

PUBLIC LIMITED COMPANY ACT

B.E.2535

BHUMIBOL ADULYADEJ REX.

Given this 29th day of March B.E. 2535

Being the 47th year of the Present Reign

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:

Whereas it is expedient to revise the law on public limited company;

Be it, therefore, enacted by His Majesty the King, by and with advice and consent of the National Legislative Assembly, as follows:

Section 1. This Act shall be cited “Public Limited Company Act B.E. 2535”.

Section 2. This Act shall come into force upon expiration of sixty days from the date of its promulgation in the Royal Government Gazette.

Section 3. Public Limited Company Act B.E. 2521, shall be repealed.

CHAPTER 1

General Provisions

Section 4. In this Act,

“company” means a public limited company established under this Act;

“private company” means a limited company established under the Civil and Commercial Code;

“Board of Directors” means the Board of Directors a public limited company;

“Chairman” means the Chairman of the Board of Directors of a public limited company;

“Director” means a director of a public limited company;

“Registrar” means the Director-General of the Department of Business Development and shall also include the person entrusted by the Director-General of the Department of Business Development;

“Competent Official” means a person appointed by the Minister to execute this Act;

“Minister” means the Minister in charge of the execution of this Act.

Section 5. In case this Act provides that any person is required to submit documents or a list of items within a given period, if the person cannot do so within the given period for reasons of necessity and has applied for time extension or postponement by describing reasons of necessity, deeming it expedient the Registrar may permit an extension or postponement appropriate to the case. Government Gazette Vol. 109 Part 43 Page 6 dated 8 April 1992.

Section 6. In case this Act provides that any person has the duty to or may inform, warn, advertise or publish any statement concerning any company for the information of other persons or the public by means of a newspaper, such person shall have the statements published in a daily Thai-language newspaper printed for distribution in the locality in which the head office of the company is situated, for a consecutive period of not less than three days.

In case no newspaper pursuant to paragraph on exists, such person shall have the statements published in a daily Thai-language newspaper printed for distribution in Bangkok Metropolis instead.

Section 7. In case this Act provides that any person has the duty to dispatch instructions, warning, notice, or any document to another person, the person having the duty to send the same or his representative may deliver the same to the recipient or his representative directly or send the same by registered post to the recipient at the address already given by the recipient to the sender or, if no address was given, send to the place which is the domicile of the recipient.

In case of sending by registered post, such instructions, warning, notice, or document shall be deemed to have reached the recipient at the time said instructions, warning, notice, or document should have reached the destination by normal post during the time of such mailing, unless proved to be otherwise.

Section 8. Shareholders or the company cannot take benefits from third persons on any terms or items that must be registered under this Act until duly registered with the Registrar, but

shareholders or the company having received debt repayments before said registration need not return the repayments.

Section 9. Among the shareholders or between the shareholders and the company, it shall be presumed that all the account books and documents of the company or of the liquidator are correct according to the entries recorded therein in every respect.

Section 10. Any person upon payment of fees shall have rights to inspect or to copy the contents of the register or documents kept by the Registrar or to request the Registrar to make copies or to make photocopies of any documents duly certified correct by the Registrar or for a certificate of any item registered.

Section 11. The company shall do as follows:

- (1) To use the name beginning with the term "(Company)" and ending with the term "(Limited Public)" or beginning with the abbreviation "PLC" instead of the term "Company" and "Limited(Public)" in Thai characters. In case of using name in a foreign language, words which bear the meaning similar to "Public Limited Company" may be used instead as prescribed in the ministerial regulation;
- (2) To show the name, location of the office, and registration member of the company in letters, notices, announcements, invoices, and receipt;
- (3) To show the name of the company in the seal (if any);
- (4) To have a name plate of the company placed in front of the head office and branch offices (if any), and have the said name plate removed when such places are not used as the head office or branch offices or when the dissolution of the company or its branches has been registered.

Any company operating business of any category exempt from compliance with (1) shall be as prescribed in the ministerial regulation.

The arrangement for or removal of the name plate in (4) must be made within fourteen days from the date of registration of the company or as from the date the said place is not used any more as the head office or branch office of the company or from the date of registration of dissolution of the company or branch, as the case may be.

Section 12. The company shall not become a partner in any registered ordinary partnership, nor shall it become a partner of unlimited partner in any limited partnership.

Any agreement made in violation of the provisions in paragraph one shall be void.

Section 13. If the Registrar is of the opinion that the name of any company which has applied regardless of whether it is in Thai or in a foreign language, is the same or similar to the name of a company or a private company which has been previously submitted or registered, the Registrar shall reject such application and notify the applicant accordingly.

Section 14. The Minister of Commerce shall be in charge and control of the execution of this Act and shall have powers to appoint competent officials, prescribe forms, and issue ministerial regulations on matters as follows:

- (1) prescription of rules and procedures relating to the application for registration and the acceptance of registration under this Act;
- (2) prescription of the rates of fees not exceeding the rates attached hereto;
- (3) exemption from fees;
- (4) prescription of any other for the execution of this Act.

Ministerial regulations shall come into force upon their promulgation in the Royal Government Gazette.

CHAPTER 2

Formation of a Company

Section 15. A Public Limited Company is the kind of company established with the purpose to offer shares for sale to the public and the liability of the shareholders is limited to not exceeding the amount payable on the shares and said company has specified such objective in its Memorandum of Association.

Section 16. Natural persons in a number of fifteen and more may form a company by preparing a memorandum of association and complying with other requirements under this Act.

Section 17. The Promoters shall

- (1) be *sus juris*(full age);

- (2) in a number not less than one half of the total number of the promoters have their domicile in the Kingdom;
- (3) subscribe for shares and all the shares so subscribed must be those to be paid up in money in an aggregate amount equal to not less than a rate of five percent of the registered capital;
- (4) not be incompetent or quasi-incompetent persons or not be or used to be bankrupt and;
- (5) have never been sentenced to imprisonment by a final judgment for an offense pertaining to property committed in dishonesty.

Section 18. The Memorandum of Association must at least contain particulars as follows:

- (1) the name of the company, under Section 11(1);
- (2) the purpose of the company to offer shares for sale to the public;
- (3) the objective of the company, which must specify clearly categories of business;
- (4) the registered capital including the type, number and value of shares;
- (5) the location of the head office, which must be in any locality in the Kingdom;
- (6) the names, dates of birth, nationalities, and addresses of the promoters and the number of shares for which each of them has subscribed.

The name of the company shall not be of descriptions prohibited by the ministerial regulation.

Section 19. Such memorandum of association shall be signed by all the promoters and shall be applied for registration to the Registrar.

Amendment of the memorandum of association already accepted for registration by the Registrar prior to registration of the company may be made only with the consent of all the promoters and the amendment to the memorandum of association may be submitted to the Registrar for registration but however before offering shares for sale to the public or any person.

Section 20. In the case where a promoter dies or withdraws prior to the completion of the statutory meeting and the remaining promoters propose to proceed further, they shall act as follows:

- (1) Replace the promoter within one month as from the date of the death or withdrawal of the promoter, unless the remaining promoters, not less than the number prescribed in Section 16 agree not to replace the promoter.

(2) Notify the subscribers in writing within fourteen days from the date of replacement or of the date on the remaining promoters agree not to replace the promoter.

(3) Apply for registration of an amendment to the memorandum of association in respect of the number of and persons who are the promoters within three months from the date of the death or withdrawal of the promoter.

Withdrawal from promotership must have consent of all the promoters.

In case the remaining promoters do not wish to proceed further or do not comply with (1) or (3), the memorandum of association already registered by the Registrar shall become invalid as from the date of the death or withdrawal of the said promoter or the date of expiration of the period prescribed in (1) or (3), as the case may be, and the promoters shall notify the Registrar and the share subscribers within fourteen days from the date on which the memorandum of association became invalid.

Section 21. In the case where any promoter dies or withdraws their subscription by sending a notice to the promoters within seven days as from the date of receipt of the notification under Section 20(2).

Section 22. In the case where a subscriber dies, his or her heir may withdraw the subscription by serving a notice to the promoters within fourteen days from the date of the subscriber's death, except where all the shares were paid up at the time of subscription or the promoters have already sent out notices convening the statutory meeting.

Section 23. Subject to Section 24, after the Registrar has registered the memorandum of association the promoters of the company may offer shares for sale to the public or any person.

CHAPTER 3

Offer of Shares for Sale to the Public

Section 24. An offer of shares for sale to the public or to any person shall be in accordance with the law on securities and stock exchange.

Section 25. The promoters or the company shall submit to the Registrar a copy of the documents relating to the offer of shares for sale to the public, which shall be prepared and

submitted to authorities under the law on securities and stock exchange, within fifteen days as from the date of submission to such authorities in accordance with the rules, procedure, and conditions prescribed by the Registrar.

CHAPTER 4

Statutory Meeting and Registration of a Company

Section 26. Unless otherwise provided, the promoters may not dispose of property received as payment for subscription for shares of the company or use payment for subscription for shares of the company as expenses in any activity.

Section 27. The promoters shall convene the statutory meeting when the number of subscribed shares reaches the number specified in the prospectus or a public meeting, which must not be less than fifty percent of the number of shares specified in the memorandum of association, within two months from the date on which the number of subscribed shares reached the specified number but not later than six months from the date on which the Registrar registered the memorandum of association.

In the necessary case where it is impossible to call the statutory meeting within the period prescribed under paragraph one, if the promoters of the company wish to proceed further they must apply for an extension of the period by giving reason therefore to the Registrar not less than seven days before the expiry date of such period. In the case where the Registrar deems it expedient, the Registrar may permit an extension which must not be less than one month and not exceeding three months from the date ending such period.

If the statutory meeting could not be concluded within the period under this Section, the memorandum of association shall become invalid upon the lapse of such period and within fourteen days from the date on which the memorandum of association become invalid the promoters shall return payment for share subscription to the share subscribers.

Section 28. In convening the statutory meeting, the promoters shall:

- (1) send a notice thereof to share subscribers to whom shares have been allocated for not less than fourteen days before the date of the meeting, together with documents as follows:
 - (a) agenda of the meeting;
 - (b) documents on matters to be ratified or approved by the statutory meeting, which are

certified correct by two promoters of the companies;

(c) draft articles of association of the company.

(2) prepare a list of subscribers, specifying name, nationality address, and number of shares subscription for which have been accepted by the promoters.

After sending the notice of meeting together with documents to the subscribers, the promoters shall send a copy of said notice of meeting and documents to the Registrar not less than seven days before the date of the meeting.

