

(Translation)*

**PUBLIC LIMITED COMPANIES ACT,
B.E. 2535 (1992)**

BHUMIBOL ADULYADEJ, REX;

Given on the 29th Day of March B.E. 2535;

Being the 47th Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

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

Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly acting as the National Assembly, as follows.

Section 1. This Act is called the “Public Limited Companies Act, B.E. 2535 (1992)”.

Section 2. This Act shall come into force after sixty days as from the date of its publication in the Government Gazette.**

Section 3. The Public Limited Companies Act, B.E. 2521 (1978) shall be repealed.

CHAPTER I

GENERAL PROVISIONS

Section 4. In this Act,

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

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

“Board of Directors” means a board of directors of a public limited company;

“chairman of the board” 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 Commercial Registration*** and shall also include persons entrusted by the Director-General of the Department of Commercial Registration;

* Translation by Dr. Pinai Nanakorn, Faculty of Law, Thammasat University, for the Department of Business Development, Ministry of Commerce

** Published in Government Gazette, Vol. 116, Part 123a, dated 4th December 1999.

*** The Department of Commercial Registration has now become the Department of Business Development.

“competent official” means persons appointed by the Minister to perform activities under this Act;

“Minister” means the Minister having charge and control of the execution of this Act.

Section 5. In the case where this Act provides that any person shall submit any documents or notify any particulars within the time limit, if such person is prevented by any cause of necessity from complying with the time limit and applies for an extension or postponement thereof with an indication of the cause of necessity, the Registrar may, as he deems appropriate, extend or postpone such time limit as is necessary in the particular case.

Section 6. In the case where this Act provides that any person shall be under the obligation, or shall be allowed, to give a notification or notice or make the advertisement or publication of any statement related to any company through the medium of a newspaper for the purpose of knowledge thereof by other persons or general members of the public, such person shall publish such statement for a period of not less than three consecutive days in a Thai-language daily newspaper distributed in the area where the principal business office of such company is located.

In the case where there exists no newspaper described in paragraph one, such person shall instead publish the statement in a Thai-language daily newspaper distributed in Bangkok.

Section 7. In the case where this Act requires any person to send an order, a notice, a letter or any document to other persons, the person so required or the person acting on his behalf may directly send it to the recipient or the person acting on behalf of the recipient or send it by registered post to the recipient at the address of the recipient earlier notified to the sender or, in the absence of such earlier notification, at the address of the domicile of the recipient.

In the case of a despatch by registered post, such order, notice, letter or document shall be deemed to have reached at the time it should have reached in the ordinary course of postal service during the period of such despatch, unless it is proved to the contrary.

Section 8. No advantage may be taken by shareholders or the company against third persons of the existence of any statements or particulars required by this Act to be registered until the registration thereof has been effected by the Registrar, but the shareholders or the company having received performance of an obligation before the registration is not bound to make restitution of the property so received.

Section 9. Amongst shareholders or as between the shareholders and the company, all books, accounts and documents of the company or of the liquidators are presumed to be correct evidence of all matters therein recorded.

Section 10. Every person, upon payment of fees, is entitled to inspect or copy statements in the register or documents kept by the Registrar, require the Registrar to make a certified copy or photocopy of any document or require the Registrar to issue a certificate of any particular registered.

Section 11. A company must perform the following acts:

(1) using a name, which must be preceded by the word “Company” and followed by the word “Limited (Public)” or, alternatively, preceded by the abbreviation “PLC” in lieu of the words “Company” and “Limited (Public)”, provided that in the case of using a name in foreign-language characters, a word connoting “public limited company” as prescribed in the Ministerial Regulation may be used instead;

(2) indicating its name, office address and registration number in letters, advertisements, notices, invoices and receipts;

(3) indicating its name in its seal (if any); and

(4) taking action for its name board to be available at the front side of its principal business office and branch offices (if any) and taking action for such name board to be unavailable in the case where such place is no longer used as its office or branch office or in the case where registration has been effected for the dissolution of the company or of its branch;

Exception of companies engaging in particular types of businesses from complying with the requirement in (1) shall be as prescribed in the Ministerial Regulation.

