

DIVIDEND POLICY

It is the intention of the Board of Directors (“Board”) of AGX Group Berhad (“AGB” or the “Company”) to maintain a stable stream of dividends to our 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 level of cash, gearing, return on equity and retained earnings;
- The expected financial performance and working capital needs;
- Capital expenditure and investment plans;
- Material impact on tax laws and other regulatory requirements;
- Compliance with the financial covenants of loan agreements of our subsidiaries, if any;
- Compliance with the requirements of Section 131 and 132 of the Companies Act 2016; and
- The general economic and business conditions and other factors deemed relevant by the Board.

Although the Company target a payout ratio of up to 30% of AGB’s profit attributable to common controlling shareholders of the combining entities of each financial year on a consolidated basis after taking into account working capital and maintenance of capital requirements, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to the Group’s cash requirements or any plans approved by our Board. The following procedures shall be conducted to ensure thorough consideration and deliberation has been carried out.

1. The Chief Financial Officer shall prepare a solvency test (whereby solvency is defined as the Company’s ability to pay its debts 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 debts as it falls due (trading solvency) and/or where its assets are more than its liability (balance sheet solvency).
2. Such solvency test paper 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 by the Board.

This Dividend Policy was approved and adopted by the Board on 15 March 2023.