Section 29. In sending out a notice of meeting by registered mail, if there occurs a deficiency of not exceeding five percent of the number of shares already allotted and not exceeding five percent of the number of subscribers to whom shares have been allotted and the notice of meeting has been announced in a newspaper for not less than three days before the date of the meeting, such notice of meeting shall be deemed to have been duly served.

Section 30. The articles of association of the company must not be in conflict or inconsistent with the memorandum of association and with provisions of this Act, and shall prescribe at least matters as follows:

(1) the issuance and the transfer of shares;

(2) meeting of shareholders;

(3) the number, method of election, term of office, office vacating before expiration of term of office, meeting, and powers of directors;

(4) accounting, finance, and audit procedures;

(5) the issuance of preference shares (if any);

(6) the conversion of preference shares to ordinary shares (if any).

Section 31. Subject to Section 19 paragraph two, the company may amend the memorandum of association or the articles of association of the company only when the meeting of shareholders has passed a resolution therefore by not less than three-fourths of the total votes of shareholders present and qualified to vote.

Regarding the amendment of the memorandum of association or the articles of association of the company, the amendment and registration shall be performed within 14 days from the date on which the resolution was passed at the meeting.

Section 32. The statutory meeting shall be held in the locality in which the head office of the company is to be located or in a neighboring province, and must be attended by subscribers representing an aggregate number of shares not less than one half of the total prescribed shares to constitute a forum.

In the case where the subscribers present do not form a quorum under paragraph one, the promoters shall send a notice of meeting to the subscribers within fourteen days from the date appointed for the first meeting, but not less than seven days before the date of the meeting.

Section 33. Subscribers to whom shares have been allotted by the promoters have rights to participate and vote in the statutory meeting.

Any subscriber who has special interest in any matter shall have no right to vote on such matter, except in the election of directors.

A resolution of the statutory meeting shall be decided by a majority of votes of the subscribers present and qualified to vote. In the case of the votes of the subscribers are tied, the meeting chairman shall give the casting vote.

In voting, the subscribers shall have votes according to the number of shares respectively subscribed by them, one share is regarded as one vote.

Voting shall be made openly, unless the subscribers in a number not less than five moved for a secret vote and the meeting has resolved to have a secret vote. The secret vote procedure shall be as instructed by the meeting chairman.

Section 34. In a meeting of subscribers, the subscribers may authorize a person of sui juris (full age) as proxy to attend the meeting and vote on their respective behalfs. Authorization shall be in writing and signed by the authorizer, and shall be handed over to the person designated by the promoters at the place of the meeting before the proxy attends the meeting.

The proxy form shall be in the form prescribed by the Registrar, which shall contain at least the following:

- (1) the number of shares held by the authorizer;
- (2) the name of the proxy;
- (3) the serial number of the meeting which the proxy is authorized to attend and vote.

In voting, a proxy shall have a number of votes equal to the aggregate number of votes of the authorizing subscribers, unless he has announced to the meeting before voting to the effect that he will vote on behalf of certain authorizers only, by specifying the name of the authorizers and number of their respective shares.

Section 35. Business to be transacted in the statutory meeting are:

- (1) to consider the articles of association;
- (2) to ratify the business already operated by the promoters and approve the expenses incurred in the company establishment;
- (3) to fix the amount to be paid to the promoters, if such is specified in the prospectus;
- (4) to prescribe particulars of preference share (if any);
- (5) to fix the number of ordinary shares or preference shares to be issued to any person as if they were paid up in full because such person has given other property in lieu of money or has granted or permitted the use of copyright to any work of literature, art, or science, patent, trademark, form or model, plan, formula, or confidential process, or has provided information concerning experience in the field of industry, commerce, or science;
- (6) to elect directors;
- (7) to elect the auditor and fix his remuneration

Section 36. The election of directors shall be in accordance with the provisions of Section 70.

Section 37. The promoters shall hand over all businesses and documents of the company to the Board of Directors within seven days from the date of the statutory meeting conclusion.

Having taken over the business and documents, the Board of Directors shall issue a notice to the subscribers requesting them to pay for their respective shares in full within the period specified in the notice, which shall not be less than fourteen days from the date of receipt of the notice, and at the same time requesting the subscribers who pay for their shares with other property which is not money to transfer ownership over such property or documentary evidence of title to rights to the company in accordance with the procedure and within the period specified in the notice, which shall not be less than one month from the date of the company registration.

Payment for shares may not be set off with the promoters or the company.

Section 38. If a subscriber does not make payment on shares or transfer the ownership of property to the company under Section 37 paragraph two, the Board of Directors shall issue a reminder requesting the subscriber to make payment for the shares in full or to transfer ownership over the property or documentary evidence of title to rights to the company within fourteen days from the date of issue of the reminder and at the same time informing that, if action has not been taken in accordance with the procedure and within said period, the Board of Directors will auction off the shares.

Upon expiration of the period prescribed under paragraph one, if said subscriber failed to pay for the shares in full or to transfer ownership over the property or documentary evidence of title to rights to the company, the Board of Directors shall auction off the shares within seven days from the date of expiration of said period.

If the amount obtained from the auction under paragraph two is less than the full value of the shares, the Board of Directors shall collect the deficit from the share subscriber without delay.

Section 39. After having received the payment on shares up to the number prescribed in Section 27, the Board of Directors shall apply for registration the company within three months from the date of conclusion of the statutory meeting, with particulars as follows presented in the application:

- (1) the paid-up capital, the total amount of which must be specified;
- (2) the total number of shares sold, classified into
 - (a) ordinary shares or preference shares (if any) paid up in money,
 - (b) ordinary shares or preference shares (if any) paid up with other asset than money, and clarify criteria concerning the appraisal of such asset.
 - (c) ordinary shares or preference shares (if any) paid up in accordance with Section 35(5), with a brief account also given;
- (3) the names, date of birth, nationality, and address of the directors;
- (4) the names and number of directors authorized to affix signature in behalf of the company and power limitations (if any) as specified in the articles of association;
- (5) the location of the head office and branch offices (if any).

In applying for registration under paragraph one, the board of directors shall send along at the same time the articles of association, list of shareholders specifying names, nationalities,

addresses, number of shares held, and share certificate number, and minutes of the statutory meeting.

Section 40. In the case where there is a change in any item shown under Section 39 paragraph one, the company shall apply for registration of the change in such item within fourteen days from the date of occurrence of the change.

Section 41. The company duly registered under this Act shall become a juristic person on the date of registration by the Registrar.

Section 42. The company has powers to carry out any act within the scope of its objective and, if not otherwise provided in the articles of association, such powers shall include powers to act as follows:

- (1) to be a plaintiff, file complaint, carry out proceeding on behalf of the company;
- (2) to purchase, procure, accept, hire, hire-purchase, own, possess, improve, use, and manage any property including interest thereon;
- (3) to sell, transfer, mortgage, pledge, exchange and otherwise dispose of property;
- (4) to borrow money, grant surety, issue, transfer, and endorse promissory notes or other negotiable instruments
- (5) to request temporary release of directors, staff, or employees held under criminal action for an offense committee in relation to duty performance for the company
- (6) to hold shares, manage other companies or private companies, and operate specific business jointly with other companies or private companies;
- (7) to carry out any other act that may be done by a natural person, except those which by nature could be possibly done by natural persons only, however, within the scope of the objective of the company.

Section 43. Subject to Section 44, the Board of Directors may not dispose of the property received as payment for shares of the company nor may they spend payment for shares of the company in any business before the company is registered by the Registrar, except the expenses approved by the statutory meeting.

Section 44. If application for registration of the company was not made within the period under Section 39 or the Registrar issued an order not to accept for registration and the order was a final one, the company shall be deemed to not have been established and the Board of

Directors shall proceed as follows:

- (1) to return payment for shares, in case of payment in money;
- (2) to transfer ownership over the property back to the subscribers, in case of payment for shares in property other than money;
- (3) to return copyright on any work of literature, art, or science, patents, trademarks, design or models, drawings, plan formula, or confidential process, or to return the information on experience in the field of industry, commerce, or science back to the grantor or perimeter of the use thereof. If the foregoing could not be returned, payment shall be made in an amount appropriate to the individual case or, where an agreement exists, payment of the compensation as stipulated therein shall be made.

These shall be carried out within one month from the date of the period expiration.

In the case where the company was not established because of the order of the Registrar, which was not a result of the fault of the promoters of the company or the Board of Directors, before returning the payment for shares to the subscribers under (1) the Board of Directors may also deduct expenses approved by the statutory meeting.

Section 45. The directors must be jointly and unlimitedly responsible for their failure to comply with Section 44, with interest thereon, from the date of expiration under Section 44.

In the case any director can prove that the failure to comply with Section 44 was not his fault, such director will not be liable under paragraph one.

Section 46. The promoters of the company shall be jointly responsible for all businesses carried out in the establishment of the company if they failed to conclude the statutory meeting, and shall be jointly responsible unlimitedly for all debts and payments not approved by the statutory meeting.

Section 47. Upon establishment of the company, no shareholder may request the court to order withdrawal of his purchase of shares on grounds of misunderstanding or being threatened or defrauded.

Section 48. In the case where the company established a branch office to operate the business of the company, whether within or outside the Kingdom, the company shall apply for registration of the branch office prior to operation commencement.

In the case where the company dissolved a branch office, the company shall apply for registration of dissolution of branch office within fourteen days from the date of dissolution of such branch office.

Section 49. Section 108 shall apply to the statutory meeting mutatis mutandis.

CHAPTER 5

Shares and Shareholders

Section 50. Each share of the company shall be equal to value.

Section 51. In the case where the company is to offer shares at a price higher than the value registered, the company shall have the share subscriber remit the amount in excess of the value together with the share payment, and take this amount in excess of the share value to establish a surplus reserve separately from the reserve fund under Section 116.

Section 52. The company having been in operation for not less than one year, if suffering a loss, may issue shares at a price lower than the registered value but must

- (1) have approval of the meeting of shareholders
- (2) determine a definite discount ratio and also specify it in the prospectus; and
- (3) Comply with Section 137 mutatis mutandis.

Section 53. A share is indivisible.

If two persons and more jointly subscribe for or hold one share or more, those persons must be jointly liable for remittance of payment for the share or shares and the amount in excess of the share value, and must appoint one among them as the person to exercise rights in the capacity as the share subscriber or shareholders, as the case may be.

Section 54. Under enforcement of Section 35(5) and Section 52 all shares shall be paid at one time in full value.

In paying for shares, the subscriber or purchaser may not set off against the company as to payments on shares.

Section 54/1. The provision of Section 54 paragraph two shall not apply to the case where the company restructures its debts by issuing new shares for debt repayment upon the

Securitization Project. The project shall get the prior approval from the meeting of shareholder by a vote not less than three-fourth of the total number of votes of shareholders attending the meeting and having the right to vote.

