

The Company's Articles of Association governing the General Meeting of Shareholders

Chapter 5 Board of Directors

Article 16 The shareholder meeting shall elect directors in accordance with the following rules and procedures:

- (1) A shareholder shall have one (1) vote per one (1) share;
- (2) Each shareholder may exercise all the votes he/she has under (1) to elect one or more persons as director, but may not divide his/her votes to any of such persons; and
- (3) In the case of electing several persons as directors, the persons receiving the highest votes in respective order of the votes shall be elected as directors in the number equal to the number of the directors required at such meeting. In case several persons receive equal votes, causing the number of directors to exceed the required number, the Chairman of the meeting shall have a casting vote.

Article 17 At every annual general meeting, one-third (1/3) of directors at that time shall retire from office. If the number of directors is not a multiple of three, then the number of directors nearest to one-third (1/3) shall retire from office.

The directors retiring from office may be re-elected.

The directors to retire from office in the first and second years after the registration of the Company shall be selected by drawing lots. In subsequent years, the directors having held office the longest shall retire.

Article 18 Apart from retirement by rotation, the directors shall vacate office upon:

- (1) Death;
- (2) Resignation;
- (3) Lack of qualifications, or possession of prohibited characteristics as specified by the Public Limited Companies Act and the Securities and Exchange Act;
- (4) Removal by a resolution of the shareholder meeting under Article 20; and
- (5) Removal by a court order.

Article 19 Any director wishing to resign from his/her office shall submit a resignation letter to the Company. The resignation shall be effective on the date the letter reaches the Company.

The resigning director under the first paragraph may notify the registrar of his/her resignation.

Article 20 The shareholder meeting may resolve to remove any director from office before the expiration of his/her term of office by a vote of not less than three-fourth (3/4) of the total shareholders attending the meeting and entitled to vote, and having an aggregate number of shares not less than one-half of the total shares held by the shareholders attending the meeting and entitled to vote.

Article 22 The directors shall be entitled to receive remuneration from the Company in the form of reward, meeting allowance, gratuity, bonus or benefits of other nature as considered and approved by the shareholder meeting by a vote of not less than two-third (2/3) of the total votes of shareholders attending the meeting. The remuneration may be fixed at a certain amount, or be specified from time to time, or be in effect until a change by a resolution of the shareholder meeting. The directors shall also be entitled to receive per diem allowances and other fringe benefits in accordance with the Company's regulations.

The provision in the first paragraph shall not prejudice the rights of the staff or employees of the Company, who have been appointed as directors, to receive the remuneration or benefits as a staff or an employee of the Company.

#### **Chapter 6 The Shareholder's Meeting**

Article 31 The Board of Directors shall arrange for an Annual General Meeting of Shareholders to be held within four (4) months of the last day of the accounting year of the Company. Such meetings are called "General Meeting"

Other shareholder meeting than that mentioned in the first paragraph shall be called "Extraordinary General Meeting". The Board of Directors may call such an extraordinary general meeting at any time it deems appropriate.

One or more shareholders holding shares amounting to not less than ten (10) percent of the total number of shares sold may submit their request for the Board of Directors to call an extraordinary general meeting at any time, but the subject and the reasons for calling such a meeting must be clearly stated in the request, in which case the Board of Directors shall call a shareholder meeting to be held within forty-five (45) days of the date of receipt of such a request from shareholders.

If the Board of Directors does not arrange for the meeting of shareholders within the date in the third paragraph, the shareholders who subscribe their names or other shareholders holding shares amounting to the required amount may call the meeting themselves within forty-five (45) days as from the date in the third paragraph. In this case, the meeting is deemed a shareholder meeting called by the Board of Directors and the Company shall be responsible for the necessary expenses incurred from convening the meeting and shall reasonably facilitate the meeting.

In the case where the number of shareholders present at the meeting convened by the shareholders under the fourth paragraph is not sufficient to constitute a quorum as required in Article 33, the shareholders under the fourth paragraph shall be jointly responsible to the Company for the expenses incurred from the convening of such meeting.

Article 32 In calling a shareholder meeting, the Board of Directors shall prepare a notice thereof specifying the place, date and time, agendas of the meeting and the matters to be proposed to the meeting together with proper details by indicating whether they are proposed for acknowledgement, approval or consideration, as the case maybe, including opinions of the Board of Directors thereon. The notice of such meeting shall be sent to the shareholders and the registrar not less than seven (7) days prior to the date of the meeting and be published in a newspaper for not less than three (3) consecutive days not less than three (3) days prior to the date of the meeting.

