

# **POWERTECHNIC GROUP BERHAD**

Registration No. 202101015445 (1415745-D)

*(Incorporated In Malaysia)*

## **DIVIDEND POLICY**

It is the intention of the Board of Directors (“Board”) of POWERTECHNIC GROUP BERHAD (“Powertechnic” or the “Company”) and its subsidiaries (collectively referred to as “the Group”) to maintain a stable stream of dividends to the Company’s shareholders and at the same time conserve adequate reserves for future growth. The Company shall consider the below factors when recommending any dividend payout: -

- The ability to generate positive operating cash flow;
- Working capital needs and availability of cash;
- Capital expenditure and business expansion
- Compliance with the financial covenants of loan agreements of the Company’s subsidiaries, if any;
- Compliance with the requirements of Sections 131 and 132 of the Companies Act, 2016;
- Compliance with the requirements of Rule 8.28 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;
- The overall financial performance and condition; and
- The general economic and business conditions prevail.

Although the Company has the intention to recommend and distribute dividends of at least 30% of its annual audited consolidated profit after tax attributable to the shareholders, however, it is not a legally binding obligation/ guaranteed commitment to the shareholders in respect of the Group’s future dividends which is subject to modification at the discretion of the Board. The following procedures shall be conducted to ensure thorough consideration and deliberation have been carried out.

1. The group accountant shall prepare a solvency statement (whereby solvency is defined as the Company’s ability to pay its debt as and when it becomes due within 12 months immediately after the distribution of profits to shareholders is made). Solvency is determined by assessing the Company’s ability to pay off its debt as it falls due (trading solvency) and / or where its assets are more than its liabilities (balance sheet solvency).
2. Such solvency statement shall be submitted to the Board for deliberation and recommendation for any dividend payout to shareholders. The discussion of dividend payout shall be sufficiently minuted in the meeting minutes. The final decision of any dividend payout shall be agreed upon by the Board. Once the dividend has been declared, the Board shall not make any subsequent alteration to the dividend entitlement.

*This Dividend Policy was approved and adopted by the Board on 27 November 2024.*