHAD

Registration No. 197801006055 (43072-A)

(Incorporated in Malaysia)

DIVIDEND POLICY

1. INTRODUCTION

Malaysia Smelting Corporation Berhad (“**the Company**” or “**MSC**”) are 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.

This Dividend Policy (“**Policy**”) is a set of guidelines established to ensure that dividends declared are in reflection of the financial position, operating performance and future investment needs in order to ensure stable and sustainable returns to shareholders.

2. OBJECTIVES

The Policy is formulated with the intention of achieving the following aims:

- (i) to establish a Dividend Policy to facilitate decision making in respect of the declaration and payment of dividends for each financial year;
- (ii) the Company provides stable and sustainable returns to shareholders consistent with earnings growth; and
- (iii) any declaration and payment of a dividend are in compliance with Companies Act 2016 (as amended from time to time) (“**the Act**”).

3. DECLARATION AND PAYMENT OF DIVIDEND

- (i) 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 of Directors’ (“**Board**”) approval.
 - (b) Final dividend:
 - Declared during the Annual General Meeting and paid thereafter; and
 - Dividend payment is subject to Shareholders’ approval.
- (ii) Dividend declared must be in compliance with the Act.
- (iii) MSC will endeavor to pay out dividends with a target payout ratio of at least thirty percent (30%) of the net profit attributable to the owners of the Company, subject to the availability of distributable reserves and factors to be considered as per section 3(v).
- (iv) Dividends will only be paid-out if approved by the Board and/or the Shareholders of the Company.
- (v) 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;
 - Return on equity and sufficient retained earnings;
 - The projected levels of capital expenditure;
 - Funding requirements by which the Group is bound from time to time;
 - Working capital requirement;
 - Restrictions and/or covenants imposed by lenders (if any);
 - Country/ foreign currency/tax restrictions;
 - Repayment of inter-company advances;
 - Provisions of the Act and the Company's Constitution;
 - Any relevant applicable laws; and
 - Other factors which the Board may deem relevant.
- (vi) In the event the Company is in an 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 3(v).
- (vii) 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.

4. REVIEW

The Policy is to be regularly reviewed by the Board and key senior management of the Company as and when required to ensure that it remains consistent with the overall objectives of the Company.

This policy was adopted by the Board on 15 February 2024.

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