

14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.
- (ii) As at the LPD, our Company has only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in this Prospectus, no shares, stocks or debentures of our Company has been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years immediately preceding the date of this Prospectus.
- (iv) None of the share capital of our Group is under option, or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (v) Save for the Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.3.1(b) of this Prospectus and subject to our Listing as disclosed in Section 4 of this Prospectus, there is currently no other scheme involving our directors and employees in the share capital of our Group.
- (vi) As at the date of this Prospectus, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in this Prospectus, and save as provided for under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following are extracted from our Constitution and is qualified in its entirety by reference to of our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions shall bear the same meanings used in this Prospectus unless they are otherwise defined or the context otherwise requires.

Words	Definition
“Act”	The Companies Act, 2016 and/or any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company for the time being in force.
“Central Depositories Act”	The Securities Industry (Central Depositories) Act 1991 and/or any statutory modification, amendment or re-enactment thereof for the time being in force.
“CEO / MD”	The Chief Executive Officer / Managing Director of the Company for the time being.
“Company”	AZAM JAYA BERHAD (Registration No. 202201021432 (1467129-U))
“Exchange”	Bursa Malaysia Securities Berhad (Company No. 635998-W) and any other share, stock, or securities exchange upon which the shares of the Company is listed.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

<u>Words</u>	<u>Definition</u>
“Listed”	Admitted to the Official List and “listing” shall be construed accordingly.
“Record of Depositors”	A record provided by the Depository to the Company or its registrar or its issuing house pursuant to an application under Chapter 24 of the Rules of the Depository.
“Rules/Rules of the Depository”	Rules of the Depository and any appendices thereto as they may be amended or modified from time to time.
“Security/Securities”	shall have the meaning given in Section 2(1) of the CMSA.
“Share Registrar”	Any person appointed to perform the duties of the Registrar of the Company for the time being.

(i) Transfer of securities

The provision in our Company’s Constitution in respect of the arrangements for transfer of securities and restrictions on their free transferability are as follows:

Clause 42

The transfer of any listed Security or class of listed Security in the Company shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, 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 listed Securities.

Clause 43

The instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Record of Depositors in respect thereof.

Clause 45

Where:-

- (a) the securities of the Company are listed on another Exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Central Depositories Act, as the case may be, under the Rules of the Depository in respect of such securities,

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Share Registrar of the company in the jurisdiction of the other Exchange, to the register of holders maintained by the Share Registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

(ii) Remuneration of Directors

The provisions in our Company's Constitution in respect of the remuneration of Directors are as follows:

Clause 103

The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall be subject to annual shareholder approval in 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:-

- (i) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (ii) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (iii) fees and any 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 meeting; and
- (iv) 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 104.2

If by arrangement with the 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 Directors 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 subject to any other provisions of this Constitution.

Clause 113

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

Clause 136

The remuneration of the CEO / MD may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes, but such remuneration shall not include a commission on or percentage of turnover.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

(iii) Voting and borrowing powers of Directors

The provisions in our Company's Constitution in respect of the voting and borrowing powers of the Directors are as follows:

Clause 123

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company, shall declare the nature of his interest in accordance with the provisions of the Act and shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly, a personal interest and if he should do so, his vote should not be counted, but this prohibition shall not apply to:-

- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.

Clause 125

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is to be appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

Clause 100.5

An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

Clause 108

- (a) 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 of any related third party PROVIDED ALWAYS that nothing contained in this Constitution 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.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (b) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.
- (c) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.
- (iv) **Changes in capital or variation of class rights and rights, preferences and restrictions attached to each class of securities relating to voting dividend, liquidation and any special rights**

The provisions in our Company's Constitution in respect of the changes in capital and variation of class rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights, which are no less stringent than those required by law, are as follows:

Clause 18

Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of this Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares capital of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. To every such special resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply.

Clause 52

In accordance with Paragraph 7.08 of the Listing Requirements, subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose of those shares or securities in such manner as they think most beneficial to the company. The directors may likewise also dispose of any new share or security which (by reason of the ratio

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the directors, be conveniently offered under this Constitution. For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply.