The action for availability or unavailability of the name board under (4) must be taken within fourteen days as from the date of registration of the company or discontinuance of use of such place as the principal business office or branch office or registration of the dissolution of the company or its branch, as the case may be.

Section 12. No company is permitted to become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership.

Any agreement made in contravention of paragraph one shall be void.

Section 13. If the Registrar considers that the name of any company which applies for registration, whether in Thai or in a foreign language, is identical with or similar to the name of any company or private company which has filed an application for registration or which has been registered, the Registrar shall reject the application for such registration and notify it to the applicant.

Section 14. The Minister of Commerce shall have charge and control of the execution of this Act and shall have the power to appoint competent officials, prescribe forms and issue Ministerial Regulations for the following purposes:

(1) prescribing rules and procedures for the registration and approval of the registration under this Act;

(2) prescribing rates of fees not in excess of the rates annexed hereto;

(3) exempting fees; and

(4) prescribing other activities for the execution of this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

CHAPTER II
FORMATION OF COMPANIES

Section 15. A public limited company is that kind of company which is formed with the intention to offer shares for sale to the public, with the liability of the shareholders being limited to the amount payable on shares, provided that such intention is indicated by such company in the memorandum of association.

Section 16. Any fifteen or more natural persons may, by preparing a memorandum of association and performing other actions under this Act, promote and form a company.

Section 17. Promoters must:

- (1) become *sui juris*;
- (2) have a place of residence in the Kingdom, provided that this requirement is to be satisfied by not less than one half of the promoters;
- (3) subscribe for shares, provided that all shares subscribed must be paid up in money the total amount of which must be not less than five percent of the registered capital;
- (4) not be incompetent or quasi-incompetent persons and not be or have been bankrupts; and
- (5) not have been imprisoned by a final judgment to a term of imprisonment in any offence against property committed dishonestly.

Section 18. The memorandum of association must at least contain the following particulars:

- (1) the name of the company under section 11 (1);
- (2) the intention of the company to offer shares for sale to the public;
- (3) the objects of the company, with a clear indication of types of businesses;
- (4) the registered capital, with the statement of the type, number and value of shares;
- (5) the address of the principal business office, with an indication of a proposed location in the Kingdom; and
- (6) the names, dates of birth, nationalities and addresses of the promoters and the number of shares subscribed by them.

The name of the company must not be under any of the prohibitions prescribed in the Ministerial Regulation.

Section 19. The memorandum of association shall be signed by every promoter and followed by the application to the Registrar for registration thereof.

Any alteration of the memorandum of association registration of which has been effected by the Registrar prior to the application for registration of the formation of a company may only be made upon consent of all promoters and upon application for registration thereof with the

Registrar, which must be carried out prior to the offering of shares for sale to the public or to any person.

Section 20. In the case where any promoter dies or withdraws prior to the completion of a statutory meeting and the remaining promoters intend to proceed further, the following action shall be taken:

(1) finding the replacement person within one month as from the date of the promoter's death or withdrawal, unless the remaining promoters, in the number of not less than that provided in section 16, agree to have no replacement;

(2) notifying subscribers in writing within fourteen days as from the date of the replacement or the date of the agreement by the remaining promoters to have no replacement; and

(3) applying for registration of the alteration of particulars concerning the number and names of the promoters as indicated in the memorandum of association within three months as from the date of the promoter's death or withdrawal.

The withdrawal from a status of a promoter must be upon consent of all promoters.

In the case where the remaining promoters do not intend to proceed further or fail to take action under (1) or (3), the memorandum of association the registration of which has been effected by the Registrar shall cease to have effect as from the date of the promoter's death or withdrawal or the date of the expiration of the time limit under (1) or (3), as the case may be, and the promoters shall notify it to the Registrar and subscribers within fourteen days as from the date the memorandum of association ceases to have effect.

