

**Articles of Association of the Company in relation to the Shareholders' Meeting**

**Chapter 5: Board of Directors**

Clause 16. The board of directors shall be elected by a shareholders meeting in accordance with the following rules and procedures:

- (1) Each shareholder shall have one (1) vote for each share.
- (2) Each shareholder shall use all votes that they have as per (1) above to elect one or more directors. No cumulative voting shall be permitted in the case of electing several directors.
- (3) With respect to a vote for a particular candidate, the persons receiving the most votes in their respective order of the votes shall be elected as directors in the number equal to the number of the directors required or to be elected at that time. In the event of any equality of votes among the persons elected in order of respective high numbers of votes, which number exceeds the required number of directors at that time, the chairman shall have casting vote.

Clause 22. Directors are entitled to receive remuneration from the Company in the form of award, meeting allowance, retirement pension, bonus, or benefits of another nature, in accordance with the consideration and a resolution by a shareholders meeting passed by a vote of no less than two-thirds (2/3) of the total number of votes of shareholders present at the meeting. The remuneration may be determined in a certain amount or set out as a specific guideline to be applicable either from time to time or to take effect until otherwise amended by a resolution of a shareholders meeting. Directors shall also be entitled to receive allowances and welfare in accordance with the regulations of the Company.

The provision under paragraph one is without prejudice to the rights of employees or workers of the Company who have been elected as directors to receive remuneration and benefits in their position as an employee or worker of the Company.

**Chapter 6: Shareholders' Meeting**

Clause 31. The board of directors shall arrange the shareholders' meeting, being the annual general meeting, to be held within four (4) months from the ending date of the accounting year of the Company.

The other shareholders' meetings, apart from the aforementioned, shall be called the extraordinary general meeting. The board of directors can convene the shareholders' meeting, being the extraordinary general meeting, at any time it deems appropriate. Alternatively, any one (1) or more shareholders holding the shares in aggregate of not less than ten (10) percent of the total number of shares sold, may at any time collectively execute a letter requesting the board of directors to call a shareholders' meeting, being the extraordinary general meeting, provided that the matters and reasons for such request must be expressly specified in the said letter. In this case, the board of directors shall arrange the shareholders' meetings to be held within forty-five (45) days from the date of receipt of such letter from such shareholders.

In case that the board of directors fails to convene the meeting within the period prescribed in paragraph two, the shareholders who collectively executed the letter or the other shareholders holding in aggregate the required number of shares, may convene the meeting on their own within forty-five (45) days from the ending date of the period under paragraph two. In this case, it shall be deemed that such meeting is convened by the board of directors in which the Company

shall be responsible for the necessary expenses incurred from holding the meeting and for reasonable facilitation.

In case it appears that, any shareholders' meeting is convened due to the request of shareholders under paragraph three, if the attending shareholders do not constitute a quorum as required under Clause 33, the shareholders under paragraph three shall jointly be liable to pay the Company the expenses incurred from convening such meeting

Clause 32. To convene a shareholders' meetings, the board of directors shall prepare a notice of invitation, stating the place, date, time, agenda items as well as of the matters to be proposed to the meeting together with reasonable details by indicating whether they are matters proposed for acknowledgement, for approval, or for consideration, as the case may be, including the opinions of the board of directors on the said matters. The notice of invitation shall be delivered to the shareholders and the registrar no less than seven (7) days before the date of the meeting, and shall be published in a newspaper no less than three (3) days consecutive days before the date of the meeting.

The shareholders meeting shall be held the province in which the Company's head office is situated or other location to be specified by the board of directors.

Clause 33. In every shareholders' meeting, there shall be shareholders and proxies (if any) attending the meeting amounting to no less than twenty-five (25) persons or no less than half (1/2) of the total number of shareholders, holding in aggregate no less than one-third (1/3) of the total number of shares sold, in order to constitute a quorum.

At any shareholders' meeting, if one (1) hour has passed beyond the fixed time for the meeting and number of shareholders present is inadequate to constitute a quorum as required in the first paragraph, and if the shareholders' meeting was convened pursuant to a request of the shareholders, the meeting shall be cancelled. If the shareholders' meeting was not convened pursuant to the request of the shareholders, the meeting shall be summoned again, and the notice summoning the meeting shall be delivered to shareholders no less than seven (7) days before the date of the meeting. In the latter meeting, a quorum is not compulsory.

