



**CTOS DIGITAL BERHAD**

## DIVIDEND POLICY

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### **Dividend Policy**

Our Board believes that it is important to reward shareholders for their support, through dividend payments, when the Company records positive and sustainable financial performance. In this regard, the Board seeks to achieve an optimum balance between efficient capital management and providing shareholder returns through dividends.

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries and associates. Distributions by our subsidiaries and associates will depend upon their operating results, earnings, capital requirements, general financial condition and other relevant factors such as exchange controls.

Furthermore, the capability of our subsidiaries and associates to declare and pay dividends to the Company is also governed by the terms contained in the various agreements governing such subsidiaries and any financing agreements entered into by them.

In considering the level of dividends to be recommended, the Company's Board will take into account various considerations, including but not limited to the following: (i) The level of our cash, gearing and retained earnings; (ii) Our current and expected financial performance; (iii) Our projected levels of capital expenditure and other investment plans; (iv) Applicable legal, regulatory, licensing and operating requirements; and (v) Any circumstances which may affect or restrict our ability to pay dividends. The actual dividend that our Board may recommend or declare in respect of any financial year or period will be subject to the above factors (amongst others). The declaration of any interim dividends and the recommendation of any final dividends are at the discretion of our Board, with any final dividend for the year also being subject to our shareholders' approval.

We target a pay-out ratio of 60% to 70% of our profit attributable to the owners of our Company for each financial year on a consolidated basis after taking into account working capital, maintenance capital and committed capital requirements of our Company and its subsidiaries. The declaration and payments of any dividend is subject to the confirmation of our Board as well as any applicable laws, licence conditions and contractual obligations, certain banking restrictive covenants which our Company is subjected to and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.