

DIVIDEND POLICY

HSS Engineers Berhad (“the Company”) is committed to optimising value for its shareholders via a sustainable Dividend Policy (“Policy”).

The main objectives of the Policy are:

- to facilitate decision-making in respect of the declaration and payment of dividends for each financial year;
- to provide a goal with respect to returns to shareholders consistent with earnings growth; and
- to ensure any declaration and payment of dividend is in compliance with Companies Act 2016 and other applicable laws and regulations.

The Company will endeavour to pay out dividends with a target of 30% of its consolidated normalised annual profits after taxation attributable to shareholders, subject to availability of distributable reserves and the following factors:

- the level of available cash and cash equivalents;
- the Company’s ability to remain solvent and to pay its debts as and when they become due within the period of 12 months immediately following the date of dividend distributions;
- working capital requirements;
- compliance with contractual and financing arrangements;
- future capital expenditure, investment plans, financing requirements, and/or such other business requirements as the Board may deem at its discretion to be necessary;
- project and/or tender requirements;
- any contractual, statutory and/or legal restrictions; and
- other factors which the Board may deem relevant.

In the event the Company is in accumulated losses position, the Company may still declare dividend from its current year profit subject to the above factors.

The declaration of interim dividends is subject to the Board’s approval while final dividends shall be subject to recommendation by the Board and shareholders’ approval. If, after a distribution is authorised and before it is made, the Board ceases to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made or the Board is advised that distribution of profits or declaration of dividends is restricted or prohibited under any law or regulatory body or agency, the Board shall take all necessary steps to prevent the distribution or declaration from being made.

The shareholders of the Company should note that this Policy merely describes the Company’s present aspirations and shall not constitute a representation, warranty, undertaking and/or legally binding statement in respect of the Company’s future dividends which are subject to modification (including reduction or non-declaration thereof) at the Board’s discretion.

This Policy shall be effective upon approval of the Board, commencing from the financial year ended 31 December 2022.

Approved by the Board on 06 April 2023