The issuance of new shares for payment and the Securitization project under paragraph one shall be in accordance with the rules and procedures as prescribed in the Ministerial Regulations.

Section 55. The company must prepare share certificates for delivery to the purchasers within two months from the date of registration of the company by the Registrar or from the date of receipt of payment for all the shares in the case the company distributed the remaining shares or newly issued shares after registration of the company.

No share certificate shall be issued to any person until the company or capital increase is duly registered and such person has paid for the shares in full.

A share certificate issued in violation of the provisions of paragraph two shall be void.

Section 56. A share certificate shall at least contain particulars as follows:

- (1) the name of the company;
- (2) the registration number of the company and date of registration of the company by the Registrar;
- (3) the types, value, and serial numbers of the share certificate, and number of shares;
- (4) the name of the shareholders;
- (5) the signature of at least one director, signed or printed; but the director may assign the share registrar under the law on securities and securities exchange to sign or print signature on his behalf;
- (6) the date of issue of the share certificate.

Section 57. The company may not prescribe any limitations in share transfer, unless such limitations are for the purpose of preserving right and interests lawfully deserved by the company or for the purpose of maintaining the ratio of shareholding between Thais and foreigners.

The promoters may not transfer shares bought under Section 17(3) before the expiration of two years' period from the date of registration of the company, except with approval of the meeting of shareholders.

Section 58. A transfer of shares shall be complete upon endorsement of the share certificate by the transferor by specifying name of the transferee and delivery of the share certificate to the transferee. Such transfer of shares may be used as proof to the company when the company has received an application for registration of the transfer of shares, but may be used as proof to outside persons when the company has registered the transfer of the transfer of shares. In this connection, if the company is of the opinion that the transfer of shares is in order the company shall register the transfer of shares within fourteen days from the date of receipt of the application or, if the company finds the transfer of shares incomplete, the company shall notify the applicant according within seven days.

In the case where the transferee wishes to have a new share certificate, he shall make a written request to the company, duly signed by the transferee with at least one witness signing in attestation to the signature of the transferee, and deliver the former share certificate and other evidence back to the company. In this connection, if the company is of the opinion that the transfer of shares is in order, the company shall register the transfer of shares within seven days from the date of receipt of the application and shall issue a new share certificate within one month from the date of receipt of such application.

Section 59. In the case where a shareholder of the company dies or becomes bankrupt, and thereby entitling any person to the shares, if such person produces valid and complete evidence, the company shall register and issue a new share certificate to the person within one month from the date of receipt of complete evidence.

Section 60. During, the period of twenty-one days prior to each meeting of shareholders, the company may suspend registration of share transfer by posting up a notice for information of shareholders in advance at the head office and every branch office for a period not less than fourteen days prior to the date of commencement of share transfer suspension.

Section 61. The company shall keep a register of shareholders containing at least the following particulars:

(1) the names, nationalities, and addresses of the shareholders;

- (2) the types, value, serial numbers of certificate and numbers of shares;
- (3) the date of registration as shareholder or of termination as shareholders.

Section 62. The company shall keep the register of shareholders and registration supporting evidence at the head office of the company, but the company may assign any person to the duty of keeping the register of shareholders and registration supporting evidence for the company at any place but shall notify the shareholders and the Registrar of such keeper of the register.

In the case where the register of shareholders is lost or defaced or damaged in essence, the company shall report to the Registrar within fourteen days from the date on which it had or should have knowledge of such loss, defacement, or damage and shall prepare or repair the register of shareholders within one month from the date of report.

The register of shareholders shall be presumed correct.

Section 63. Shareholders have rights to examine the particulars in the register of shareholders and the evidence relevant to the registration during the work hours of the keeper of the register of shareholders. For this purpose, the keeper of the register of shareholders may fix the time which shall not be less than two hours a day.

In the case where a shareholder requests a copy of the register of shareholders, in whole or in part, certified correct by the company or requests the company to issue a new share certificate in substitution for the share certificate which is lost or defaced or damaged in essence and has paid fees according to the articles of association of the company, the company must comply within fourteen days from the date of receipt of the request.

The share certificate, which is lost or defaced or damaged in essence and for which a new share certificate has been issued in substitution, shall be deemed revoked.

Fees under the articles of association of the company as mentioned in paragraph two must not exceed the rate prescribed by the ministerial regulation.

Section 64. The company shall file a list of shareholders existing on the date of the annual ordinary meeting of shareholders showing items under Section 39 paragraph two to the Registrar within one month from the date of conclusion of the meeting.

Section 65. The Preferential rights to shares already issued may not be changed.

Conversion of preference shares to ordinary shares cannot be done, unless the articles of association provides otherwise. In such case, conversion can be done by the shareholder applying for conversion to the company and returning the share certificate.

Share conversion under paragraph two shall become effective on the date of the application submission. In such case, the company shall issue a new share certificate to the applicant within fourteen days from the date of receipt of the application.

Section 66. The company shall not own or accept a pledge of its own shares.

Section 66/1. The provision of Section 66 relating to the company owning its shares shall not apply in the following cases.

(1) The company may repurchase its shares from a shareholder who votes against the resolution of the meeting of shareholders to amend the articles of association of the company relating to the right to vote and the right to dividend payment which is unfair in view of such shareholder

(2) The company may repurchase its shares for the purpose of financial administration when it has accumulated profits and surplus liquidity, and such repurchase shall not cause a financial problem for the company.

The shares that the company holds shall be counted to constitute the quorum of a meeting of shareholders and such shares shall have no right to vote and to dividend payment.

The company shall dispose of the shares repurchased under paragraph one within the timeframe specified in the Ministerial Regulations. If it does not dispose of or is unable to dispose of all the shares within such period, the company shall reduce its paid-up capital by canceling the remaining registered share indisposable.

The repurchase of the shares under paragraph one, dispose of the shares and cancellation of the shares under paragraph three shall be in accordance with the rules and procedures prescribed in the Ministerial Regulations.

CHAPTER 6

Board of Directors

Section 67. The company shall have a board of directors to operate business of the company, comprising at least five directors of which not less than one half shall reside in the Kingdom

Section 68. The directors shall be natural persons and

- (1) be sui juris (full age);
- (2) be not bankrupt, incompetent, or quasi-incompetent;
- (3) not have been sentenced by a final judgment to imprisonment for dishonesty;
- (4) not have been dismissed from a government service or state organization or agency for dishonesty on duty.

Section 69. Prescription of any limitations in order to prevent shareholders from becoming directors may not be done.

Section 70. Unless otherwise provided by the articles of association, directors shall be elected by the meeting of shareholders in accordance with rules and procedures as follows:

- (1) One shareholder has votes in a number equal to number of shares he holds multiplied by number of directors to be elected.
- (2) Each shareholder may use all his votes under (1) to elect one or more than one director. In case of voting for more than one director, he may distribute his votes as he pleases.
- (3) Persons who receive highest votes arranged in order from higher to lower in a number equal to that of directors to be appointed are elected directors of the company. In the event of a tie at a lower place, which would make the number of directors greater than that required, the persons involved shall draw lots for selection.

In the case where the articles of association of the company provides for the method of election of directors to be otherwise, such provision must not deprive the shareholders of their rights to vote in the election of directors.

Section 71. In every annual ordinary meeting of shareholders a new board of directors shall be elected, but the former board of directors shall remain in office to operate business of the company as long as necessary until the new board of directors assume office.

Provisions in paragraph one shall not apply to the case of the articles of association of the company providing for a method of election of directors different from that prescribed in Section 70. In such case, one-third of directors shall vacate office. If the number of directors cannot be divided exactly into three parts, directors in a number closest to one-third shall vacate office.

Unless provided otherwise by the articles of association of the company, 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.

Directors vacating office under this Section may be re-elected

Section 72. In addition to vacating office on expiration of term of office under Section 71, directors shall vacate office upon

- (1) death;
- (2) resignation;
- (3) dispossession of qualifications or possession of disqualifications under Section 68;
- (4) the meeting of shareholders resolving to remove under Section 76;
- (5) the court issuing an order to remove.

Section 73. Any director who wishes to resign from office shall tender a letter of resignation to the company, and resignation shall take effect on the date on which the letter of resignation reaches the company

The director who has resigned from office under paragraph one may notify the Registrar for information of his resignation from office.

Section 74. In the case where the whole board of directors vacate office, such board of directors shall remain in office as long as necessary to operate business of the company until the new board of directors assume office, unless otherwise ordered by the court in the case under Section 72(5).

The board of directors vacating office must make arrangements to hold a meeting of shareholders for election of a new board of directors within one month from the date on

which it vacated office, by dispatching a notice of meeting to the shareholders not less than fourteen days in advance of the date of the meeting.

Section 75. Subject to Section 83, in the case of a vacancy of directorship for reason other than expiration of term of office, the board of directors shall elect a person possessed of qualifications and not possessed of disqualifications under Section 68 as the replacement director in the next meeting of board of directors, unless the remaining term of office of the director is less than two months.

The resolution of the board of directors under paragraph one must be supported by votes not less than three-fourths of number of the remaining directors.

The replacement director pursuant to paragraph one may hold only for the remainder of term of office of the director whom he replaces.

Section 76. The meeting of shareholders may pass a resolution to remove any Director prior to the expiration of his term of office with votes not less than three-fourths of number of shareholder attending the meeting and having the right to vote and the total number of shares being of not less than one half of number of shares held by shareholders attending the meeting and having the right to vote.

Section 77. The Board of Directors has powers and duties to manage the company in accordance with the objective, articles of association, and resolutions of meeting of shareholders.

The Board of Directors may entrust one Director or Directors or any other person or persons with any task to be carried out on behalf of the Board of Directors, unless the articles of association provide expressly not to vest the Board of Directors with said powers.

Section 78. The Board of Directors shall elect one of the directors to be the chairman of the board.

The board of directors, upon contemplate thought, may elect one or several directors to be a vice chairman. The vice chairman shall have duties to follow the articles of association in the business entrusted by the chairman of the board.

Section 79. The board of directors shall hold a meeting at least once every three months in the locality in which the head office of the company is situated or a neighboring province, unless the articles of association of the company provide that the meeting be held at other locality.

Section 80. In a meeting of the board of directors, the presence of not less than one half of the total number of directors is required to constitute a forum. In the case where the chairman of the board is not present at the meeting or is unable to perform his duty and if there exists a vice-chairman, the vice-chairman shall preside over the meeting. If there is no vice-chairman or if there is one but he is unable to perform the duty, the meeting shall elect one among themselves to preside over the meeting.

The decisions at the meeting shall be by a majority of votes.

