

## 16. STATUTORY AND OTHER INFORMATION

### 16.1 SHARE CAPITAL

- (a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.
- (b) No Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries, and there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (c) Save for the new Shares issued as disclosed in Section 6.2 and to be issued for our Public Issue as disclosed in Section 4.3.1, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.
- (d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.
- (e) As at the date of this Prospectus, our Company does not have any outstanding convertible debt securities.

### 16.2 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our share capital are set out in Section 6.1. Details of the share capital of our subsidiaries are set out below.

#### 16.2.1 PT MKH

PT MKH's issued share capital as at LPD is IDR243,860,000,000 comprising 487,720 ordinary shares. The movements in its issued share capital since incorporation are as follows:

<b>Date of allotment</b>	<b>No. of shares allotted</b>	<b>Consideration/ Type of issue</b>	<b>Cumulative share capital IDR</b>
25 October 2005	500	IDR250,000,000/ Subscribers' shares	250,000,000
6 November 2007	27,500	IDR13,750,000,000/ Cash	14,000,000,000
19 June 2009	26,000	IDR13,000,000,000/ Cash	27,000,000,000
18 June 2015	380	IDR190,000,000/ Cash	27,190,000,000
8 February 2018	184,140	IDR92,070,000,000/ Cash	119,260,000,000
13 August 2018	249,200	IDR124,600,000,000/ Cash	243,860,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PT MKH. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

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### 16.2.2 PT SPS

PT SPS's issued share capital as at LPD is IDR9,300,000,000 comprising 9,300 ordinary shares with a nominal value per share of IDR1,000,000. The movements in its issued share capital since incorporation are as follows:

<b>Date of allotment</b>	<b>No. of shares allotted</b>	<b>Consideration/ Type of issue</b>	<b>Cumulative share capital IDR</b>
30 March 2005	1,000	IDR1,000,000,000/ Subscribers' shares	1,000,000,000
22 December 2008	8,300	IDR8,300,000,000/ Cash	9,300,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PT SPS. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

## 16.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used herein unless they are otherwise defined herein or the context otherwise requires.

### 16.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

#### **Clause 25 and 26 – Variation of Rights**

"If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than 75% of the total issued voting rights of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting, the provisions of these Clauses relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be 2 persons at least 1/3 of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply."

"The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith."

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**Clause 7 – Issue of Securities**

"Subject to the Act and these Clauses and to the provisions of any resolution of the Company, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time, on such terms and conditions, with such preferred, deferred or other special rights as they think proper, PROVIDED ALWAYS that:

- (a) no shares shall be issued which shall have the effect of transferring a controlling interest, in the Company, without the prior approval of the Members in General Meeting;
- (b) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Clauses and in the resolution creating the same;
- (c) every issue of shares or options to employees and/or Directors shall be approved by the Members in General Meeting and such approval shall specifically detail the amount of shares or options to be issued to such Director;
- (d) the rights attaching to share of a class other than ordinary shares shall be set out in these Clauses or expressed in the resolution creating the same; and
- (e) the Company must ensure that all new issues of Securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such Securities save and except where it is specifically exempted from compliance with Section 38 of the Depositories Act, in which event it shall so similarly be exempted from compliance with these requirements. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees.

However, the Company must not cause or authorise the Registrar of the Company to cause the Securities Accounts of the allottees to be credited with the additional shares of the Company until after it has filed with the Exchange an application for admission of such additional shares and been notified by the Exchange that they have been authorised for listing.

The share certificates shall be registered in the name of the Depository by the Company for the purpose of crediting such Securities to the Securities Account of the allottees."

**Clause 73(1) and (2), and 66 – Alteration of Capital**

"(1) The Company may from time to time by ordinary resolution to:

- (a) proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived;
- (b) sub-divide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; or

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- (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of the Company's share capital by the amount of the shares so cancelled."

"(2) The Company may reduce its share capital in accordance with the provisions of the Act."

