

Procedures for Dividend Payment

Legal Guidelines

According to the Civil and Commercial Code, a dividend can be declared and allocated to all shareholders proportionally from the amount paid of each share. Such declaration must be approved by the resolution of the Annual General Meeting of Shareholders (AGM) and it can be paid only when the Company has earned profit. If the Company has incurred losses, the dividend cannot be declared unless such losses have been made good.

The Board of Directors may pass a resolution and declare an interim dividend from time to time if it appears to the directors that the Company has the profits to do so.

The Company must also appropriate a reserve fund (called "Legal Reserve"), at each distribution of dividend, being at least one-twentieth (5%) of the profit or more until such appropriation reaches one-tenth (10%) of the registered capital of the Company.

The dividend is subject to 10% withholding tax. Exemption applies to the affiliated company which holds not less than 25% of the shares and has no cross-shareholding from the company that pays dividend. In the case of the BOI-promoted company, the dividend is also exempted from withholding tax.

