

OCK GROUP BERHAD
REGISTRATION NO. 201101027780 (955915-M)

DIVIDEND POLICY
VERSION 1/2024

APPROVED BY BOARD
27 FEBRUARY 2024

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1.0 INTRODUCTION

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

1.1 Scope

The Policy applies to OCK Group Berhad (“OCK” or “the Company”).

1.2 Responsibilities

It is the responsibility of the Group Chief Financial Officer (“GCFO”), to develop and maintain of the Policy and to propose any change needed in the Policy to the Board of Directors for approval.

1.3 Approving Authority

The Board of Directors of OCK (“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 appearing in the Policy shall be defined in **Appendix I**.

1.7 Reference

The Policy document is issued in compliance with, but is not limited to, the Companies Act 2016 (as amended from time to time) (“CA 2016”) and the 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** to provide 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

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

4.0 DECLARATION AND PAYMENT OF DIVIDEND

4.1 There are two (2) types of dividends:

- a) Interim dividend:
 - Declared and paid during the year;
 - Payment is subject to Board's approval.
- b) Final dividend:
 - Declared during the Annual General Meeting ("AGM") and paid thereafter;
and
 - Payment is subject to Shareholders' approval.

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

4.3 OCC will endeavor to pay out dividends of at least 20% 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 Dividends will only be paid-out if approved by the Board or the Shareholders of the Company.

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

- Level of available cash or 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;
- 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 If the Company is in accumulated losses position, the Company may still declare dividends from its current year net profit, subject to the factors addressed in section 4.5.

4.7 If the Company records losses for the current financial year, but there is sufficient cash or cash equivalents to meet payment, dividends may still 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:

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

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.	"OCK or the Company"	OCK Group Berhad
4.	"OCK Group"	OCK Group Berhad and Subsidiaries
5.	"GCFO"	Group Chief Financial Officer
6.	"PATAMI"	Profit After Tax and Minority Interest
7.	"AGM"	Annual General Meeting