"Subject always to the compliance with the provisions of the Act, the Listing Requirements and all other applicable laws and the requirements of the Exchange for the time being in force, the Company may, with the sanction of the Shareholders in a General Meeting, purchase its own shares upon and subject to such terms and conditions as the Directors may, in their discretion deem fit, provided that the aggregate number of shares to be acquired does not exceed 10% of the issued share capital of the Company, for the time being unless prior approval of the Exchange has been obtained:

- (i) Where the Company has purchased its own shares in the manner as aforesaid, the Directors may, if the applicable laws for the time being in force so allow:
  - (a) cancel the shares so purchased;
  - (b) retain the shares so purchased in treasury as treasury shares;
  - (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
  - (d) deal with the shares so purchased in a manner as may from time to time be prescribed and allowed by law.
- (ii) Where the shares so purchased or any part thereof is retained as treasury shares, the Directors may at any time subject to the provisions of all applicable laws for the time being in force:
  - (a) distribute the treasury shares as dividends to the Members in a manner as may be allowed by law retain the shares so purchased in treasury as treasury shares;
  - (b) resell the treasury shares on the Exchange in accordance with the relevant rules of the Exchange; or
  - (c) deal with the treasury shares in a manner as may from time to time be prescribed and allowed by law.

The rights attached to shares held as treasury shares shall be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes."

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### **16.3.2 Borrowing and voting powers of the Directors**

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

#### **Clause 126(1) – Borrowing, mortgage and issuance of debentures**

"The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of the Company or its related companies, PROVIDED ALWAYS that nothing contained in these Clauses shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other Securities whether outright or as security for any debt, liability or obligation of an unrelated third party."

#### **Clause 147 and 146 – Directors' Interest in Contracts and Disclosure of Interest**

"No Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other Securities in that other company."

"Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a Director of the Company."

#### **Clause 141 – Voting at Board Meetings and Casting Vote**

"A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Clauses vested in or exercisable by the Directors generally. Subject to these Clauses, questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote except where only 2 Directors form a quorum and where only 2 Directors are competent to vote on the question at issue in which event the Chairman of a meeting shall not have a casting vote."

### **16.3.3 Remuneration of Directors**

The provisions in our Constitution dealing with remuneration of Directors are as follows:

#### **Clause 120 – Remuneration of Directors**

"The fees and benefits of the Directors shall be such fixed sum as shall annually be determined by an ordinary resolution of the Company at a General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, PROVIDED ALWAYS that :

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- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees and benefits payable to Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the General Meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

**Clause 121 – Expenses**

- (a) The Directors shall be entitled to be reimbursed for all traveling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors;
- (b) If by arrangement with the other Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, in particular without limiting to the generality of the foregoing, if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged PROVIDED ALWAYS that the extra remuneration payable to :
  - (i) a non-executive Director shall not be by way of commission on or percentage of profits or turnover; and
  - (ii) an executive Director shall not include a commission on or percentage of turnover."

**16.3.4 Transfer of Shares**

The provisions in our Constitution dealing with transfer of Shares are as follows:

**Clause 49 - Transfer of Securities**

"The transfer of any Deposited Securities or class of Deposited Securities of the Company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities."

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**Clause 57 - Renunciation**

"Nothing in these Clauses shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person."

**Clause 55 – Suspension of the Registration of Transfer**

"The Company may require the Depository to suspend the registration of transfers at such time and for such period as the Directors may from time to time determine, PROVIDED ALWAYS that such registration shall not be suspended for more than 30 days in any year or such number of days as may be prescribed by the Exchange. At least 10 Market Days or such number of days as may be prescribed by the Exchange, notice of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure and the address of the share registry at which documents will be accepted for registration shall be published in a nationally circulated Bahasa Malaysia or English daily newspaper and shall also be given to the Exchange. At least 3 Market Days prior notice shall be given to the Depository to enable the Depository to prepare the appropriate Record of Depositors, provided that where the Record of Depositors is required in respect of corporate actions, at least 7 Market Days prior notice shall be given to the Depository."

**16.4 POLICIES ON FOREIGN INVESTMENTS, TAXATION AND FOREIGN EXCHANGE CONTROLS**

The relevant governmental laws, decrees, regulations, legislations and/or other requirements in Indonesia in relation to the repatriation of capital and the remittance of profit by or to our Group are set out below.

**(a) Exchange control**

Law No. 25 of 2007 on Investment, as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation ("**Investment Law**") only permits foreign direct investment in Indonesia by establishing an Indonesian limited liability company.