Section 21. In the case where any promoter dies or withdraws, the subscribers may withdraw their subscriptions by a written 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, the subscriber's heirs may withdraw the subscription by a written notice to the promoters within fourteen days as from the date of the subscriber's death unless payment on all shares has been made in full at the time of the subscription or the promoters have issued a letter summoning the statutory meeting.

Section 23. Subject to section 24, when the Registrar has effected registration of the memorandum of association, the promoters may offer shares for sale to the public or to any persons.

CHAPTER III

OFFER OF SHARES FOR SALE TO THE PUBLIC

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

Section 25. The promoters or the company shall furnish a copy of documents related to the offer of shares for sale to the public, which are required to be prepared and

furnished to agencies under the law on securities and securities exchange, to the Registrar within fifteen days as from the date of furnishing the same to such agencies, in accordance with the rules, procedures and conditions prescribed by the Registrar.

CHAPTER IV
STATUTORY MEETING AND REGISTRATION OF A COMPANY

Section 26. Unless otherwise provided, the promoters shall not dispose of the property received as payment on the subscription for shares of the company or expend the money received as payment on the subscription for shares of the company for any purpose.

Section 27. The promoters must summon the statutory meeting when subscriptions for shares have reached the number specified in the prospectus or the document concerning the offer of shares for sale to the public, provided that such specified number must not be less than fifty percent of the number of shares specified in the memorandum of association. The summons of such meeting must be within two months as from the date the subscriptions for shares have reached the specified number but must not be later than six months as from the date on which the Registrar has effected registration of the memorandum of association.

In the case of necessity preventing a summons of the statutory meeting within the time limit under paragraph one, if the promoters intend to proceed further, the promoters must seek an extension of such time limit by submitting to the Registrar a written application describing the reasons therefor not less than seven days prior to the expiration of such time limit, and the Registrar may, where he deems appropriate, grant an extension of the time for a period of not less than one month and not more than three months as from the date of the expiration of such time limit.

If the statutory meeting is not completed within the time limit under this section, the memorandum of association shall cease to have effect at the expiration of such time limit, and the promoters shall return the subscription payments to subscribers within fourteen days as from the date on which the memorandum of association ceases to have effect.

Section 28. In summoning the statutory meeting, the promoters must:

(1) send a written notice summoning the meeting to subscribers to whom shares have been allotted not less than fourteen days prior to the date of the meeting, together with the following documents:

- (a) the agenda of the meeting;
- (b) documents, as certified as accurate by two promoters, which are pertinent to the matters to be ratified or approved at the statutory meeting;
- (c) draft articles of association of the company; and

(2) prepare a list of subscribers, indicating their names, nationalities, addresses and the number of shares the subscription for which has been accepted by the promoters, for inspection by subscribers on the date of the statutory meeting at the place of the meeting.

Upon sending the notice summoning the meeting together with the supporting documents to subscribers, the promoter must furnish a copy of such notice and documents to the Registrar not less than seven days prior to the date of the meeting.

Section 29. In the case where, in sending the notice summoning the meeting, the dispatch is made by registered post, if deficiency occurs within the limit not in excess of five percent of the number of shares already allotted and not in excess of five percent of the number of subscribers to whom shares have been allotted and the notice summoning the meeting has been published in a newspaper not less than three days prior to the date of the meeting, it shall be deemed that such notice summoning the meeting has duly been sent.

Section 30. Articles of Association of the company must not be contrary to or inconsistent with the memorandum of association and the provisions of this Act, and must at least specify the following matters:

- (1) issuance of shares and transfers of shares;
- (2) meetings of shareholders;
- (3) the number, method of election, term of office, vacation of office before the expiration of term, meetings and powers of directors;
- (4) accounting, financing and auditing;
- (5) issuance of preference shares (if any); and
- (6) conversion of preference shares into ordinary shares (if any).

Section 31. Subject to section 19 paragraph two, the company may alter its memorandum of association or articles of association upon a resolution being passed to that effect at the meeting of shareholders with the votes of not less than three-fourths of the total votes of shareholders attending the meeting and having the right to vote.

