

The Company's Articles Regarding of Shareholder Meeting

Section 5

Board of Directors

**Clause 20:** The directors shall be elected at the shareholder's meeting in accordance with the following rules and procedures:

- (1) Each shareholder shall have a number of votes equal to the number of shares held (1 share for 1 vote).
- (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may not allot his or her votes to any person in any number.
- (3) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the remaining appointments shall be made by the chairman.

**Clause 21:** At every annual general meeting, one-third of the directors shall retire from office at such time. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire.

A director who vacates office under this Section may be re-elected.

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

**Clause 24:** The Shareholder meeting may resolve that any director(s) resign before the end of his or her duration of the director's term of office if meeting two conditions. First, the resolution is supported by a vote of no less than three-fourths of total number of shareholders who are present in the meeting and eligible to vote. Second, total shares held by supporting shareholders must be no less than one-half of total shares held by all shareholders who are present at the meeting and eligible to vote.

**Clause 26:** In case where the number of remaining directors is not sufficient to constitute a quorum, the remaining directors may act on behalf of the board of directors for only summoning a shareholder meeting to elect new directors for replacement. Such shareholder meeting must be summoned within a month from the date that the Company has the number of directors fewer than the required number to constitute a quorum.

The person so appointed for replacement shall retain his office during such time only as the director that such person replaces was entitled to retain.

**Clause 27:** A director is entitled to receive the remuneration from the Company according to the regulations of the Company or the consideration of the meeting of shareholders and has the resolution not less than two-thirds (2/3) of all votes of the shareholders present at the meeting. Such remuneration may be at fixed amount or specified from time to time or let it being enforced unless otherwise approved by the meeting of

shareholders. Moreover, the director is also entitled to a per diem and any fringe benefit according to the regulations of the Company.

The provision in the first paragraph shall not affect the rights of an officer or an employee, who has been appointed to be a director, to receive the remuneration and benefits in his capacity as an officer or an employee of the Company.

## Section 6

### Shareholder Meetings

**Clause 37:** The Board of Directors shall call a shareholder meeting which is an annual ordinary general meeting of shareholders within four months of the last day of the fiscal year of the Company.

Shareholder meetings other than the one referred to in the first paragraph shall be called extraordinary general meetings.

**Clause 38:** At a shareholders' meeting, there shall be at least twenty five (25) shareholders and proxies (if any) attending the meeting, or at least one-half (1/2) of the total number of shareholders, and in either case such shareholders shall hold shares amounting to at least one-third (1/3) of the total number of shares of the Company sold to constitute a quorum.

One or more than one shareholder holding shares amounting to not less than onetenth of the total number of issued shares may, by subscribing their names, request the Board of Directors to call an Extraordinary General Meeting at any time, but the agenda and reasons for calling such meeting shall be clearly stated in such request. In this regard, the Board of Directors shall proceed to call a meeting of shareholders to be held within forty-five days as from the date the request is received from the shareholders. If the board of directors does not hold the meeting within the period of time specified in paragraph three, the shareholders who subscribe their names or other shareholders holding shares amounting to the required amount may call the meeting themselves within forty-five days as from the date on which the period of time in paragraph three ends. In this case, the meeting is deemed a shareholders meeting called by the Board of Directors and the Company shall be responsible for the expenses incurred therefrom and shall reasonably facilitate the meeting.

In the case where the quorum of the meeting called by the shareholders under paragraph four cannot be constituted as specified in clause 40, the shareholders under paragraph four shall compensate the Company the expenses incurred from the meeting.

**Clause 39:** In calling a shareholder meeting, the Board of Directors shall prepare a written notice calling the meeting that states the place, date, time, agenda of the meeting and the matters to be proposed to the meeting with reasonable detail by indicating clearly whether it is the matter proposed for information, for

approval, or for consideration, as the case may be, including the opinions of the Board of Directors in the said matters, and the said notice shall be delivered to the shareholders and the Registrar for their information at least seven days prior to the date of the meeting. The notice calling for the meeting shall also be published in a newspaper at least three days prior to the date of the meeting.

The Board of Directors shall determine the place where the meeting mentioned in the first paragraph shall take place which can be the Company's headquarter or any places deemed appropriate by the Board of Directors.