The shareholder meeting may be held in the province in which the head office of the Company is located or nearby province as specified by the Board of Directors.

Article 33 At a shareholder meeting, at least twenty-five (25) shareholders and proxies (if any), or not less than one-half of the total number of shareholders, holding an aggregate number of shares not less than one-third (1/3) of the total shares sold, must attend the meeting to constitute a quorum.

At any shareholder meeting, in case where one (1) hour has passed since the time for which the meeting is scheduled and the number of shareholders attending the meeting has not constituted a quorum under the first paragraph, if the meeting is called by a request of shareholders, such meeting shall be cancelled. If the meeting is not called by the request of shareholders, another meeting shall be called, and the notice of the meeting shall be sent to the shareholders not less than seven (7) days prior to the date of the meeting. At this subsequent meeting, no quorum is required.

Article 34 The Chairman of the Board shall preside over the shareholder meeting. In case the Chairman of the Board is absent or unable to perform his/her duties, the Vice Chairman shall act as the presiding Chairman. If there is no Vice Chairman, or the Vice Chairman is absent or unable to perform his/her duties, the meeting shall elect a shareholder present at the meeting as the presiding chairman.

Article 35 In vote casting at the shareholder meeting, each share shall be counted as one vote. Any shareholder having particular interests in any matter shall not be entitled to vote on such matter, except for voting on the election of directors. A resolution of the shareholders meeting shall require:

- (1) In a general case, a majority vote of the shareholders attending the meeting and casting their votes. In case of a tie vote, the Chairman of the meeting shall have an additional vote as a casting vote.
- (2) A vote of not less than three-fourth (3/4) of the total votes of the shareholders attending the meeting and entitled to vote, in the following cases:
  - (A) Sale or transfer of the entire or partial material business of the Company to another person;
  - (B) Purchase or acceptance of transfer of the business of other private or public limited companies by the Company;
  - (C) Execution, amendment or termination of contracts in respect of the granting of a hire of the entire or partial material business of the Company; empowerment of other person to manage business of the Company; or merger of business with other person for the purpose of profit and loss sharing;
  - (D) Amendment to the Memorandum of Association or Articles of Association;
  - (E) Increase or decrease of the registered capital of the Company;
  - (F) Dissolution of the Company;
  - (G) Issuance of debentures of the Company and other securities under the Securities and Exchange Act; and
  - (H) Merger of business with other company.

Article 36 Businesses to be duly transacted at an Annual General Meeting are as follows:

- (1) To acknowledge the report of the Board of Directors on the Company's business operations during the previous year;
- (2) To consider and approve the statement of financial position and the profit and loss account;
- (3) To approve the appropriation of profits and dividend payment;
- (4) To elect directors in place of those retired by rotation;
- (5) To fix remuneration for directors;
- (6) To appoint auditors and to fix audit fee; and
- (7) To consider other businesses.

#### **Chapter 7 Accounting, Finance and Audit**

Article 39 The Board of Directors shall arrange for the preparation of the balance sheet and the profit and loss account as at the end of the accounting period, and propose them to the Annual General Meeting of shareholders for consideration and approval. The Board of Directors shall arrange for the auditor to complete the auditing of the balance sheet and the profit and loss account before proposing them to the shareholder meeting.

Article 40 The Board of Directors shall send the following documents to the shareholders together with the notice of the annual general meeting:

- (1) A copy of the audited balance sheet and the profit and loss account, together with the auditor's report; and
- (2) An annual report of the Board of Directors, together with supporting documents.

#### **Chapter 8 Dividend and Reserve**

Article 44 Dividends shall not be paid out of any type of funds other than out of profit. In case the Company still has accumulated loss, no dividends shall be paid.

Dividends shall be distributed according to the number of shares on an equal basis, except where the Company has issued preferred shares with a dividend right different to that of ordinary shares, the dividends shall be allocated as specified. Payment of dividends shall be approved by the shareholder meeting.

The Board of Directors may pay interim dividends to shareholders from time to time, upon viewing that the Company has adequate profit to do so. The payment of interim dividends shall be reported to the shareholders at the next shareholder meeting.

Payment of dividends shall be made within one (1) month from the date the resolution therefor has been passed by the shareholder meeting or by the Board of Directors, as the case maybe. A written notice of dividend payment shall be sent to the shareholders and also be published in a newspaper for not less than three (3) consecutive days.

Article 45 The Company shall allocate not less than five (5) percent of its annual net profit less the accumulated loss brought forward (if any) as a reserve fund until the said fund reaches an amount not less than ten (10) percent of the registered capital.