Each director shall have one vote, except the director having interests in any matter who shall have no right to vote in such matter. In the case of an equality of votes, the chairman of the meeting shall give the casting vote.

Section 81. The chairman of the board shall convene the meeting of the board of directors. If two or more directors request a meeting of the board of directors, the chairman shall appoint a date for the meeting within fourteen days from the date of receipt of such request.

Section 82. In calling a meeting of the board of directors, the chairman or the person assigned by him shall send out a notice of meeting to the directors not less than seven days in advance of the date of the meeting, except in the case of urgency for the purpose of maintaining rights or benefits of the company, the notice of meeting may be served by other means and an earlier date may be fixed for the meeting.

Section 83. In the case where there are vacancies in the boards of directors resulting in the number of directors being less than the number required for a quorum, the remaining Directors may act in the name of the board of directors only to hold a meeting of shareholders in order to elect directors to replace all the vacancies.

The meeting under paragraph one shall be held within one month from the date of the number of directors fails below the number required for a quorum.

The replacement Directors under paragraph one shall hold office only for the remainder of term of office of the respective directors they replace.

Section 84. All affairs of the company done in the name of the company by the board of directors or directors or persons assigned by the board of directors shall be valid and binding upon the company even though it may subsequently appear that there was some flaw in respect of the election, appointment, or qualifications of the directors.

Section 85. In operating business of the company, the directors shall perform their duty in accordance with the law, objective, and articles of association of the company as well as resolution of the meeting of shareholders in good faith and with care to maintain interests of the company.

In the case where any director performs any act or does not perform any act, which was a failure to comply with paragraph one, the company, or the shareholders, as the case may be, action may be taken as follows:

(1) If such act or omission causes damage to the company, the company may claim a compensation from such director.

In the case where the company did not make such claim, one shareholder or shareholders holding an aggregate number of shares not less than five percent of the total number of shares sold may give a written notice requesting the company to make such claim. If the company failed to comply with the request, such shareholder or shareholders may take a legal action to claim compensation on behalf of the company.

(2) If such act or omission may cause damage to the company, any one or more shareholders holding an aggregate number of shares not less than five percent of the total number of shares sold may request the court to order cessation of said commission.

In the case where the shareholders are the persons who took action under paragraph two, they may request the court to order such director removed from office.

The shareholder who took action under paragraph two and paragraph three shall hold shares of the company at the time such director performs or does not perform the act which causes or might cause damage to the company, as the case may be.

Section 86. The Director are forbidden to operate a business of the same nature as and in competition with that of the company, or to enter to be a partner in an ordinary partnership or a partner of limited liability in a limited partnership or a director of a private company or

other company which operates a business of the same nature as and in competition with that of the company, whether for their own or others' benefit, unless the meeting of shareholders had been notified prior to appointment thereto.

In the case where a Director violates the provision of paragraph one, the company may claim a compensation for the damage incurred from such director. However, a legal action must be taken within one year from the date of knowledge of the violation and not exceeding two years from the date of the violation.

In the case where the company did not exercise its rights to make claim under paragraph two, any one or more shareholders holding an aggregate number of shares not less than five percent of the total number of shares distributed may give a written notice requesting the company to make the claim. If the company failed to comply with the request within one month from the date of the notice or the remainder of the limitation under paragraph two is less than one month, said shareholder or shareholders may make such claim for the company and Section 85 paragraph two (2) and paragraph three shall apply *mutatis mutandis*.

Section 87. If any Director purchases property of the company or sells property to the company or transacted any business with the company, whether in his own name or others', unless approved by the board of directors such purchases or sale or transaction shall not bind the company.

Section 88. The directors shall inform the company without delay in the following cases:

- (1) having interests directly or indirectly in any contract entered into by the company during the accounting period by specifying particulars of the contract, name of the parties thereto, and interests of the directors therein (if any);
- (2) holding shares or debentures in the company and affiliated companies, by specifying the total number increased or decreased during the accounting period (if any).

Section 89. The company shall not grant loans to the directors, staff, or employees of the company, except

- (1) a loan under the regulation on welfare of staff and employees; or
- (2) a loan under the law on commercial banking, life insurance, or other laws.

Loans as follows shall be regarded as loans granted to a directors, staff, or employees under paragraph one:

- (a) a loan to the spouse or children who one not sui juris (full age) of a director, staff, or employee;
- (b) a loan to an ordinary partnership of which a director, staff, or employee, spouse or children who are not sui juris(full age) of such director, staff, or employee is a partner;
- (c) a loan to a limited partnership of which a director, staff, or employee, spouse or children who are not sui juris(full age) of such director, staff, or employee is a partner of unlimited liability;
- (d) a loan to other company or a private company in which a director, staff, or employee, spouse or children who are not sui juris(full age) of such director, staff, or employee holds an aggregate number of shares exceeding one half of the total number of shares of such other company or private company.

Loan granting under paragraph one includes a guarantee on purchase or discount of a bill and the granting of collateral for the payment of a loan.

Section 90. The company shall not pay money or any other property to the directors, except payment as remuneration under the articles of association of the company.

In the case where the articles of association of the company contain no provision on said matter, payment of remuneration under paragraph one shall be in accordance with the resolution of the meeting of shareholders, supported by votes not less than two-thirds of the total votes of shareholders present.

Section 91. The directors shall be jointly liable for any damage to the company in case as follows:

- (1) demanding subscribers to make payment for shares or transfer rights to property to the company without compliance with Section 37 or Section 38;
- (2) using payment for shares as expenses or dispose of property received as payment for shares in violation of Section 43;
- (3) taking any action in violation of Section 85;
- (4) granting loans in violation of Section 89;
- (5) making payment of money or any other property to the directors without compliance with Section 90;
- (6) making payment of dividend to shareholders in violation of Section 115 or liability under Section 118, unless it can be proved that the act was done in good faith and based on

evidence or financial statements certified correct by the chairman of the board or financial officer of the company or the auditor;

(7) failure to prepare or keep books of account, registers or documents of the company under this Act, unless it can be proved that reasonable action has been taken to prevent noncompliance.

Section 92. The director shall not be liable under Section 91 in cases as follows:

(1) Having proven that they did not participate in such activity or said activity was not carried out on the basis of the resolution of the meeting of the board of directors.

(2) Having objected at the meeting of the board of directors and his objection was recorded in the minutes of meeting or be submitted a written objection to the meeting chairman within three days from the date of the meeting conclusion.

Section 93. In the case where the directors must be responsible for any damage caused to the company under Section 91(6), they shall have rights to call for the part of dividend in excess from the shareholders who received it with the knowledge that it was a payment made in violation of Section 115 or liability under Section 118.

Section 94. The directors shall be jointly responsible for any damage caused to the shareholders and the persons associated with the company in cases as follows, unless it can be proved that they have no part in the commission of such offense:

(1) giving false statement or concealing statement that should be given in respect of financial standing and result of operation of the company in offering shares, debentures, or financial instruments of the company;

(2) showing statements or entries in documents submitted to the Registrar, which are false or do not correspond to the accounts, registers, or documents of the company;

(3) preparing the balance sheet and profit and loss account, minutes of the meeting of shareholders, or minutes of the meeting of the board of directors, which are false.

Section 95. Any director who carried out any affair which the meeting of shareholders has duly resolved to ratify or approve, even though the resolution is to be revoked, such director does not have to be responsible for such affair to the company, shareholders or creditors of the company.

Section 96. The company shall maintain a register of directors, the minutes of meeting of the board of directors, and the minutes of meeting of shareholders and keep them at the head office of the company. However, the company may assign any person the duty of keeping the said documents and the register for the company at any place, but the company must inform the Registrar prior and the said documents and the register must be kept in the locality in which the head office is situated or in a neighboring province.

The register of directors shall contain at least the following particulars,

- (1) the names, dates of birth, nationalities, and addresses of the directors,
- (2) the types, value, share certificate number, and number of shares held by each director;
- (3) dates of becoming on ceasing to be directors.

The minutes of the meeting of the board of directors and the minutes of meeting of the shareholders shall be prepared and completed by the board of directors within fourteen days from the date of the meeting.

Section 97. Unless otherwise provided in this Chapter, the relationship between the directors and the company and the relationship between the company and any third person shall be in accordance with the Civil and Commercial Code in the part on agent.

CHAPTER 7

Meeting of Shareholders

Section 98. The board of directors shall hold the annual ordinary meeting of shareholders within four 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 extra-ordinary meetings.

Section 99. The board of directors may convene an extra-ordinary meeting of shareholders any time it deems expedient.

Section 100. Shareholders holding shares amounting to not less than one-fifth of the total number of shares sold or shareholders amounting to not less than twenty-five holding shares amounting to not less than one-tenth 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 one month from the date of receipt of the notice.

Section 101. In calling a meeting of shareholders, the board of directors shall issue a notice of meeting specifying place, date, time, agenda, and matters to be set forth to the meeting together with reasonable details, by expressly specifying as to the matters to be set forth to the meeting for information; approval, or consideration, as the case may be, including opinion of the board of directors on said matters, and send the same to the shareholders and the Registrar for information not less than seven days before the date of the meeting. Besides, the notice of meeting shall also be announced in a newspaper for not less than three days before the date of the meeting.

The place where the meeting is to be held under paragraph one shall be in the locality in which the head office of the company is situated or in a neighboring province, unless otherwise provided by the articles of association.

Section 102. Shareholders are entitled to attend and vote in the meeting of shareholders, but they may authorize other persons as proxies to attend and vote at any meeting on their behaves. In this regard, Section 33 paragraph two, paragraph four, and paragraph five and Section 34 shall apply mutates mutandis, In the case of appointing the proxy, the instrument appointing the proxy shall be submitted to the chairman of the board or to the person designated by the chairman of the board.

The voting of stipulated in Paragraph one in the case that each share has one vote shall not apply to the case where the company issue preference shares and provides the right to vote less than that of ordinary shares.

Section 103. Unless otherwise provided by this Act, in the meeting of shareholders there shall be shareholders and proxies (if any) present at the meeting in a number not less than twenty-five or not less than one half of the total number of shareholders shares amounting to not less than one-third of the total number of sold shares to constitute a quorum.

In the event at any meeting of shareholders, upon the lapse of one hour from the time fixed for the meeting commencement, number of the shareholders present is insufficient to form a

quorum under paragraph one; if such meeting is convened because the shareholders have requested under Section 100, it shall be cancelled; if such meeting is convened not because the shareholders have requested under Section 100, it shall be reconvened and the notice of meeting shall be sent to the shareholders not less than seven days in advance of the date of the meeting. In the subsequent meeting no quorum is required.