In altering the memorandum of association or articles of association of the company, the company shall apply for registration of such alteration within fourteen days as from the date of the resolution being passed by the meeting.

Section 32. The statutory meeting must be held in the locality where the principal business office of the company is intended to be situated or in a nearby province, and the presence of subscribers having shares in the aggregate number of not less than one half of the number of subscribed shares is required to constitute a quorum.

In the case where the quorum is not constituted by reason of the deficient presence of subscribers under paragraph one, the promoters shall send a written notice summoning another meeting to subscribers within fourteen days as from the date of the first meeting but not less than seven days prior to the date of the meeting.

Section 33. The subscribers to whom shares have been allotted by the promoters have the right to attend and vote at the statutory meeting.

Any subscriber who has any particular interest in any matter is not entitled to vote on such matter unless it is the case of voting on the election of directors.

The resolution of the statutory meeting shall be by a majority of votes of subscribers present at the meeting and entitled to vote. In the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

In voting, each subscriber shall have the same number of votes as that of the shares subscribed, on the basis that one share shall carry one vote.

Voting shall be conducted openly, except that voting shall be by secret ballot where so requested by not less than five subscribers and so resolved by the meeting, in which case the procedure for voting by secret ballot shall be as determined by the person presiding over the meeting.

Section 34. At a meeting of subscribers, a subscriber may appoint a person who is *sui juris* as proxy for the purpose of attending the meeting and voting on the subscriber's behalf. The appointment of a proxy must be made in writing signed by the person appointing the proxy and deposited with the person designated by the promoters at the place of the meeting before the proxy attends the meeting.

The written instrument appointing a proxy shall be in accordance with the form prescribed by the Registrar and shall at least contain the following particulars:

- (1) the number of shares held by the person appointing the proxy;
- (2) the name of the proxy; and
- (3) the meeting which the proxy is authorised to attend and at which the proxy is authorised to vote.

In voting, the proxy shall be deemed to have the same number of votes as the aggregate number of votes of the subscribers appointing the proxy, unless the proxy declares at the meeting prior to voting that the proxy intends to vote on behalf of only some of the subscribers appointing him as proxy, with an indication of the names of the subscribers appointing the proxy and the number of shares held by the subscribers appointing the proxy.

Section 35. The business to be transacted at the statutory meeting is the following:

- (1) considering articles of association of the company;
- (2) ratifying the business having been undertaken by the promoters and approving expenses incurred in the formation of the company;
- (3) fixing the amount of money to be paid to the promoters, if it is so indicated in the prospectus;
- (4) fixing the nature of preference shares (if any);
- (5) fixing the number of ordinary shares or preference shares to be allotted to any persons as if they were fully paid-up by reason that such persons have given any property other than money or given or granted a licence of copyright in any literary, artistic or scientific works, patents, trademarks, designs or models, drawings, formulae or secret processes or provided information in relation to experience in the field of industry, commerce or science;
- (6) electing directors; and
- (7) electing auditors and fixing remuneration for an audit of the company.

Section 36. The election of directors shall be as provided in section 70.

Section 37. The promoters must hand over all the business and documents of the company to the board of directors within seven days as from the date of the completion of the statutory meeting.

Upon taking the business and documents, the board of directors shall give a written notice demanding the subscribers to make full payment on shares within the time specified therein which must not be less than fourteen days as from the date of receipt of the written notice and demanding subscribers agreeing to make payment on shares in the form of any property other than money to transfer the ownership in such property or make evidential documents entitling the company to exercise rights, in accordance with the procedures and within the time specified in such written notice, which must not be less than one month as from the date of the registration of the company.

No payment on shares may be set off against the promoters or the company.