Clause 54

Subject to the provisions of the Act and the Listing Requirements, the Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital, such that 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 share from which the subdivided share is derived;
- (b) convert all or any of its issued shares into stock and reconvert that stock into fully-paid shares;
- (c) subdivide its shares or any of its shares, such that 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 share from which the subdivided share is derived. Any resolution whereby any share is subdivided may determine that, as between the Holders of shares resulting from such subdivision, one (1) or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards distributions, including dividends, return of capital voting or otherwise over the other or others of such shares;
- (d) increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe; or
- (e) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of shares into another class of shares.

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)**14.4 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION**

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

14.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business within the Period under Review and up to the date of this Prospectus:

- (i) conditional share sale agreement dated 5 June 2024 entered into between our Company and Tan Sri Joseph and Datuk Jonathan to acquire the entire issued share capital of Pembinaan AJ, for a purchase consideration of RM49,805,340 via the issuance of 49,805,340 new Shares at an issue price of RM1.00 per Share for the Acquisition of Pembinaan AJ which was completed on [•] 2024;
- (ii) conditional share sale agreement dated 5 June 2024 entered into between our Company and Tan Sri Joseph, Datuk Jonathan, Johannes Lo and Lai Vui Kiong to acquire the entire issued share capital of AJ Properties, for a purchase consideration of RM12,039,034 via the issuance of 12,039,034 new Shares at an issue price of RM1.00 per Share for the Acquisition of AJ Properties which was completed on [•] 2024;
- (iii) conditional share sale agreement dated 5 June 2024 entered into between our Company and Tan Sri Joseph and Datuk Jonathan to acquire the entire issued share capital of Kolopis Jaya, for a purchase consideration of RM9,925,429 via the issuance of 9,925,429 new Shares at an issue price of RM1.00 per Share for the Acquisition of Kolopis Jaya which was completed on [•] 2024;
- (iv) sale and purchase agreement dated 12 July 2022 entered into between AJ Properties as the purchaser and the vendors being, Jules Patrick Stephens (in the capacity of an executor for the estate of Ben Stephens (deceased)), Caroline Stephens, Ursula Stephens, Josephine Stephens, Judith Mary Stephens, John Richard Stephens, Michael Stephens, Donald Stephens @ Aloysious (in the capacity of an executor for the estate of Imelda Mary Baxter (deceased)), for the sale and purchase of a piece of leasehold land with a bungalow house erected thereon, held under the Town Lease No. 017549674, Locality Jalan Istana, District of Kota Kinabalu, Sabah for a purchase consideration of RM9,500,000. The sale and purchase transaction was completed on 5 May 2023; and
- (v) [the Underwriting Agreement].

As at the LPD, there are no material contracts (including contracts that our Group's business or profitability is materially dependent on as disclosed in Section 7.14 of this Prospectus and material contracts that is not in our Group's ordinary course of business) which could have a material adverse impact to our Group's business operations or financial condition.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)**14.6 MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, our Group is not involved in any material litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of the Group, and our Directors confirm to the best of their knowledge that there is no legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of the Group:

(i) High Court in Sabah and Sarawak (“High Court”) Suit No. BKI-22NCvC-72/8-2019: OTA Tunnel Squad Sdn Bhd (“OTA”) vs Pembinaan AJ

Pembinaan AJ had vide letters of award dated 11 May 2013 and 18 November 2014 (collectively, the “**OTA Sub-Contract Agreements**”), appointed OTA as a sub-contractor for the Sepanggar Tunnel Project.

On 18 August 2019, OTA filed a statement of claim against Pembinaan AJ, claiming for RM13,851,289.37, allegedly due and owing, arising from the OTA Sub-Contract Agreements and a total retention sum of RM1,894,925.00.

Pembinaan AJ has disputed the above claims from OTA and in turn counterclaims against OTA for agreed liquidated damages in the sum of RM8,107,000.00 (“**Counter Claim**”).

The trial for this matter was completed on 3 July 2023. As at the LPD, the parties have exchanged written submissions and the High Court has rescheduled the ruling for this matter on 12 July 2024. An amount of RM8.38 million (being the value of the work done by OTA as assessed by Pembinaan AJ) has been recognised as a trade payable of Pembinaan AJ in the FYE 2016 and remains outstanding as at the LPD.

