

## **Articles of Association in relation to the AGM**

### **1. Articles of Association in relation to the AGM**

#### **1.1 Appointment of Directors**

##### Chapter 3 Clause 18.

The shareholders meeting shall elect directors in accordance with the following criteria and methods:

- (1) Each shareholder shall have one vote for each share;
- (2) Shareholders may cast their votes to elect one or more persons as directors, but not exceeding the number of directors to be elected at such election.
- (3) If shareholders elect more than one person as directors, shareholders shall have the right to cast their votes for each of such persons based on the total number of votes that they have. In this connection, the votes of shareholders are indivisible.
- (4) Nominated persons receiving the maximum number of votes in a descending order shall be elected as directors in a number of directors as required at such election. If the number of selected persons in a descending order with an equal number of votes exceeds the number of directors required at such election, the Chairman shall cast one extra vote to reach a final decision.

##### Chapter 3 Clause 19.

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

Directors to retire from office in the first year and the second year after the registration of the Company shall be determined by way of drawing lots. In subsequent years, directors who have remained in office for the longest term shall retire. Directors retiring by rotation may be reappointed.

#### **1.2 Convening of Meeting**

##### Chapter 4 Clause 36.

To convene a shareholders meeting, both general and extraordinary, the Board of Directors shall prepare a notice of invitation, indicating the place, date, time and agenda items, including matters to be proposed to the meeting and appropriate details. The notice shall indicate whether the matters, along with relevant opinion of the Board of Directors, are proposed to the meeting for acknowledgement, for approval or for consideration. The notice of invitation shall be delivered to shareholders and the registrar at least seven (7) days prior to the date of the meeting, and shall be published in a newspaper for three (3) consecutive days and at least three (3) days prior to the date of the meeting.

Notice of invitation shall be delivered to shareholders via registered mail.

### **1.3 Quorum**

#### Chapter 4 Clause 39.

At every shareholders meeting, attendance at the meeting of at least twenty-five (25) shareholders and proxies (if any), or at least half (1/2) the total number of shareholders holding in aggregate at least one-third (1/3) of the total number of issued shares, shall be required to constitute a quorum.

If it appears that at any shareholders meeting, the time scheduled for the meeting has lapsed for one (1) hour and the number of shareholders present at the meeting cannot constitute a quorum as required, the meeting, if convened at the request of shareholders, shall be dismissed, whereas the meeting that is not convened at the request of shareholders shall be reconvened and notice of invitation shall be delivered to the shareholders no less than seven (7) days prior to the date of the meeting. At this subsequent meeting, a quorum is not required.

### **1.4 Voting Procedures**

#### Chapter 4 Clause 43.

Unless otherwise prescribed under these Articles of Association, to vote at a shareholders meeting, either by a show of hands or secret ballot, one (1) share shall carry one (1) vote. Any shareholders who have a special interest in any matter shall not have the right to vote on such matter, except in the case of a vote on election of directors. Resolutions of shareholders meetings shall be passed by the following votes:

(1) In an ordinary event, resolutions of the meeting shall be passed by the majority votes of shareholders who are present at the meeting and cast their votes. In case of a tie, the Chairman of the meeting shall cast one extra vote to reach a final decision.

(2) In the following cases, resolutions of the meeting shall be passed by a vote of no less than three-fourths (3/4) of the total number of votes of shareholders who are present at the meeting and are entitled to vote:

a. sale or transfer of the entire business of the Company or a material part thereof to other persons;

b. purchase or acceptance of business transfer of a public limited company or a limited company to the Company;

c. entering into, amendment or termination of agreements relating to the lease of the entire business of the Company or a material part thereof, authorization of other persons to manage the business of the Company, or consolidation of business with other persons with the aim to share profit and loss;

d. amendment to Memorandum of Association or Articles of Association of the Company;

e. capital increase or decrease, or issuance of debentures for sale to the public;

f. amalgamation or dissolution.

## **1.5 Agenda for Consideration at the AGM**

### Chapter 4 Clause 44.

Business to be transacted at an Annual General Meeting shall at least be the following:

- (1) to acknowledge the report of the Board of Directors proposed to the meeting on performance of the Company in the preceding year;
- (2) to consider and approve statements of financial position and income statements of the Company in the preceding fiscal year;
- (3) to consider allocation of profits, distribution of dividend and allocation of legal reserve;
- (4) to consider election of directors to replace those who retire by rotation and determination of remuneration for directors;
- (5) to consider appointment of auditors and determination of auditors' fees; and
- (6) other business.

## **1.6 Dividend Payment and Allocation of Profit**

### Chapter 6 Clause 53.

The Company shall not pay dividends other than out of profits, including retained earnings. If the Company still has an accumulated loss, the Company is prohibited from paying dividends.

Dividends shall be distributed according to the number of shares in equal amount on each share, with each share receiving an equal amount. Payment of dividends shall be approved by the shareholders meeting.

The Board of Directors may, from time to time, pay interim dividends to shareholders when it deems that the Company has sufficient profits for such payment of dividends. When the interim dividends are paid, the Board of Directors shall report to the next shareholders meeting on such payment.

If the Company has not issued shares in the full registered number of shares, or the Company has registered a capital increase, the Company may pay out the entire or partial amount of dividends by issuance of new ordinary shares to shareholders with the approval of the shareholders meeting.

Payment of dividends shall be made within one (1) month from the date on which the shareholders meeting or the Board of Directors, as the case may be, has passed a resolution therefor. A notice of payment of dividends shall be made in writing to shareholders and shall be published in a newspaper for at least three (3) consecutive days. If payment of dividends is made within the period specified by law, no interest may be claimed from the Company.

Chapter 6 Clause 54.

The Company shall allocate at least five percent of annual net profit deducted retained loss (if any) as a reserve until this reserve is not less than ten percent of the registered capital. Other than such reserve, the Board of Directors may propose to the shareholders meeting to pass a resolution to appropriate other reserves as it may consider appropriate for the business operations of the Company.

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