

Articles of Association concerning the shareholders meeting

Chapter 5

Director

Article 16. The directors shall be elected at the General Meeting of the shareholders in accordance with the following rules and procedures:

- (a) Each shareholder shall have one vote equal to one shareholding.
- (b) Each shareholder may exercise all the votes he has under (a) to elect a person or persons to be the director(s). In case of election of director, he could not partially allocate his vote to any person.
- (c) The person who receives the highest votes, respectively, shall be elected as director(s) under quota for director appointment or in accordance with the number of directors to be elected at each time. In case there are two (2) or more candidates, having equal voting result, the chairman vote is final.

Article 17. At the Annual General Meeting, one-third (1/3) of the directors, or, if their number is not a multiple of three, then the number closest to one third must vacate from their position.

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

The directors to vacate office in the first year and the second year after registration of the Company shall draw lots. In subsequent years, the directors who remained in office for the longest time shall vacate office.

Chapter 6

The General Meeting

Article 31. The Board of Directors shall call the general meeting of shareholders as the annual general meeting within 4 months from the date ending the account period of the company.

Other meeting of shareholders in addition to the meeting under paragraph one shall be called extraordinary meetings of which the Board of Directors can call at any time extraordinary meetings as it deems appropriate.

Shareholders holding shares amounting to not less than ten percent of the total number of shares sold may subscribe their names to a notice requesting the board of directors to convene an extra-ordinary meeting of shareholders at any time but they shall also specify reasons for such request in the notice. In such case, the board of directors must arrange for a meeting of shareholders within 45 days from the date of receipt of the notice.

If the Board of Directors fails to arrange a meeting within the period specified in the third paragraph, shareholders who have jointly signed the letter or other shareholders together having the number of shares as stipulated in the Articles shall be able to call for such a meeting within forty-five (45) days from the date completing the period as specified in the third paragraph. In this case, the meeting of shareholders is regarded as being called for by the Board of Directors and the Company has to be responsible for necessary expenses occurred from meeting arrangements and appropriate facilitation.

If it is apparent that any meeting of shareholders being called for because of the shareholders in the fourth paragraph has the number of shareholders less than that required to constitute a quorum as stipulated in Article 33., the shareholders according to the fourth paragraph must be jointly responsible for compensating any expenses occurred from that meeting arrangement to the Company.

Article 32. In summoning the General Meeting, the Board of Director shall prepare the notice of the summoning of the meeting, specifying the place, date and time of meeting and agenda of the meeting and matters to be proposed

at the meeting together with any other appropriate details. The notice must clearly specify all matters for acknowledgement, approval or consideration of the shareholder as the case may be, including opinion of the Board of Directors regarding the said matters and send the notice to all shareholders, no later than seven (7) days before the date fixed for the meeting, as well as publishing the notice in the newspaper three (3) days consecutively, no later than three (3) days before the meeting date.

The place for the General Meeting may be in the same province with the head office or any other places as the Board of Director designated.

Article 33. At the General Meeting, there shall be shareholders and proxies (if any), present at the meeting, at least twenty-five (25) persons or not less than half of the total number of the shareholders and such shareholders shall collectively hold shares at not less than one-third ($\frac{1}{3}$) of the total amount of shares sold, in order to constitute a quorum.

In the event that the General Meeting is continued more than one hour and the number of shareholders present are still not sufficient to constitute a quorum as described in the afore paragraph, in case the meeting is convened under request of shareholders, the meeting shall be dissolved. However, in case the meeting is not convened under request of shareholders, the Board of Directors shall convene another meeting by submitting an invitation letter to all shareholders, at least 7 days prior to the new shareholders meeting. The quorum shall not be required in the said latter meeting.

Article. 34 The chairman of the Board of Directors shall be the chairman of the meeting. In case of absence of the chairman or inability to perform the duty, the vice chairman of the Board of Directors shall act as the chairman of the meeting. In case of no vice chairman or absence of the vice chairman or inability to perform the duty, the meeting shall select a shareholder in attendance to act as the chairman of the meeting.

Article 35. In the voting in the General Meeting, each share shall have one (1) vote. The shareholder having conflict of interest with any having conflict of interest shall have no voting right in such agenda. Except for the voting for director election, a resolution of the General Meeting shall consist of the following votes:

- (1) In a normal case, the resolution shall be passed by a majority of the shareholders and proxies (if any) present and entitled to vote in the meeting. Each share shall have one (1) vote. In the case of a tie vote, the chairman of the meeting presents at the meeting shall be entitled to a casting vote.
- (2) In the following cases, the resolution shall be passed by a vote of not less than three-fourth ($\frac{3}{4}$) of the total number of the shareholders and the proxies (if any) present at the meeting and are entitled to vote in the meeting.
 - (a) A sale or transfer of all or substantial part of the business of the Company to any other person;
 - (b) A purchase or acceptance of the transfer of businesses of other public or private companies to be owned by the Company;
 - (c) An entering into, amendment or termination of any agreement relating to a lease out, hire-purchase or hire-purchase in the form of leasing of all or substantial part of the businesses of the Company; an assignment of the management control of the business of the Company to any other person; a merger with any other person for the purposes of profit and loss sharing;
 - (d) Amendments of the Memorandum of Association or the Articles of Association of the Company;
 - (e) Increase or decrease the registered capital of the Company;
 - (f) Dissolution of the Company;
 - (g) Issue of debenture;
 - (h) Merging the Company's business with another company.

Article 36. The annual General Meeting has to consider the followings:

- (1) to consider the report of the Board of Director relating to business operation of the Company in the latest year as proposed to the meeting;
- (2) to consider and approve a balance sheet and profit and loss statement;
- (3) to consider and approve profit allocation and dividend payment;
- (4) to consider electing new director to replace the retired directors;
- (5) to consider the director's remuneration;
- (6) to consider the appointment of auditor, as well as fixing the remuneration of the auditor; and
- (7) to consider any other businesses.

Chapter 8

Dividend and Reserve Funds

Article 44. Dividend payment from other sources rather than profits is not allowed. In case that the Company is still running accumulated losses, dividend payment is not allowed.

Dividend payment is evenly shared by the number of shares except for the case that the Company issues preference shares with dividend payment policy different from ordinary shares, then dividend shall be appropriated accordingly. Dividend payment must be approved from the meeting of shareholders.

The Board of Directors may pay interim dividend to shareholders occasionally when it sees that the Company has sufficient profits to do so. When the interim dividend is paid, such payment must be reported to shareholders in the next meeting of shareholders.

Dividend payment shall be within one (1) month from the approval date of either the meeting of shareholders or the meeting of the Board of Directors. As such, a written notice shall be sent to shareholders and advertised the dividend payment announcement in newspapers for three (3) consecutive days.

Article 45. The Company shall appropriate the annual net profits as reserve funds no less than five (5) per cent of the annual net profits less accumulated losses (if any) until the reserve funds amount to no less than ten (10) per cent of the registered capital.