The solicitors acting for Pembinaan AJ opines that Pembinaan AJ has merits in the Counter Claim and the aforesaid claims filed by OTA are disputable.

(ii) High Court Suit No. BKI-22NCvC-2/1-2020 (HC3): Pembinaan AJ vs MBB

In 2017, Borneo Highway PDP Sdn Bhd, a project delivery partner appointed by the Federal Government of Malaysia, awarded a construction contract to Pembinaan AJ for the construction of work package 6 of the Pan Borneo Highway. Following this, Pembinaan AJ had on 14 December 2017, entered into a joint-venture agreement with Liziz to jointly execute the project.

Following the above, Liziz secured a financing facility from MBB. As a condition of the financing facility, Pembinaan AJ executed certain security documents dated 4 January 2018 in favour of MBB including, third-party deed of assignment of contract proceeds, notice of assignment cum instruction, irrevocable letter of instruction and power of attorney (collectively, the “**Security Documents**”).

Subsequently, Liziz entered into financial difficulties, and on 25 July 2019, terminated the joint venture agreement with Pembinaan AJ following which, Pembinaan AJ took over such works and continued to carry on the construction project. For information, Liziz has been wound up on 20 September 2021.

This construction project was terminated by Borneo Highway PDP Sdn Bhd vide their letter dated 22 July 2019 and was to take effect on 22 September 2019. This project was subsequently re-awarded to Pembinaan AJ by the Ministry of Works, Malaysia as the Pan Borneo Highway (WP06) Project vide their letter of award dated 2 December 2019.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

On 9 December 2019, 2 March 2020 and 6 April 2020, Borneo Highway PDP Sdn Bhd made payments to MBB for certain progress claims amounting to RM465,100.00 and RM4,169,170.00 respectively. However, instead of releasing the full sums under these 2 progress claims to Pembinaan AJ following the termination of the joint venture agreement with Liziz, MBB had only paid a sum of RM37,208.00 from the payments from Borneo Highway PDP Sdn Bhd.

On 3 January 2020, Pembinaan AJ commenced a civil action against MBB seeking amongst others:

- (i) a declaration that all the Security Documents executed by Pembinaan AJ in favour of MBB shall be null and void and of no effect; and
- (ii) an order that MBB pays to Pembinaan AJ the remaining balance under the progress payments amounting to RM4,597,062.00.

On 16 August 2022, the High Court dismissed the claim of Pembinaan AJ and awarded a cost of RM15,000.00 to MBB after a full trial. MBB had on 17 August 2022, released RM333,533.60 to Pembinaan AJ, in accordance with the terms of the Security Documents and alleged that instead of the full sums claimed by Pembinaan AJ as aforementioned, MBB was only required to pay this amount to Pembinaan AJ.

(iii) Court of Appeal of Malaysia (Appellate Jurisdiction) (“COA”) Suit No. S-02(NCvC)(W)- 1742-09/2022: Pembinaan AJ vs MBB

On 12 September 2022, Pembinaan AJ filed an appeal to the COA against the decision of the High Court as set out in Section 3.5(ii) above. As at the LPD, a hearing for this matter has been fixed on 13 November 2024.

There is no exposure to liability as there is no counterclaim filed by MBB, save for order for costs as may be directed by the COA.

14.7 CONSENTS

The written consents of our Principal Adviser, Sole Underwriter, Sole Placement Agent, Financial Adviser, Solicitors, Company Secretaries, Issuing House and Share Registrar as set out in the Corporate Directory of this Prospectus for 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.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, Accountants’ Report and Reporting Accountants’ report on the compilation of the Pro Forma Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Infobusiness for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

14.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan during office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the IMR Report as set out in Section 8 of this Prospectus;
- (iii) the Reporting Accountants' Report on the Compilation of the Pro Forma Statements of Financial Position as set out in Section 12.8 of this Prospectus;
- (iv) Accountants' Report as set out in Section 13 of this Prospectus;
- (v) our material contracts as referred to in Section 14.5 above;
- (vi) the letters of consent referred to in Section 14.7 above;
- (vii) the audited financial statements of our Company from 16 June 2022 (date of incorporation) to 31 December 2022 as well as for the FYE 2023; and
- (viii) the audited financial statements of our Subsidiaries for the FYEs 2021, 2022 and 2023.