Section 38. If any subscriber fails to make payment on shares or fails to transfer the ownership in the property to the company in accordance with section 37 paragraph two, the board of directors shall give such subscriber a written notice demanding the payment on shares or the transfer of the ownership in the property to the company or the preparation of evidential documents entitling the exercise of rights by the company within fourteen days as from the date of the written notice, with an indication that in the event of failure to take action in accordance with the procedures and within the said time limit the board of directors shall cause such shares to be sold by public auction.

At the expiration of the time limit under paragraph one, if such subscriber remains in default of payment on shares or has taken no action in transferring the ownership in the property or preparing evidential documents entitling the exercise of rights by the company, the board of directors shall cause such shares to be sold by public auction within seven day as from the date of the expiration of such time limit.

If, after the public auction under paragraph two, the proceeds are less than the value of shares, the board of directors shall demand the deficient amount from the subscriber without delay.

Section 39. Upon the received payments on shares have reached the number specified in section 27, the board of directors shall apply for registration of the formation of the company within three months as from the date of the completion of the statutory meeting, with the following particulars:

(1) the paid-up capital, with an indication of the total amount of money;

(2) the total number of shares sold, being classified into:

(a) ordinary shares and preference shares (if any), payable in money;

(b) ordinary shares or preference shares (if any), payable in the form of any property other than money, with an accompanying indication of the basis of valuation of such property; and

(c) ordinary shares or preference shares (if any), payable under the procedure under section 35 (5), with an accompanying indication of brief particulars thereof;

(3) names, dates of birth, nationalities and addresses of directors;

(4) names and the number of directors with the power to enter signatures on behalf of the company and the restrictions on powers (if any) as specified in the articles of association; and

(5) the locations of the principal business office and branch offices (if any).

In applying for the registration under paragraph one, the board of directors shall also enclose the articles of association and a list of shareholders, with an indication of their names, nationalities, addresses, the number of shares held, reference numbers of share certificates and the minutes of the statutory meeting.

Section 40. In the case of an alteration of any particulars indicated under section 39 paragraph one, the company shall apply for registration of the alteration of such particulars within fourteen days as from the date of the alteration.

Section 41. The company registered under this Act shall become a juristic person as from the date on which the registration is effected by the Registrar.

Section 42. The company has the powers to carry out any acts within the scope of its objects and, unless otherwise provided by the articles of association, such powers shall include the powers to carry out the following acts:

(1) being a plaintiff, making a complaint or taking any proceedings on behalf of the company;

(2) purchasing, procuring, taking, taking on hire, taking on a hire-purchase, owning, possessing, improving, using or otherwise managing any property, including fruits thereof;

(3) selling, transferring, mortgaging, pledging, exchanging and otherwise disposing of property;

(4) borrowing, guaranteeing, issuing, transferring and indorsing bills or other negotiable instruments;

(5) making a request for a provisional release of directors, officials or employees against whom legal proceedings have been taken on any charge related to their performance of duties for the company;

(6) holding shares, managing other companies or private companies and engaging in specific business with other companies or private companies; and

(7) performing any other acts which natural persons are permitted to perform, unless the nature of such acts only permits performance by natural persons, within the scope of the objects of the company.

Section 43. Subject to section 44, the board of directors may not dispose of the property received as payment on the subscription for shares of the company or appropriate the money received as payment on the subscription for shares of the company to any business before the registration of the company is effected by the Registrar, except for the expenses approved by the statutory meeting.

Section 44. If the application for registration of the company is not made within the time limit under section 39 or the Registrar gives an order rejecting the registration and such order becomes final, it shall be deemed that such company has not been formed and the board of directors shall act as follows:

(1) return the money received as payment on the subscription for shares to the subscribers, in the case where the subscription payment has been received in money;

(2) transfer the ownership in the property back to the subscribers, in the case where the subscription payment has been received in the form of the property other than money; and

(3) return the copyright in any literary, artistic or scientific works, patents, trademarks, designs or models, drawings, formulae or secret processes or return the information in relation to experience in the field of industry, commerce or science to the persons providing or licensing the same, or, if such return is not possible, make compensation therefor in a reasonable amount of money or as required by a contract if such a contract has been made;

provided that the said action shall be taken within one month as from the date of the expiration of such time limit.

