

DIVIDEND POLICY

1. Definitions

- 1.1 “The Company” refers to Myanmar Thilawa SEZ Holdings Public Company Limited.
- 1.2 “Dividend (s)” refers to either an interim or final Dividend(s).
- 1.3 “The Law” means Myanmar Company Law 2017 and or any amendment thereto.

2. Introduction

- 2.1 The dividend policy of the Company is formulated in accordance with the Laws of Union of Myanmar, investment and tax legislations, good corporate governance principles and internationally recognized best practices.
- 2.2 Issues relating to the determination and payment of dividend shall be subject to this policy. The policy shall accordingly be employed in determining any claim by any shareholder, individual or institutional regarding the dividend of the Company subject to provisions 169 to 184 in Constitution of the Company. The policy shall be applicable to all classes of shares of the company.

3. Objectives

- 3.1 To define the policy and procedures of the Company in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.
- 3.2 To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company’s audited financial statements, cash flow forecast prior to any declaration and/or payment of Dividends.
- 3.3 To create a transparent and methodological Dividend policy, adherence to which will be required on financial year basis, with any deviations clearly identified and promptly communicated to appropriate stakeholders.
- 3.4 To ensure that Dividends are either paid for in cash or in stock.

4. Determining and Declaring Dividends

- 4.1 The Company’s Board of Directors shall be responsible for determining the amount, time of payment and method of payment for Dividends. The Company’s Board of Directors shall also be responsible for generating all resolutions on the declaration and payment of Dividends.
- 4.2 In determination of proposed Dividends, board of director will take following into consideration:
 - 4.2.1 Investment opportunities
 - 4.2.2 Forecasted capital need
 - 4.2.3 Expected volatility of future earnings
 - 4.2.4 Financial flexibility (cash position)
 - 4.2.5 Accumulated retained profit
 - 4.2.6 Tax implication of shareholders
 - 4.2.7 Flotation cost; and
 - 4.2.8 Contractual or legal restriction on payment of Dividends.

The template provided in annex 1 of this policy will be used for calculating the profit available for distribution and free cash flow available for distribution. Determination of Dividend shall base on the profits available for distribution of the company's separate financial statement, not on group consolidated financial statement. All calculations based on group consolidated financial statement are provided for the reference purpose only.

Profits available for distribution is accumulated realized profits (so far as not previously distributed or capitalized) less accumulated realized losses.

- 4.3 The company intend to make dividend with appropriate payout ratio in accordance with factors mentioned in clause 4.2.
- 4.4 The decision to declare and pay Dividends, including the procedure for making Dividend payments on each type and class of shares, shall be made at the Annual General Meeting ("AGM") of Shareholders, upon the recommendation of the Board of Directors. The resolution of the Board of Directors shall be presented in the form of a recommendation to the Shareholders.
- 4.5 Any declaration to pay Dividends must provide the following:
 - 4.5.1 The type and class of shares on which the Dividends have been declared;
 - 4.5.2 The amount of Dividends per share of each type and class;
 - 4.5.3 The period for payment; and
 - 4.5.4 The form of payment.
- 4.6 The decision to declare Dividends on ordinary shares may be made only after a decision has been made to declare Dividends on all classes of preferred shares and in the full amount.
- 4.7 If the Company has classes of preferred shares, a decision to declare Dividends on the preferred shares shall be made pursuant to clause 4.3 and in accordance with the Company's Constitution.
- 4.8 Board of Directors may not recommend any Dividend(s) and/or the Company may not declare any Dividend(s) if the Company doesn't meet the requirement of section 107 of Myanmar Company Law 2017, or
 - 4.8.1 There are reasonable grounds for believing that the Company is or would be, after a Dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
 - 4.8.2 Pursuant to Dividend decision date, the Company is insolvent or bankrupt in accordance with the provisions of insolvency or bankruptcy law, or where, as a result of paying Dividends, the Company would be rendered insolvent or bankrupt;
 - 4.8.3 There is any other prohibition by any law or contract.

5. Ordinary or Preferred Shares

- 5.1 Dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro rata basis according to the number of each type and class of shares held.
- 5.2 Dividends on preferred shares may be paid out of the Company's funds specifically designated for its purpose.
- 5.3 The amount of Dividends on ordinary shares is determined upon recommendation of the Board of Directors as provided in the Constitution and may not exceed the amount so recommended.
- 5.4 The amount of Dividends on one ordinary share shall be equal to the total amount of ordinary Dividends to be paid divided by the total number of the Company's ordinary shares outstanding, as of the Dividend record date.
- 5.5 The amount of Dividends on preferred shares is determined by the terms of the agreement underlying the preference share. These terms shall however be subject to the provisions of the Company's Constitution.
- 5.6 The amount of Dividends for one preferred share of a particular class shall be equal to the total amount of Preferred Dividends divided by the total number of the preferred shares of that class.
- 5.7 Preferred and ordinary Dividends distributed to shareholders shall be declared before tax deductions from Dividends.

6. Taxation Policy

- 6.1 Dividend is exempt from income tax under existing tax legislation, so no withholding tax will be made at the current moment.
- 6.2 In the event of changes in legislation and Dividends become subject to withholding tax, the Company shall be a tax agent for the purposes of the withholding and submission, to the relevant tax authority, of taxes payable on dividends. The Company shall also perform the necessary calculations and deduct taxes on Dividends in accordance with the procedures and within the period required by the Law.
- 6.3 Dividends shall be paid to shareholders after deduction of withholding tax (if applicable) at the prevailing rate based on the existing tax legislation.
- 6.4 The rate of the withholding tax deducted from dividend paid to shareholders resident in countries having tax treaties with Myanmar shall be in line with the relevant provisions of the applicable treaty.

7. Persons Entitled to Receive Dividends

- 7.1 The list of persons entitled to receive Dividends shall be prepared by the Company's Investor Relation Department.
- 7.2 The list of persons entitled to receive Dividends shall be prepared as of the record date on which the list of persons entitled to participate in the AGM at which the decision to declare Dividends is to be considered.
- 7.3 Such list shall include registered shares, and the persons on behalf of whom the nominal holders own the shares as of the record date.
- 7.4 For the preparation of the list of persons entitled to receive Dividends, nominal shareholders shall provide information on the persons for whom they hold shares.

8. Paying Declared Dividends

- 8.1 The date on which annual Dividends are paid shall be determined by the outcome of the AGM.
- 8.2 The Company shall continue making payments of declared Dividends as to those shares for which the shareholders have not received the accrued Dividends, or for which they have not claimed the Dividends. The company shall make best effort to communicate shareholders of unclaimed Dividends.
- 8.3 No interest shall accrue on unclaimed Dividends.
- 8.4 The Company is responsible for paying all declared Dividends.
- 8.5 The preparation, coordination, and all arrangements required from the Company in connection with the payment of Dividends set forth herein shall be the responsibility of the Investor Relation Department.
- 8.6 The Company shall notify its shareholders of the time, form, place, and procedure for the payment of the Dividends by distribution of notices by mail or SMS or other devices to the residential or email addresses or telephone numbers set forth in the shares registers and/or by publication of such information in the print media.
- 8.7 Upon termination of those circumstances set forth in 4.8 hereof which precluded the payment of Dividends, the Company shall, within a reasonable period of time and according to the Law, pay to shareholders the Dividends so declared.
- 8.8 Any matters relating to the payment of Dividends and not governed by the Law, the Company's Constitution and policies, shall be resolved in a manner, which takes into consideration and complies with the rights and legitimate interests of shareholders.