Section 104. The chairman of the board of director shall preside over the meeting of shareholders. In the case where the chairman is absent or unable to perform the duty, the vice-chairman shall act as the meeting chairman. If a vice-chairman does not exist or exists but unable to perform the duty, the shareholders present shall elect one shareholder to act as the meeting chairman.

Section 105. The chairman of the meeting of shareholders has duties to conduct the meeting to be in accordance with the articles of association of the company on meetings and in order of the agenda as arranged in the notice of meeting, unless the meeting resolves to change order of the agenda with votes not less than two-thirds of the number of shareholders present.

Upon completion of consideration under paragraph one, the shareholders holding shares amounting to not less than one-third of the total number of sold shares may request the meeting to consider other matters in addition to those specified in the notice of meeting.

In the case where the meeting has not concluded the consideration of matters in order of the agenda under paragraph two, as the case may be, and it is necessary to adjourn the meeting, the meeting shall fix a place, date, and time for the next meeting and the board of directors shall send a notice of meeting specifying the place, date, and time and agenda of the meeting to the shareholders not less than seven days in advance of the date of the meeting. Besides, the notice of meeting shall also be announced in a newspaper for not less than three days prior to the date of the meeting.

Section 106. Dispatch of a notice of meeting shall be as provided in this Chapter, and Section 29 shall apply *mutatis mutandis*.

Section 107. Unless otherwise provided by this Act, a resolution of the meeting of shareholders shall be supported by votes as follows:

(1) In a normal case, by the majority of votes of the shareholders present and voting; in case

of an equality of votes, the chairman of the meeting shall have the casting vote.

(2) In cases as follows, by votes not less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote:

(a) the sale or transfer of business of the company, in whole or in essential part, to other persons;

(b) the purchase or acceptance of transfer of business of other companies or private companies by the company

(c) entering into, amending, or terminating a lease of business of the company in whole or in essential part; entrusting other person with the management of the company; or amalgamating business with other persons with the objective to share profit and loss.

(3) In the case where the articles of association of the company provide that a resolution of the meeting of shareholders on any matter must be supported by votes exceeding that specified in (1) or (2), it shall be so.

Section 108. In any meeting of shareholders, if the meeting was convened or a resolution was passed without compliance with or in violation of the articles of association of the company or the provisions of this Act, not less than five shareholders or shareholders amounting to less than one-fifth of the total number of sold shares may request the court to order revocation of such resolution of the meeting, but the request must be made within one month of the date on which the resolution was passed by the meeting.

In the case where the court orders revocation of the resolution passed by the meeting of shareholders under paragraph one, the company shall notify the shareholders thereof within one month from date of the final judgment.

CHAPTER 8

Accounts and Reports

Section 109. The company shall arrange for the accounts including the auditing of accounts in accordance with the law governing such.

Section 110. In addition to the preparation of accounts under Section 109, the company shall prepare a balance sheet and a profit and loss account at least once in a period of twelve months which is an accounting year of the company.

The balance sheet and the profit and loss account shall have items and meaning of items as prescribed in the ministerial Regulation.

Section 111. In the case where the company has not yet received payment for shares in full according to the amount of capital registered, the company must declare clearly the amount of capital and number of shares registered and the amount of shares issued and already paid for in the following documents of the company:

- (1) the balance sheet;
- (2) other documents showing its financial condition.

Section 112. The board of directors shall prepare the balance sheet and profit and loss account of the date ending the accounting period of the company to be put forth to the annual ordinary meeting of shareholders for consideration to approve.

The balance sheet and the profit and loss account to be prepared under paragraph one or be prepared during the course of the accounting year of the company for submission to the meeting of shareholders for consideration to approve the board of directors shall have them prepared and completed by the auditor before submission to the meeting of shareholders.

Section 113. The board of directors shall send documents as follows to the shareholders together with the notice of annual ordinary meeting:

- (1) copies of the balance sheet and the profit and loss account duly examined by the auditor under Section 112 together with the credit report of the auditor;
- (2) the documents showing items under Section 114(1) and (2) (if any);
- (3) the annual report of the board of directors.

Section 114. In the annual report of the board of directors at least the following shall be included:

- (1) the name, location of the head office, type of business, number and types of shares already sold of the company, number and types of shares held by the company in the affiliated companies (if any). The nature of companies to be affiliated shall be as prescribed in the Ministerial Regulation;
- (2) the name, location of the head office, type of business, number and types of all the shares issued for distribution, the number and types of shares of other companies or private companies held by the company in a number equal to ten percent and more of the total number of shares issued for distribution by such other companies or private companies (if

any);

(3) the information notified by the director to the company under Section 88;

(4) remuneration, shares, debentures, or other benefits which directors receive from the company, with the name of the recipient directors specified;

(5) other particulars prescribed by the Ministerial Regulation.

Section 115. No dividend shall be paid out of funds other than profit. In the case where the company still sustains an accumulated loss, no dividend shall be paid.

Dividend shall be distributed according to number of shares in equal amount for each share, unless the articles of association otherwise provide in respect of preference shares, and must be duly approved by the meeting of shareholders.

If the articles of association of the company permit, the board of directors may pay interim dividend to the shareholders from time to time when they see that the company has sufficient profit to do so and, after the dividend has been paid, they shall report to the next meeting of shareholders for information.

Payment of dividend shall be made within one month from the date of the meeting of shareholders or of the resolution of the board of directors, as the case may be. However, a notice thereof shall be sent to the shareholders and also be published in a newspaper.

Section 116. The company must allocate part of the annual net profit as reserve fund in an amount not less than five percent of the annual net profit less the sum of accumulated loss brought forward (if any) until the reserve fund amounts to not less than ten percent of the registered capital, unless the articles of association of the company or other law provides for a greater amount of the reserve fund.

Section 117. In the case where the company still cannot sell its shares up to number registered or the company has registered an increase of capital, the company may pay dividend in full or in part by issuing new ordinary shares to the shareholders, with approval of the meeting of shareholders.

Section 118. In the case where the company pays dividend to the shareholders in violation of Section 115, Section 116, or Section 117 and thereby causing a disadvantage to the creditors, the creditors may sue the shareholders to return the dividend which have already been

received; but the creditors shall sue such shareholders within one year from the date of the resolution of the meeting of shareholders. But any shareholder shall not be forced to return the dividend received in good faith.

Section 119. With approval of the meeting of shareholders, the company may transfer other reserve fund, which is not the reserve fund under Section 51 or Section 116 or other reserve funds to compensate for the accumulated losses of the company.

The compensation for the accumulated losses under paragraph one shall be deducted from other reserves before it shall be deducted from the reserve fund under Section 116 and from the reserve fund under Section 51 respectively.

Section 120. The annual ordinary meeting of shareholders shall appoint an auditor and determine the remuneration of the auditor of the company every year. The former auditor may be re-appointed.

Section 121. The auditor shall not be a Director, staff, employee, or person holding any position in the company.

Section 122. The auditor has the power to examine the accounts, documents, and other evidence relating to the income and expenditure as well as assets and liabilities of the company during working hours of the company. In this regard, the auditor is empowered to interrogate the directors, staff, employees, persons holding any position in the company, and agents of the company, including the power to instruct said persons to give facts or furnish documents pertaining to the operations of the company.

Section 123. The auditor shall prepare and set forth report to the annual ordinary meeting of shareholders as required by the law on audit.

Section 124. The balance sheet, the profit and loss account, and the report of the auditor of the company shall be in Thai language, property typewritten.

Section 125. The auditor has the right to give written explanations to the meeting of shareholders and has duty to attend the meeting of shareholders at which the balance sheet, the profit and loss account, and the problems pertaining to accounting of the company are considered in order to make clarifications in respect of audit to the shareholders, and the

company shall make available to the auditor all reports and documents receivable by the shareholders in such meeting of shareholders to the auditor.

Section 126. The shareholders have the right to make a request to inspect the balance sheet, profit and loss, and the report of the auditor at any time during workhours of the company and they may ask the company to issue a copy of said documents duly certified correct. For such service the company may charge for expenses as stipulated in the articles of association of the company.

Section 127. The company shall send the annual report together with copies of the balance sheet and the profit and loss account duly examined and approved by the meeting of shareholders and a copy of the minutes of meeting of shareholders only in the part concerning approval of the balance sheet, profit and loss account, and distribution of dividend, duly certified correct by the authorized signature, to the registration. The company shall also publish the balance sheet for public information in a newspaper for a period of at least one day within one month from the date of approval of the meeting of shareholders.

CHAPTER 9

Inspection

Section 128. Shareholders holding shares amounting to not less than one-fifth of the total number of shares sold or shareholders amounting to not less than one-third of the total number of shareholders may subscribe their name to an application to the Registrar requesting him to appoint an inspector to examine into the affairs and financial status of the company and to also inspect the operation of the board of directors.

In the application under paragraph one the applicants shall point out distinctly the points for inspection and name one shareholder as their representative and give his address.

The Registrar shall issue an order appointing a competent official or competent officials the inspector or inspectors, and in the order the Registrar shall specify distinctly the points for inspection.

Section 129. The Registrar may appoint one or more competent officials to be an inspector or inspectors to examine the operation of the company when he has plausible reason to suspect that

- (1) The company has operated a scheme to defraud the creditors of the company or to create debts despite the knowledge that it will never be able to repay;
- (2) the company has violated or failed to comply with this Act or made any false information in the application for registration, in the balance sheet or in the profit and loss account, or in the report submitted to the Registrar or made known to the general public.
- (3) the directors or the executive officers of the company have operated the business in contrary to the objective of the company or have been dishonest to the company or the shareholders of the company;
- (4) there was any act done to cause an unfair disadvantage to minority shareholders;
- (5) the business management of the company may cause damage to the shareholders;

In the order appointing the inspector the Registrar shall specify distinctly points for inspection and notify the company in writing thereof.

Section 130. In the performing duties under Section 128 and Section 129, the inspector has powers as follows:

- (1) to enter the office and other premises of the company during workhours of the company;
- (2) to order a directors, staff, employees, persons holding any position in the company, and agents of the company and the auditor, including persons who used to hold or have said position or duty and have departed there from for not more than one year, to testify,
- (3) to order the persons under (2) to produce or furnish accounts and documents pertaining to the operation of business of the company

In the case where the inspector is of the opinion that, in carrying out the inspection for which he is designated, to also inspect other companies or private companies under Section 114(1) and (2) because of certain interrelation, he shall obtain approval of the Registrar to empower him to inspect such companies on related matters only.

In performing duties under paragraph one or paragraph two, the inspector shall be a competent official under the Criminal law and the persons concerned shall provide reasonable assistance and convenience.

Section 131. The inspector shall report on the results of the inspection together with his or her opinion to the Registrar within two months from the date of appointment. If he or she

cannot complete the inspection within said period, the inspector shall report the inspection results to the Registrar every two months.