Under the Investment Law, our subsidiaries, namely PT MKH and PT SPS, may repatriate its investment to our Company in the form of:

- (i) capital;
- (ii) profits, bank interest, dividends, and other income;
- (iii) funds required to:
  - (aa) purchasing raw and auxiliary materials, half-finished goods or finished goods; or
  - (ba) replacing capital goods to protect the viability of the investment;
- (iv) additional funds required for investment financing i.e. funds for repayment of loans;
- (v) royalties or fees payable;
- (vi) income of individual foreign citizens working in the investment company;
- (vii) proceeds from the sales or liquidation of an investment;

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- (viii) compensation for losses;
- (ix) compensation for acquisitions;
- (x) payments made in connection with technical assistance, fees payable for technical and management services, payments made under the project contract, and payment of intellectual property rights; and
- (xi) proceeds of sales of assets.

There are no foreign exchange controls in Indonesia save for the physical inflow or outflow of IDR into and out of the country where remittances flowing out of Indonesia require the provision of certain reports to Central Bank of Indonesia. Central Bank of Indonesia also requires that any export and offshore borrowing proceeds (in foreign currency) to be drawn down through domestic banks appointed by Central Bank of Indonesia licensed as a foreign exchange bank, and subsequently reported to Central Bank of Indonesia. For the purposes of repatriation or transfer of money by our subsidiaries to our Company, the IDR can be converted into any currency. Further, under the Indonesian Company Law, every change of company's capital shall be reported to the Ministry of Laws and Human Rights of Indonesia.

The laws of Indonesia specifically provide that these repatriation rights do not prejudice the government's rights to require reports on the implementation of repatriation activities and compliance with related taxation/royalties regulations. In addition, the repatriation rights do not prejudice the implementation of any law that gives protection to creditors' rights or laws to avoid losses to the government.

**(b) Dividend distribution**

A dividend distribution in Indonesia is specified in Law No. 40 of 2007 on Limited Liability Companies as amended by Governmental Regulation in Lieu of Law No. 2 of 2022 on Job Creation. It is stated that the company should allocate 20% (twenty percent) of the company net profit in its each accounting year as a reserved fund, and the company is obliged to distribute all net earnings after deduction for the reserved fund to the shareholders as a dividend unless any other agreements are provided in the General Meeting of Shareholders.

The dividends amount that the shareholders received are in proportion of the shares that the shareholders hold. Also, a dividend can only be distributed to shareholders if the company has a positive bank balance. Dividends that have not been distributed will be placed in a separate reserve and the undistributed dividend amounts will be stated in General Meeting of Shareholders.

**(c) Withholding tax**

Dividend payments will be subject to a withholding tax according to the prevailing Double Tax Agreement between Indonesia and Malaysia. PT MKH and PT SPS have the obligation to withhold the tax of dividends distribution and pay to the tax authority. As at LPD, the applicable withholding tax rate is 10.0% on the premise that MKHOP is a listed entity.



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Premised on the above, our Company has the right to repatriate the capital and remit the profits from PT MKH and PT SPS where the repatriation and remittance shall be undertaken in accordance with the prevailing Indonesian laws and regulations, as follows:

- (i) the repatriation of capital shall be reported to the Central Bank of Indonesia and any change in the company's capital shall be reported to the Ministry of Laws and Human Rights as stated in (a) above;
- (ii) the amount for remittance of profits shall be in accordance with the laws of Indonesia specifying the dividend distribution as stated in (b) above; and
- (iii) after completion of our Listing, the applicable withholding tax rate is 10.0% on the premise that our Company is a listed entity as stated in (c) above.

**16.5 GENERAL INFORMATION**

- (a) Save for the remuneration paid as disclosed in Section 5.2.5, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.
- (b) Save as disclosed in Section 10.1, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 17.
- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

**16.6 CONSENTS**

- (a) The written consents of our Adviser, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (b) The written consents of our Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma combined statements of financial position in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (c) The written consent of our IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn; and

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- (d) The written consent of our Independent Valuer for the inclusion in this Prospectus of its name and the valuation certificates in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

**16.7 DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (a) Constitution of our Company;
- (b) Audited financial statements of our Company, PT MKH and PT SPS for FYE 2020 to 2022;
- (c) Accountants' Report as set out in Section 13;
- (d) Reporting Accountants' Report relating to our pro forma combined statements of financial position as set out in Section 14;
- (e) IMR Report as set out in Section 8;
- (f) Material contracts as set out in Section 6.5;
- (g) Letters of consent as set out in Section 16.6; and
- (h) Valuation certificates as set out in Section 15 and the valuation reports.

**16.8 RESPONSIBILITY STATEMENTS**

Our Directors, Promoters and Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.