Clause 34. The chairman of the board of directors shall preside over every shareholders' meeting. If the chairman is absent or incapable of performing his or her duties, the vice-chairman shall preside over the meeting. If there is no vice-chairman, or if he or she is absent from the meeting or incapable of performing his or her duties, the shareholders present at the meeting shall elect one person from among themselves to preside over the meeting.

Clause 35. In voting at a shareholders' meeting, one (1) share shall carry one (1) vote. Any shareholder who has a special interest in any matter, shall not have the right to vote on that matter, except in the case of vote on the election of directors. Resolutions of the shareholders' meeting shall be passed by the following votes:

- (1) In an ordinary event, resolutions of the meeting shall be passed by a majority of votes of shareholders who are present at the meeting and cast their votes. In case of a tie, the chairman of the meeting shall cast one (1) extra vote to reach final decision.
- (2) In the following cases, resolutions of the meeting shall be passed by a vote of no less than three-fourths (3/4) of the total number of votes of the shareholders who are present at the meeting and entitled to vote:
  - (a) sale or transfer of the entire or a material part of the Company's business to other persons;

- (b) purchase or acceptance of the business transfer of a private company, or another public limited company, to the Company;
- (c) making, amendment, or termination of agreements relating to the lease of the entire or a material part of the Company's business; authorization of other persons to manage the Company's business; or consolidation of business with other persons, with the aim to share profit and loss;
- (d) amendment to the Company's Memorandum of Association or Articles of Association;
- (e) increase or reduction of the Company's registered capital;
- (f) dissolution of the Company;
- (g) issuance of the Company's debentures; or
- (h) amalgamation of the Company's business with another company's.

Clause 36. Business to be transacted at the annual general meeting shareholders meeting shall consist of at least the following:

- (1) to acknowledge the report of the board of directors on the performance of the Company in the preceding year;
- (2) to consider and approve the balance sheet and the profit and loss accounts;
- (3) to consider and approve the allocation of profits and distribution of dividend;
- (4) to consider the election of directors to replace those who retire by rotation;
- (5) to consider and determine the directors' remuneration;
- (6) to consider the appointment of auditors, and determination of auditors' fees; and
- (7) other businesses.

#### **Chapter 7: Accounting, Finance, and Auditing**

Clause 37. The accounting year of the Company shall commence on 1<sup>st</sup> January and end on 31<sup>st</sup> December each year.

Clause 39. The board of directors shall cause a balance sheet and profit and loss accounts to be made at the end of the Company's accounting year to present to an annual general shareholders meeting for consideration and adoption. The board of directors shall cause the balance sheet and profit and loss accounts to be audited by an auditor before submitting them to the shareholders meeting.

Clause 40. The board of directors shall send the following documents to shareholders along with the invitation to the annual general shareholders meeting;

- (1) copies of audited balance sheet and profit and loss accounts, together with the relevant auditors' report; and
- (2) the board of directors' annual report and supporting documents.

Clause 41. The auditor must not be a director, staff member, employee, or holder of any title or position in the Company

Clause 43. The auditor has the duty to attend the shareholders meeting of the Company every time the balance sheet, profit and loss statement, and problems pertaining to the Company's accounts, are considered in order to make clarification in respect of the audit to the shareholders, and the Company shall also send the auditor all reports and documents that the shareholders should receive in that shareholders meeting.

**Chapter 8 : Dividends and Reserves**

Clause 44. The Company may not pay dividends other than out of profits. The Company is prohibited from paying dividends if the Company still has an accumulated loss.

Dividends shall be distributed according to the number of shares, with each share receiving an equal amount, unless the Company issues preferred shares and determines different dividends for preferred shares, in which case dividends shall be allotted as determined. Payment of dividends must be approved by the shareholders meeting.

The board of directors may, from time to time pay interim dividends to shareholders when it deems that the Company has sufficient profits to do so. Once the interim dividends have been paid, the board of directors shall report to the next shareholders meeting in the payment.

Payment of the dividends shall be made within one (1) month from the date on which the shareholders meeting or the board of directors has passed a resolution, as the case may be. A notice of payment of dividends shall be made in writing to shareholders, and shall be published in a newspaper for no less than three (3) consecutive days.

Clause 45. The Company must appropriate to a reserve fund from the annual net profit no less than five (5) percent of the annual net profit less the total accumulated losses brought forward (if any) until the reserve fund reaches an amount no less than ten (10) percent of the registered capital.