Section 132. Upon receipt of the report on inspection results from the inspector, the Registrar shall proceed as follows:

- (1) to deliver a copy of such report to the company within seven days from the date of receipt thereof;
- (2) to notify to the proper authorities to take legal action against persons who committed offenses under this Act
- (3) to order the company to operate business in compliance with this Act;
- (4) to notify in writing to the creditors or any persons who may have suffered damage according to the inspection report.

Section 133. The company which receives the report under Section 132(1) shall summarize the report and deliver it to the shareholders within fourteen days from the date of receipt of the report. The company shall prepare a complete copy of the report at the company for the shareholders to inspect.

Section 134. The following persons shall advance expenses incurred in the inspection of the company:

- (1) the shareholders who requested the Registrar to appoint the inspector;
- (2) the Registrar, in case of an inspection under Section 129.

Section 135. In the case where the inspection results turned out to be as aimed for, whether wholly or in part, the company shall be liable for payment advanced by the person under Section 134.

CHAPTER 10

Increases and Reductions of Capital

Section 136. The company may increase the amount of its registered capital by issuing new shares.

The issuance of new shares under paragraph one may be made after

- (1) all shares have been sold and paid up, or, if the shares still remain unsold, the unsold shares shall be the shares issued for the exercise of rights under convertible debentures or

shares warrant;

(2) the meeting of shareholders has passed a resolution by not less than three-fourths of the total votes of the shareholders attending the meeting present and qualified to vote; and

(3) such resolution has been produced to the Registrar for registration of change in the registered capital within fourteen days from the date on and having the right to vote resolution.

In this connection, Chapter 3 and Chapter 5 shall apply *mutatis mutandis*.

Section 137. The additional shares under Section 136 may be offered for sale in whole or in part and may be offered to shareholders in proportion to their respective shares already held first or to the public or any person whether in whole or in part, however, according to the resolution of the meeting of shareholders, and Section 38 shall apply *mutatis mutandis*.

Section 138. When the company has sold some part of the additional shares, it may apply to the Registrar for registration of a change in the paid-up capital by dividing into installments, each of not less than twenty-five percent of number of the offered shares, but shall also be specified in the prospectus or documents pertaining to share offering to the public.

In addition to the provisions in paragraph one, the company shall apply for registration of the change in the paid up capital within fourteen days from the date on which all the offered shares, in a number as specified in the prospectus or documents pertaining to share offering to the public, were paid up.

In applying for registration of a change in the paid-up capital under this Section, the company shall submit a list of shareholders of the company, only those holding the additional shares, specifying name, nationality, address, number of shares held, and share certificate number.

Section 139. The company may reduce the amount of its registered capital from the amount already registered by reducing the value of each share or reducing number of shares, but it may not reduce the capital to an amount lower than one-fourth of the total capital.

In the case where the company has an accumulated loss and it has already compensated for it under Section 119, and the accumulated loss still, however, remains the company may reduce its capital to the amount less than one-fourth of the total.

The amount and method to reduce share value or share amount under paragraph one or paragraph two shall be performed in accordance with the resolution of the meeting of shareholders by, a vote of not less than three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote, the company shall register approved share upon the resolution within 14 days as from the date on which when the meeting has passed a resolution.

Section 140. The meeting of shareholders may resolve to reduce its capital by cutting out the registered shares remaining unsold or not yet offered. When the resolution is passed, the company shall apply for registration of such resolution within fourteen days from the date on which it was passed.

Section 141. In reducing capital which is not the case under Section 140, the company shall send to the creditors known to the company a notice of the resolution to reduce capital within fourteen days from the date on which the resolution was passed, stating that any objection thereto shall be raised within two months from the date of receipt of the notice, and the company shall also announce such resolution in a newspaper over the fourteen days' period.

If an objection is raised, the company shall not reduce its capital until debts are repaid or security given thereon.

Section 142. Having complied with Section 139 and Section 141, the company shall apply for registration of its reduction of capital within the period as follows:

- (1) fourteen days from the date of expiration of the period under Section 141, in the case no creditor raised an objection; or
- (2) fourteen days from the date on which debts were repaid or security given thereon, in the case an objection was raised.

For this purpose, Section 138 paragraph three shall apply mutatis mutandis.

Section 143. Upon registration of change in paid-up capital under Section 138 or registration of reduction of capital under Section 140 or Section 142, the company shall notify the shareholders thereof in writing and announce in at least one newspaper within fourteen days from the date of increase or reduction of capital, as the case may be.

Section 144. In the case where any creditor did not raise an objection to a reduction of capital of the company within the period under Section 141 because he had had no knowledge of the resolution to reduce capital and the lack of knowledge was not due to his fault. If such creditor wishes to have the shareholder who received the payment for shares return it and also be liable to him for the returned payment, he shall file a claim within one year from the date of registration of reduction of capital.

CHAPTER 11

Debentures

Section 145. The borrowing by the company by means of the issuance of the debentures for offer for sale to the public shall comply with the law on The Securities and Exchange Act. Furthermore, Section 25 shall apply mutates mutandis.

The resolution approving the issuance of the debentures under paragraph one shall be upon the meeting of shareholders passed by a vote not less than three-fourth of the number of votes of the shareholders total attending the meeting and having the right to vote.

CHAPTER 12

Amalgamation of Companies

Section 146. Two or more companies or a company and a private company may be amalgamated into one company by the meeting of shareholders of each of the companies to be amalgamated passing a resolution therefore with votes not less than three-fourths of the total number of votes of the shareholder present and qualified to vote and, in the case of amalgamations with private company, there must be a special resolution as provided in the Civil and Commercial Code.

In the case where there is a resolution to amalgamate companies under paragraph one is passed but some shareholders objects to the amalgamation, the company shall arrange for the shares of said shareholders at the latest purchasing-selling price in the securities exchange prior to the date of amalgamation and, in the case of no purchasing-selling price in the securities exchange, the price used shall be that fixed by the independent assessors appointed by both parties. If such shareholders refuse to sell the shares within fourteen days from the

date of receipt of the proposal to buy, the company shall proceed with the amalgamation and said shareholders shall be deemed shareholders of the amalgamated company.

Section 147. The company shall notify the creditors of the company in writing of the resolution to amalgamate with other company and Section 141 shall apply mutatis mutandis.

Section 148. Having complied with Section 147, the chairman of board of directors of the companies to be amalgamated shall convene a joint meeting of shareholders of such companies to consider matters as follows:

- (1) the allotment of shares of the amalgamated company to its shareholders;
- (2) the name of the amalgamated company, which may be a new name or the name of any of the companies to be amalgamated;
- (3) the objective of the amalgamated company;
- (4) the capital of the amalgamated company, which shall not be less than the sum of the paid-up capital of the companies to be amalgamated and, if the companies to be amalgamated have already sold all their respective registered shares, and increase in at capital may be made the same time;
- (5) the memorandum of association of the amalgamated company;
- (6) the articles of association of the amalgamated company;
- (7) the election of the directors of the amalgamated company;
- (8) the election of the auditor of the amalgamated company;
- (9) other matters necessary for the amalgamation (if any).

However, such meeting shall be concluded within six months from the date of resolution in favor of the amalgamation of any of the companies, which was the latest, unless the meeting under this Section resolved to extend the period, but the total period shall not be more than one year.

Section 149. At the meeting held for metal consideration of the matters under Section 148, provisions governing such respective matters shall apply mutatis mutandis, except the following provisions:

- (1) The place to be used for the meeting shall be in the locality in which the head office of any of the companies to be amalgamated is situated or in a neighboring province;
- (2) There shall be shareholders holding shares amounting to not less than one half of the total number of shares sold of the companies to be amalgamated attending the meeting to

constitute a quorum;

(3) The shareholders attending the meeting shall elect one shareholder to be the chairman of the meeting;

(4) A decision of the meeting shall be made by a majority of vote of the shareholders attending the meeting under (2).

Section 150. The board of directors of the former companies shall deliver the business, property, accounts, documents, and evidence of the companies to the board of directors of the amalgamated company within seven days from the date of conclusion of the meeting under Section 148.

Section 151. The board of directors of the amalgamated company shall apply for registration of the amalgamation of companies and at the same time submit the memorandum of association and articles of association under Section 148 already approved to the Registrar within fourteen days from the date of conclusion of the meeting under Section 148, and Section 39 shall apply mutatis mutandis.

Section 152. Upon registration of the amalgamated company by the Registrar, the former companies shall cease to have the status of a juristic person and the Registrar shall note in the register accordingly.

Section 153. The amalgamated company duly registered shall be entitled to all assets, liabilities, rights, duties, and responsibilities of the former companies.

CHAPTER 13

Dissolution

Section 154. The company shall be dissolved in any of cases as follows:

(1) when the meeting of shareholders resolved to dissolve the company with votes not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote;

(2) when the company becomes bankrupt;

(3) when the court orders dissolution of the company under Section 155 and the order is final.

Section 155. Shareholders who hold shares amounting to not less than one-tenth of the total number of sold shares may request the court to order dissolution of the company upon the

occurrence of any the following causes:

- (1) The promoters have violated or failed to comply with provisions governing statutory meeting or preparation of reports on company establishment, or the board of directors violated or failed to comply with provisions governing payment to shares, transfer of rights to property or execution of documents on the exercise of rights to the company as payment for shares, preparation of list of shareholders, or registration of the company.
- (2) The number of shareholders is reduced to less than fifteen.
- (3) If the business of the company can only be carried on at a loss and there is no prospect to revive.

Being requested to issue an order under (1) or (2), the court may order the company to make corrections or conduct operations to be in conformity with law within a given period but not exceeding six months instead of order dissolution of the company.

Section 156. In dissolving or ordering dissolution of the company, the meeting of shareholders or the court, as the case may be, shall also appoint and fix the remuneration of the liquidator and the auditor at the same time.

Section 157. Upon dissolution of the company, the board of director shall deliver all the property, accounts, documentary evidence of the company to the liquidator within seven days from the date of dissolution.

Section 158. The dissolution of the company shall be effective as from the day on which the registration accept the registration of the dissolution of the company but if the liquidation has not yet been completed, the company shall be deemed to exist for as long as necessary for the liquidation.

CHAPTER 14

Liquidation

Section 159. In the case where the company is dissolved on grounds other than bankruptcy, the liquidation shall be made in accordance with the provisions contained in this Chapter.

