



## **The Company's Articles of Association with regard to the shareholder's meeting**

### **1. Convening of Meeting**

#### **Chapter 5 Clause 28**

The Board of Directors shall convene an annual general meeting of shareholders within four months from the last day of the accounting period of the Company.

Meetings other than those specified above shall be called the Extraordinary Meeting. The Board of Directors may summon an Extraordinary Meeting whenever it deems appropriate or one or more shareholders holding the aggregate number of shares of not less than ten percent of the total number of shares sold may, by subscribing their names, request the Board of Directors in writing to call an Extraordinary Meeting at any time, provided that the reasons for calling such meeting shall be clearly stated in the said request. In this regard, the Board of Directors shall proceed to call a meeting of shareholders to be held within forty-five days from the date the request in writing from the shareholders is received.

In case that the Board of Directors fails to arrange for the meeting within the said period under paragraph two, the shareholders who have subscribed their names or other shareholders holding the required aggregate number of shares may themselves call the meeting within forty-five days from the date of expiration of the period under paragraph two. In such case, the meeting is deemed to be shareholders' meeting called by the Board of Directors and the Company shall be responsible for necessary expenses as may be incurred in the course of convening such meeting and the Company shall reasonably provide facilitation.

In the case where, at the meeting called by the shareholders under paragraph three, the number of the shareholders presented does not constitute a quorum as prescribed by this Articles of Association, the shareholders under paragraph three shall jointly compensate the Company for the expenses incurred in arrangements for holding that meeting..

#### **Chapter 5 Clause 29**

To call a meeting of shareholders, the board of directors must prepare a notice indicating the place, date, time, agenda and matters to be proposed at the meeting together with any other appropriate details. The notice must clearly specify the matter for acknowledgment, approval or consideration, together with the opinion of the board of directors on those matters. The notice must be sent to the shareholders and the Public Companies Registrar seven days or more before the meeting date. The notice must also be published in a newspaper at least 3 days before the meeting date for a period of 3 consecutive days.

## 2. Quorum

### **Chapter 5 Clause 30**

A quorum of a meeting of shareholders requires a lesser of a number of twenty-five shareholders or one-half or more of the total number of shareholders, holdings in aggregate one-third or more of the total issued shares, present in person or by proxy (if any).

If after one hour from the time fixed for a meeting of shareholders a quorum has not been constituted, the meeting which was called at the request of shareholders must be dissolved. If the meeting is called other than at the request of the shareholders, an adjourned meeting must be called and a notice of the meeting must be sent to the shareholders seven days or more before the date of the adjourned meeting. No quorum is required at the adjourned meeting.

## 3. Voting Procedures

### **Chapter 5 Clause 31**

A resolution of shareholders must be passed as follows:

(1) In general cases, a resolution of shareholders must be passed by a majority of the votes cast by the shareholders attending and eligible to vote at the meeting. If the votes are equal, the chairman of the meeting has an additional vote as a casting vote.

(2) In the following events, a resolution of shareholders must be passed by three-quarters (3/4) or more of the votes cast by the shareholders attending and eligible to vote at the meeting:

- (a) a sale or transfer of all or substantial part of the business of the Company to any person;
- (b) a purchase or acceptance of transfer of business of other public or private companies;
- (c) an entering into, amendment or termination of any agreement concerning a lease out of all or substantial part of the business of the Company or an assignment of the management control of the business of the Company to any person or a merger with any person for the purposes of profit and loss sharing;

### **Chapter 5 Clause 32**

An annual general meeting of shareholders shall be summoned for the following proposes:

- (1) Considering and acknowledging the annual report of the Board of Directors;
- (2) Considering and approving the balance sheet and the profit and loss statement;
- (3) Considering and approving the appropriation of profit;
- (4) Electing and new director in replacement of those who must retire on the expiration of their terms;
- (5) Appointing auditor and fixing the remuneration for auditing;
- (6) Other businesses



#### **4. Accounts, Finance and Audit**

##### **Chapter 6 Clause 35**

The Board of Directors shall prepare a balance sheet and profit and loss statements as at the last day of fiscal year of the Company and propose same to the meeting of shareholders at the annual ordinary meeting for consideration and approval of the said balance sheet and profit and loss statement. The Board of Directors shall arrange for the auditor to complete the auditing prior to propose same to the meeting of shareholders.

##### **Chapter 6 Clause 36**

The Board of Directors shall send the following documents to the shareholders together with notice calling for an annual ordinary meeting.

(1) Copies of balance sheet and profit and loss statements already audited by auditor together with the report of auditor,

(2) Annual report of the Board of Directors.

##### **Chapter 6 Clause 37**

Dividends shall not be paid other than out of profits. If the Company still has an accumulated loss, no dividends shall be distributed.

Dividends shall be distributed according to the number of shares, with each share receiving an equal amount.

The Board of Directors may pay interim dividends to the shareholders from time to time if the Board believes that the profits of the Company justify such payment. After the dividends have been paid, such dividend payment shall be reported to the shareholders at the next shareholder meeting.

Payment of dividends shall be made within 1 month of the date of the resolution of the shareholder meeting or of the meeting of the Board of Directors, as the case may be. The shareholders shall be notified in writing of such payment of dividends, and the notice shall also be published in a newspaper.

##### **Chapter 6 Clause 38**

The Company shall allocate to a reserve fund from the annual net profit, not less than 5 (five) percent of the annual net profit deducted by the total accumulated losses brought forward (if any) until the reserve fund reaches an amount of not less than 10 (ten) percent of the registered capital.



**5. Appoint new directors to replace the directors who must retire by rotation**

**Chapter 14 Clause 14**

At every annual ordinary meeting of shareholders, one-third (1/3) of the directors of the Company shall retire from office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third (1/3) shall retire. The directors to be retired from office in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the director who has held office longest shall retire.