

**THE COMPANY'S ARTICLES OF ASSOCIATION RELATING TO SHAREHOLDERS' MEETING**

**Shareholders' Meeting**

Clause 20      The Board of Directors shall elect one of the directors to be the Chairman of the Board. The Chairman of the Board shall be the Chairman of the Board of Directors' meetings and the shareholders' meetings.

Clause 29      The Board of Directors shall call for a shareholders' meeting which is an annual general meeting within four months of the last day of the financial year of the Company.

The shareholders' meetings other than the one referred to in the above paragraph shall be called extraordinary general meetings. The Board of Directors may call an extraordinary general meeting anytime they think fit or shareholders holding not less than one-fifth of the total number of shares sold or shareholders not less than 25 persons holding in aggregate of not less than one-tenth of the total number of shares sold may submit their names in a request directing the Board of Directors to call an extraordinary general meeting anytime, but the reasons for calling such meeting shall be clearly stated in such request. The Board of Directors shall proceed to call a shareholders' meeting within 1 month of the date of receipt of such request from the said shareholders.

Clause 31      Shareholders and proxies (if any) must be present at a shareholders' meeting not less than 25 persons or not less than one half of the total number of shareholders and in either case such shareholders shall hold in aggregate of not less than one-third of the total number of shares sold in order to constitute a quorum.

Clause 37      The Board of Directors shall send the following documents together with the notice calling for the annual general meeting to the shareholders:

- (1) A copy of the balance sheet and income statements, audited by the auditor together with the auditor's report.
- (2) Annual report of the Board of Directors

**Voting**

Clause 32      A resolution of the shareholders' meeting shall be as follows:

- (1) In an ordinary case, a majority of the votes of the shareholders who are present and cast their votes in the meeting is required. In the case of a tie vote, the Chairman of the meeting shall have a casting vote.

- (2) In the following cases, a vote of not less than three-fourths of the total number of the votes of the shareholders who are present and are eligible to vote at the meeting is required:
- (a) The sale or transfer of the whole or important part of the business of the Company to other persons;
  - (b) The purchase or acceptance of transfer of the business of other companies or private companies to be under ownership of the Company;
  - (c) The entering, amending or terminating of any contract with respect to the granting of a lease of the whole or important part of the business of the Company, the assignment of the management of the business of the Company to other persons or the amalgamation of the business with other persons with the purpose of profit and loss sharing;
  - (d) The amendment of the Memorandum of Association and Articles of Association of the Company;
  - (e) The increase or decrease of the capital;
  - (f) The dissolution of the Company;
  - (g) The issuance of debentures
- (3) Any remuneration, gratuity, meeting fee of directors shall be fixed by a vote of not less than two-thirds of the total number of the votes of the shareholders who are present and are eligible to vote at the meeting.

**Method of Election of Directors**

Clause 13 Directors shall be elected in the general meeting of shareholders in accordance with the following rules and procedures:

- (1) In voting to elect directors, the votes shall be non-accumulative.
- (2) Each shareholder shall have a number of votes equal to the number of shares held by each of them or one share is entitled to one vote.

Clause 14 At each annual general meeting, one-third of the directors shall retire from office. If the number of directors is not a multiple of three, then the number of directors nearest to one-third shall retire from office.

Retiring directors in the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has held office the longest shall retire.

Retiring directors are eligible for re-election.

**Directors' Remuneration**

Clause 28 Any remuneration, gratuity, meeting fee of directors shall be in accordance with the resolution of the shareholders' meeting supported by a vote of not less than two-thirds of the total number of the votes of the shareholders who are present at the meeting.

**Payment of Dividend**

Clause 38 No dividend shall be paid other than out of profits. If the Company still has an accumulated loss, no dividend 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 dividend to the shareholders from time to time if the Board believes that the profit of the Company justify such payment and shall report such payment to the shareholders at the next meeting.

In case where the Company does not sell all shares which have been registered or where the Company has already registered an increase in capital, the Company may pay dividends, in whole or in part, by issuing new ordinary shares to the shareholders with the consent of the shareholders' meeting.

Dividend shall be paid within 1 month of the date of the resolution of the shareholders' meeting or of the Board of Directors' meeting, as the case may be. The shareholders shall be notified in writing of such payment of dividend, and the notice shall also be published in a newspaper.

Clause 39 The Company shall allocate not less than five percent of its annual net profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than ten percent of the registered capital.

**Auditor**

Clause 40 The auditor shall not be a director, staff member, employee or any person holding any position in the Company.

Clause 42 The auditor has the duty to attend every shareholders' meeting at which the balance sheet, income statement and the problems relating to the accounts of the Company are to be considered in order to clarify the auditing of accounts to the shareholders. In this regard, the Company shall also send such report and documents which the shareholders are to be received at that shareholders' meeting to the auditor.