Section 160. The liquidator shall have the powers and duties as follows:

- (1) to carry on the business of the company only as necessary for the settlement of pending business but not transacting new business;

- (2) to collect and receive payment or other property to which the company is entitled from other persons or to sell property of the company;
- (3) to take all actions in respect of civil and criminal cases or to make a compromise on any matter on behalf of the company;
- (4) to repay debts on behalf of the company;
- (5) to convene a meeting of shareholders;
- (6) to distribute money or property remaining after the payment of debts to the shareholders;
- (7) to comply with Section 11 paragraph three;
- (8) to carry out other activities necessary for the liquidation conclusion.

In the case where the liquidator continues the business under (1) beyond what is necessary and thereby causes a loss, the liquidator shall be liable to the company for such loss.

Section 161. Within seven days from the date of appointment, the liquidator shall

- (1) make an application to register as liquidator;
- (2) make an application to register dissolution of the company;
- (3) publish the dissolution of the company for public information in a newspaper.

Section 162. Within one month from the date of appointment the liquidator shall

- (1) issue a notice to the creditors whose names appear in the list and documents of the company, instructing them to submit a demand for debt repayment to the liquidator within one month from the date of receipt of the notice;
- (2) issue a notice to the debtors whose names appear in the list and documents of the company, instructing them to repay the debts to the liquidator.

Section 163. Prior to conclusion of the liquidation, the liquidator and the auditor shall vacate office upon

- (1) death;
- (2) resignation;
- (3) removal by a resolution of the meeting of shareholders;
- (4) removal by a court order.

Upon the death or resignation of the liquidator or the auditor appointed by the meeting of shareholders or the court, the meeting of shareholders or the court, as the case may be, shall

appoint other person as the replacement liquidator or the replacement auditor, and Section 16(1) shall apply to the newly-appointed liquidator.

Section 164. With plausible reason, shareholders who hold shares amounting to not less than one-tenth of the total number of sold shares may convene a meeting of shareholders and request the meeting of shareholders to remove the liquidator or the auditor who has been appointed by the shareholders and appoint other person in his place any time; but if the liquidator or the auditor has been appointed by the court, any shareholder may request the court to remove him.

When requested by any shareholder and the Registrar is of the opinion that the liquidator or the auditor has not performed his duty properly in accordance with this Act, the Registrar may request the court to remove the liquidator or the auditor and appoint another person in his place.

Section 165. The liquidator shall prepare the balance sheet and profit and loss account covering the period from the beginning of the accounting period to the date of registration of the company and deliver them to the auditor for examination within four months from the date of appointment and submit them to the meeting of shareholders for approved within one month from the date of receipt of the same from the auditor.

Section 166. The liquidator shall deliver to the Registrar a copy of the balance sheet and profit and loss account duly approved by the meeting of shareholders together with a copy of minutes of the meeting of shareholders approving such balance sheet and profit and loss account within fourteen days from the date of approval by the meeting of shareholders.

Section 167. Any limitation of powers of the liquidator shall not be raised as a defense against outsiders who have acted in good faith.

Section 168. In the case where several liquidators are appointed, each of the liquidators shall do any act independently on his own, unless otherwise provided by the meeting of shareholders or the court at the time of the appointment and the liquidator has duly applied for registration thereof along with the application for registration of the company dissolution.

Section 169. The liquidator shall make payment of fees, charges, and expenses payable in priority order before settlement of other debts.

Section 170. If the creditors of the company does not serve to the liquidator a notice calling for repayment of debts, the liquidator shall deposit an amount equal to the amount of debts as show in the accounts and documents of the company at the Deposit Office under the law on property deposit and notify the creditors by a publication in a newspaper.

All the amount deposited at the Deposit Office, if not claimed within five years, shall belong to the state.

Section 171. In the case where the liquidator deems it necessary for the liquidation or upon request by the creditors of the company, the liquidator may convene a joint meeting of the creditors of the company and the liquidator to consider affairs and final standing of the company and enter into an agreement for debt repayment.

An agreement for partial debt repayment or repayment by any other means shall be binding on only the creditors who have given consent thereto.

Section 172. If after all debts of the company have been repaid or an amount has been set a side therefore there is some property left, the liquidator shall divide such property among the shareholders according to number of shares held by them, unless otherwise provided by the articles of association of the company in respect of preference shares.

Section 173. After the liquidator has proceeded in accordance having complied with the provisions of this Chapter, and if he or she is of the opinion that the property of the company is insufficient to pay for all the debts and settlement cannot be reached with all the debtors, the liquidator shall request the court to order the company bankrupt.

Section 174. The liquidator shall make a report on the liquidation and submit the same together with the account of receipts and expenditure pertaining to the liquidation to the Registration every three months covering the period from the date of appointment to the conclusion of the liquidation.

The report on the liquidation and the account of receipts and expenditure shall be prepared in the form and to contain items as prescribed in the ministerial regulation.

If there appears a defect in the liquidation, the Registrar has the power to order the liquidator to rectify such defect. In this connection, the liquidator shall proceed with the rectification and report to the Registrar within the period fixed by the Registrar.

Section 175. If the liquidation cannot be concluded within one year from the date of registration of the dissolution of the company has been accepted by the Registrar, the liquidators shall convene the meeting of shareholders every year within four months from the date ending the year's period for report on the liquidation work that has been carried and to be carried out and submission of the balance sheet and profit and loss account for the information of the shareholders.

Section 176. Upon conclusion of the liquidation, the liquidator shall prepare a report on results of the liquidation and the account of receipts and expenditure for submission to the meeting of shareholders for approval within four months from the date of the liquidation conclusion.

After the report and account under paragraph one have been approved at the meeting of shareholders, the liquidator shall apply to the Registrar for registration of the liquidation conclusion within fourteen days from the date of approval by the meeting of shareholders and deliver to the Registrar all accounts and documents supporting account entry of the company.

Upon registration thereof, the Registrar shall note in the register the requirement to and maintain the accounts and documents supporting entry thereof the company delivered to the Registrar for a period not less than three years from the date of the liquidation conclusion.

Section 177. Subject to Section 175, the liquidator shall complete the liquidation within five years from the date of registration of the company dissolution. If the expiration is not completed within five years, the liquidator shall submit a report describing the reasons therefore every three months, and the Registrar shall have powers to order the liquidator to act in any way to reasonably accelerate the liquidation.

Section 178. No suit claiming of debts from the company, shareholders, or the liquidator as debts or shall be taken after the expiration of two years' period from the date of registration of the completion of liquidation.

Section 179. As regards any act for which approval or consent of the meeting of shareholders is required where the meeting of shareholders cannot be held, the liquidator shall request approval and consent of the Registrar.

CHAPTER 15

Conversion of a Private Company into a Company

Section 180. A private company may be converted into a company, with a special resolution under the Civil and Commercial Code.

Section 181. In the meeting of shareholders under Section 180, if a resolution for the conversion of the private company into a company under this Act, the board of directors shall arrange for consideration of the following matters as well:

- (1) the memorandum of association of the private company that needs revision and the capital of the private company may be also increased after the conversion;
- (2) the articles of association of the company;
- (3) the election of Directors;
- (4) the election of the auditor of the company;
- (5) other matters necessary for the conversion.

In the consideration of matters under paragraph one, provisions on the company governing the respective matters shall apply *mutatis mutandis*.

Section 182. The board of directors of the private company shall deliver the business, property, accounts, documents, and evidence of the private company to the newly- elected board of directors within seven days from the date of conclusion of the meeting under Section 181.

Section 183. The newly-elected board of directors shall apply for registration of the private company conversion and at the same time submit to the Registrar the minutes of the meeting, memorandum of association, and articles of association under Section 181 duly approved within fourteen days from the date of conclusion of the meeting under Section 179, and Section 39 shall apply *mutatis mutandis*.

Section 184. Upon registration by the Registrar of the conversion into a company under this Act, the former private company shall cease to have the status of a limited company under the Civil and Commercial Code and the Registrar shall note in the register to that effect.

Section 185. A private company which has registered its conversion into a company shall be entitled to all assets, liabilities, rights, and responsibilities of the former private company.

CHAPTER 16

The Registrar and the Competent Officials

Section 186. In accepting for registration under this Act, the Registrar and the Competent Officials shall have powers to question for facts and the applicant shall submit documents and related evidence or bring in persons concerned to testify as required.

Section 187. In the case where the application for registration is correct and complete the Registrar shall accept for registration. But if the application for registration is incorrect or the attached documents are incomplete or any item in the application for registration or documents is inconsistent with the law, the Registrar shall instruct the applicant to make it correct, complete, or consistent, and after the applicant has carried out as instructed, the Registrar shall accept for registration.

After having accepted the application for registration, the Registrar shall have brief particulars representing the content of the application accepted for registration, published in the Government Gazette .

When the publication of the content of the application under paragraph two has been made, it shall be deemed that the general public has been informed of the content published from the day after the date of its publication.

In the case where the Registrar issue an order not to acceptance for registration, the Registrar shall notify the applicant in writing of the order together with the reasons thereof. In such case, the applicant may appeal against the order of the Registrar to the Minister within one month from the date of receipt of the notification of the order.

The decision of the Minister shall be final.

Section 188. In the case where the Registrar finds the list of shareholders submitted under Section 64 incorrect, he is empowered to order the company in writing to make correction within a reasonable time as fixed by him.

Section 189. If it appears to the Registrar from the fact that events referred to Section 155(1) or (2) have occurred with respect to any company, the Registrar shall have the power to order the company to rectify it within the period as specified by the Registrar.

Section 190. For the purpose of compliance with this Act, the Registrar and the Competent Office shall have the power to enter the offices and any premises of the company during work hours of the company to inspect documents and other evidence prepared under this Act and shall also have the power to call persons concerned to give statements. In this connection, the competent official shall produce his identify card to such persons and such persons shall provide reasonable assistance and convenience.

The identify card of the competent official shall be in the form prescribed by the Minister.

CHAPTER 17

Penalties

Section 191. Any company which fails to comply with Section 11, Section 25, Section 31 paragraph two, Section 40, Section 48, Section 51, Section 55 paragraph one, Section 58, Section 59, Section 62 paragraph two, Section 63 paragraph two, Section 64, Section 65 paragraph three, Section 108 paragraph two, Section 127, Section 133, Section 138 paragraph two, Section 142, Section 143, Section 145 paragraph two, Section 188 or Section 189 shall be liable to a fine not exceeding twenty thousand baht.

Section 192. Any promoter who fails to comply with Section 20 paragraph three, Section 28, or Section 37 paragraph one shall be liable to a fine not exceeding twenty thousand baht.

Section 193. Any promoter of who violates Section 26 shall be liable to an imprisonment for a term not exceeding three years or to a fine not exceeding six hundred thousand baht or both.

Section 194. Any promoter who fails to comply with Section 27 shall be liable to a fine not exceeding one hundred thousand baht.