**Clause 40:** In order to constitute a quorum, there shall be shareholders and proxies (if any) attending at a shareholder meeting amounting to not less than twenty-five persons, or not less than one-half of the total member of shareholders, and in either case such shareholders shall hold shares amounting to not less than one-third of the total number of shares sold

At any shareholder meeting, if one hour has passed from the time specified for the meeting and the number of shareholders and the aggregate number of shares held by the shareholders attending the meeting is still inadequate for a quorum, and if such shareholder meeting was called as a result of a request by the shareholders, such meeting shall be cancelled and called once again and the notice calling such meeting shall be delivered to the shareholders not less than seven days prior to the date of the meeting. In the subsequent meeting a quorum is not required.

**Clause 41:** The Chairman of the Board of Directors shall preside at every shareholder meeting. If the Chairman of the Board is not present at a meeting, or cannot perform his duty, the shareholders present at the meeting shall elect one shareholder to be the chairman of the meeting.

**Clause 42:** For voting in the shareholder meeting, one share shall be one vote. A shareholder, or a proxy who has any special interest in a resolution cannot vote on such resolution, except for voting on the election of directors.

**Clause 43:** A resolution of the shareholder meeting shall require:

- (1) In an ordinary event, the majority vote of the shareholders who attend the meeting and cast their votes. In case of a tie vote, the chairman of the meeting shall have casting vote.
- (2) In the following events, a vote of not less than three quarters of the total number of votes of shareholders who attend the meeting and have the right to vote:
  - (a) the sale or transfer of the whole or important parts 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 by the company;
  - (c) the making, amending or terminating of contracts with respect to the granting of a lease of the whole or important parts of the business of the company, the assignment of the management

of the business of the company to any other persons or the amalgamation of the business with other persons with the purpose of profit and loss sharing;

- (d) amendment of Memorandum of Association or Articles of the company;
- (e) increase or decrease the company's register capital;
- (f) dissolution of the company;
- (g) debenture issuance of the company;
- (h) amalgamation of the company.

**Clause 44:** The matters to be considered at the Annual General Meetings are:

- (1) To consider the board of directors' report on the operating results of the company for a previous year;
- (2) To approve the balance sheet and the profit and loss account;
- (3) To approve the contribution of the profit and the distribution of dividends;
- (4) To consider the election of directors replacing those retired by rotation;
- (5) To determine directors' remuneration;
- (6) To consider of the appointment of the auditor and to determine his/her remuneration; and
- (7) Any other matters

#### Section 7

##### Accounting, Finance, and Audit

**Clause 45:** The fiscal year of the Company starts on the first of July and ends on 30 June every year.

**Clause 46:** The Company must have and store accounting books and audit process as required to relevant laws. Also, the Company must prepare balance sheet and income statement at least once within twelve months of the Company's fiscal year.

**Clause 47:** The Board of Directors must prepare balance sheet and income statement as of the end of the fiscal year and present them to the annual shareholder meeting for approval. Also, the Board of Directors must manage to have an auditor to audit such balance sheet and income statement before presenting them at the shareholder meeting.

**Clause 48:** The Board of Directors must attach the following documents together with the Notice to the Annual General Meeting: -

- (1) Copy of audited balance sheet and income statement and audit report; and
- (2) Annual Report of the Board of Directors

**Clause 49:** An auditor must not be the Company's director or employee or having any positions at the Company.

**Clause 50:** An auditor has an authority to audit documents and any evidences related to expenses, assets and liabilities of the Company during the office hour of the Company. In doing so, an auditor is empowered

to ask questions or request for supporting documents from directors, employees, or any persons working for or on behalf of the Company as part of the audit process.

**Clause 51:** An auditor has a duty to attend every shareholder meeting that has an agenda to consider or approve balance sheet, income statement, or any accounting issues to explain an audit result to shareholders. The Company must send reports and all documents that shareholders shall receive prior the shareholder meeting to an auditor.

## **Section 8**

### **Dividend and Reserve**

**Clause 52:** The Company cannot pay dividend from funding other than profit and in case where the Company still have accumulated loss, no dividend shall be paid to shareholders.

Dividend shall be paid equally per share unless the Company issues preferred shares and specifies that preferred shares may be entitled to different dividend amount per share compared to common shares. Dividend payment must be approved by the shareholder meeting.

**Clause 53:** The Company shall allocate not less than five percent of its annual 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.