Section 195. Any board of directors which fails to comply with Section 37 paragraph two, Section 74, Section 79, Section 83 paragraph two, Section 96 paragraph three, Section 98 paragraph one, Section 100, Section 101, Section 105 paragraph three, Section 112, Section 113, Section 115 paragraph four, Section 151, or Section 183 shall be liable to a fine not exceeding twenty thousand baht.

Section 196. Any board of directors which fails to comply with Section 39, Section 40, Section 150, Section 157 or Section 182 shall be liable to a fine not exceeding forty thousand baht.

Section 197. Any board of directors which violates Section 43 shall be liable to imprisonment for a term not exceeding three years or to a fine not exceeding six hundred thousand baht or both.

Section 198. Any person who violates Section 55 paragraph two shall be liable to imprisonment for a term not exceeding one year and to a fine not exceeding two hundred thousand baht.

Section 199. Any promoter who violates Section 57 paragraph two shall be liable to a fine not exceeding twenty thousand baht or two times the value of shares transferred, whichever is higher.

Section 200. Any company which fails to comply with Section 61, Section 62 paragraph one, or Section 96 paragraph one shall be liable to a fine not exceeding fifty thousand baht.

Section 201. Any company which violates Section 66 shall be liable to a fine not exceeding fifty thousand baht or two times the value of shares held or pledged, whichever is higher.

Section 202. Any chairman of the board or any person entrusted by him who fails to comply with Section 81 paragraph two or Section 82 shall be liable to a fine not exceeding ten thousand baht.

Section 203. Any director who fails to comply with Section 88 or complied therewith only in part or not according to fact is shall be liable to a fine not exceeding twenty thousand baht.

Section 204. Any director, managing director, or person authorized to act on behalf of the company who acted in violation of Section 89 shall be liable to a fine not exceeding twenty thousand baht or two times the amount granted in loan, whichever is higher.

Section 205. Any company which fails to comply with Section 109 shall be liable to a fine not exceeding two hundred thousand baht and a daily fine of two thousand baht until the failure is corrected.

Section 206. Any company which fails to comply with Section 110, Section 111, or Section 137 shall be liable to a fine not exceeding twenty thousand baht.

Section 207. Any board of directors that showed items mentioned in Section 114(3), (4), or (5) which is incomplete or not according to fact shall be liable to a fine not exceeding twenty thousand baht.

Section 208. Any company which fails to comply with the Registrar's order issued under Section 132(3) is liable to a fine not exceeding fifty thousand baht

Section 209. Any liquidator who fails to comply with Section 160(7) or Section 161 shall be liable to a fine not exceeding ten thousand baht.

Section 210. Any liquidator who fails to comply with Section 165, Section 166, Section 170 paragraph one, Section 174 paragraph one or two, Section 176 paragraph one or two, or with the Registrar's order issued under Section 174 paragraph three shall be liable to a fine not exceeding twenty thousand baht.

Section 211. Any liquidator who failed to comply with Section 177 shall be liable to a fine not exceeding fifty thousand baht.

Section 212. Any person who obstructs or does not provide convenience to the inspector performing duty under Section 130 or the Competent Official performing duty under Section 190 shall be liable to an imprisonment not exceeding one month or to a fine not exceeding ten thousand baht or both.

Section 213. Any person who uses the name or trade name in Thai letters reading "Boris at Mahachon Chamkat" (Limited Public Company), "Boris at" (Company), or "Chamkat

(Mahachon)" (Limited Public) or "BawMawJaw" (LPC), or in foreign Letters bearing the similar meanings as aforesaid, in letters, notices, reports, invoices, or other documents pertaining to the business of the company without itselfin a company, except the use in applying for registration in connection with the company establishment or in forms showing data of share offered to the public or in the prospectus, shall be liable to a fine not exceeding twenty thousand baht and a daily fine of one thousand baht until cessation of use.

Section 214. The director or liquidator of a company dishonestly making any false statements or canceling any related to the fact which should be clearly notified to the meeting of shareholders and which is financial condition of the company shall be liable to a fine not exceeding fifty thousand baht.

Section 215. Any person responsible for operation of any company who performed or omitted to perform an act for the purpose or seeking unlawful interests for himself or for other persons, which caused damage to the company, shall be liable to a fine not exceeding fifty thousand baht.

Section 216. Any person who is responsible for the business operation of a company who committed or permitted the commission of acts as follows:

- (1) causing, destroying, changing, cutting, or fabricating accounts, documents, or security of the company or related to the company; or
- (2) entering false statement or omitting to enter essential statements in the accounts or documents of the company or related to the company.

If such commission or permission of commission was for the purpose of deceiving the company or the shareholders of interests to which they deserved, shall be liable to an imprisonment not exceeding five years or a fine not exceeding one million baht or both.

Section 217. Any person who make an advertisement by referring to persons, positions, accounts, reports, or activities in connection with the company which were false in essence or concealed essential statements in order to

- (1) deceive persons who have interests in the company of the interests to which they deserved; or
- (2) persuade persons to enter to hold shares on debentures, to assign or hand over property to the company, or grant a guarantee or furnish property as security to the company.

Shall be liable to an imprisonment not exceeding three years or a fine not exceeding six hundred thousand baht or both.

Section 218. Any person who participated in the statutory meeting or meeting of share soldering and voted or abstained by falsely showing himself as a share subscriber, shareholder, or person authorized to vote on behalf of share subscribers or shareholders shall be liable to a fine not exceeding twenty thousand baht.

Any person who aided the commission of offense pursuant to paragraph one by delivering document showing share subscription or share certificates for used in the aforesaid act shall be liable to the same penalty.

Section 219. Any person who dishonestly appraised value of the property or article furnished as payment for shares at an amount higher than the true value thereof shall be liable to a fine two times the amount in excess of the true value.

Section 220. Any person who had knowledge of the business of any company through performance of duty under this Act, which normally is kept confidential, if the person revealed such knowledge outside his authority or duty or for benefit in investigation or legal proceeding, shall be liable to an imprisonment not exceeding one year or a fine not exceeding two hundred thousand baht or both.

Section 221. In the case where a juristic person had committed an offense and was punished under this Act, the representative of the juristic person who sided with of the offense commission or did not make reasonable effort to prevent such offense commission shall also be liable to punishment provided for such offense.

Section 222. In the case where a company had committed an offense and was punished under this Act, the director who sided with of the offense commission or did not make reasonable effect to prevent such offense commission shall also be liable to punishment provided for such offense.

INTERIM PROVISIONS

Section 222/1. Any penalty according to this Act shall only be fined. The Director-General of the Department of Business Development or the person entrusted by the Director-General of

the Department of Business Development shall be authorized to prescribe the fine when persons committing offenses pay for the fine according to the amount within the specified period, and the case shall be terminated according to the criminal procedure code. If the persons commit offenses do not agree according to the amount of fine or upon agreement, such persons do not pay for the fine within the specified period, the case shall be continued.

Section 223. All companies established under the Public Limited Company Act B.E. 2521 before the date on which this Act comes into force shall be companies under this Act.

Section 224. Share and debenture offering to the public with the prospectus thereof duly registered under the Public Limited Company Act B.E. 2521 before the date on which this Act comes into force shall continue to be made under the said Act.

Section 225. All ministerial regulations, notifications, and orders issued under the Public Limited Company Act B.E. 2521 in force on the date this Act comes into force shall continue to be in force insofar as they are not contrary to or inconsistent with the provisions of this Act until there are ministerial regulations, notifications, orders issued under this Act.

Countersigned by
Anan Panyarachun
Prime Minister

RATE OF FEES

- (1) Registration of memorandum of association of the company
- | | |
|--|-------------|
| Every amount not exceeding 1,000,000 baht of the amount of capital | 1,000 baht |
| A fraction of 1,000,000 baht is regarded as 1,000,000 baht | baht |
| Total fee not exceeding | 50,000 baht |
- (2) Registration of an amendment to the memorandum of association for increase of capital before the company registration
- | | |
|---|-------------|
| Every amount not exceeding 1,000,000 baht of the additional amount of capital | 1,000 baht |
| A fraction of 1,000,000 baht is regarded as 1,000,000 baht | |
| Total fee not exceeding | 50,000 baht |
- (3) Company registration
- | | |
|--|--------------|
| Every amount not exceeding 1,000,000 baht of the amount of capital | 1,000 baht |
| A fraction of 1,000,000 baht is regarded as 1,000,000 baht | |
| Total fee not exceeding | 250,000 baht |
- (4) Registration of conversion of a private company
- | | |
|--|-------------|
| Every amount not exceeding 1,000,000 baht of the amount of capital | 1,000 baht |
| A fraction of 1,000,000 baht is regarded as 1,000,000 baht | 50,000 baht |
| Total fee not exceeding | |
- (5) Registration of capital increase
- | | |
|--|--------------|
| Every amount not exceeding 1,000,000 baht of the amount of capital | 1,000 baht |
| A fraction of 1,000,000 baht is regarded as 1,000,000 baht | |
| Total fee not exceeding | 250,000 baht |
- (6) Registration of capital reduction
- | | |
|--|----------|
| | 500 baht |
|--|----------|
- (7) Registration of an amendment to the memorandum of

	association other than the case of capital increase under (2)	500 baht
(8)	Registration of an amendment to the articles of association of the company	500 baht
(9)	Registration of newly-appointed directors, each	500 baht
(10)	Registration of amalgamation of companies	10,000 baht
(11)	Registration of company dissolution	500 baht
(12)	Registration of other matters, each	500 baht
(13)	Issuance of certificate of registration and substitute therefore, each	200 baht
(14)	Inspection of documents of each company, each	50 baht
(15)	Applicant for copies or photocopies with certification, per page	50 baht
	In case of application for copies or photocopies with certification of a company outside the provincial area in which the head office is situated, extra expenses shall be collected as actually incurred.	
(16)	Certificate of text in the register, each	50 baht
	In case of certification of text in the register of a company outside the provincial area in which the head office is situated, extra expenses shall be collected as actually incurred.	
(17)	fees for issuance of documents under the articles of association of the company, each time / copy / page	10 baht

Note: The reason for notifying this Act is that since the Public Limited Company Act B.E.2521 had been enforced for more than 10 years, the establishment of public limited company was not prevalent because some sections do not facilitate the business and industrial operations under the public limited company. Thus, it is appropriate to relax the strictness of such sections in order to promote the flexibility of the establishment or the operations of public limited company, and to separate the case of the offering of shares and bonds to the

public to include in the law regarding the securities and stock market, which is the law regarding the purchase and sale of securities and since a lot of sections in this Act are amended, the enforcement of the law shall be improved at the same time by repealing the Public Limited Company Act B.E.2521 and enacting this Act.

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