In the case where the company is not formed by reason of the order of the Registrar which has not resulted from any fault of the promoters or the board of directors, the board of directors may, prior to the return of the money received as payment on the subscription for shares under (1), deduct therefrom the expenses approved at the statutory meeting.

Section 45. Directors must be jointly and unlimitedly liable for the failure to comply with section 44 and shall be liable for payment of interest as from the date of the expiration of the time limit under section 44.

In the case where any director can prove that the failure to comply with section 44 is not attributable to his fault, such director is not liable under paragraph one.

Section 46. The promoters must be jointly liable for all the business transacted in connection with the formation of the company if the statutory meeting cannot be completed and must be jointly and unlimitedly liable for all the debts and payments not approved at the statutory meeting.

Section 47. When the company has been registered, shareholders may not apply to the Court for revocation of their purchase of shares on the ground of mistake, duress or fraud.

Section 48. In the case where the company establishes a branch office for operating its business in or outside the Kingdom, application shall be made for registration of the branch office prior to the operation of the business.

In the case where the company dissolves its branch office, application shall be made for registration of the dissolution of the branch office within fourteen days as from the date of the dissolution thereof.

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

CHAPTER V
SHARES AND SHAREHOLDERS

***Section 50.** Each share of the company shall have an equal value.

Section 51. In the case where the company intends to offer shares for sale at a price higher than the registered par value, the company must cause subscribers to remit the amount in excess of the par value together with the payment on shares and must appropriate such excessive amount to the surplus reserve fund in separation from the reserve fund under section 116.

Section 52. A company which has been in operation for not less than one year may, in case of suffering a loss, offer shares for sale at a price lower than its registered par value upon:

- (1) approval by a meeting of shareholders;
- (2) the discount rate having been clearly determined and also indicated in the prospectus; and
- (3) compliance with section 137 *mutatis mutandis*.

Section 53. Shares are indivisible.

If two or more persons subscribe for or own one or more shares in common, such persons must be jointly liable to remit payment on shares and the amount in excess of the par value and must appoint only one of them to exercise their rights as subscribers or shareholders, as the case may be.

Section 54. Subject to section 35 (5) and section 52, every share must be paid for to its full value by a one-time payment.

In making payment on shares, subscribers for shares or purchasers of shares may not claim any set-off against the company.

****Section 54/1.** The provisions of section 54 paragraph two shall not apply to the case where the company undertakes debt restructuring by issuing new shares for payment of debts to the creditors under a debt-to-equity conversion plan approved at a meeting of shareholders with the votes of not less than three-fourths of the total votes of the shareholders present at the meeting and entitled to vote.

The issuance of new shares for payment of debts and the debt-to-equity conversion plan under paragraph one shall be in accordance with the rules and procedures prescribed in the Ministerial Regulations.

Section 55. The company shall issue and deliver share certificates to purchasers within two months as from the date on which the registration of the company is effected by the Registrar or as from the date on which payments on shares have fully been received in the

* As amended by section 3 of the Public Limited Companies (No. 2) Act, B.E. 2544 (2001).

** Added by section 4 of the Public Limited Companies (No. 2) Act, B.E. 2544 (2001).

case where the company sells the remaining shares or sells new shares subsequent to the registration of the company.

No share certificates may be issued to any person until the registration of the company or the registration of the increase of capital and such person has fully made payment on shares.

Share certificates issued in contravention of the provisions of paragraph two are void.

Section 56. A share certificate must at least contain the following particulars:

- (1) the name of the company;
- (2) the registration number of the company and the date on which the registration of the company has been effected by the Registrar;
- (3) the types, value, reference numbers and number of shares;
- (4) the name of the shareholder;
- (5) the signature of at least one director affixed or printed thereon, provided that the director may entrust the Shares Registrar under the law on securities and securities exchange to affix or print the Shares Registrar's signature on behalf of the director; and
- (6) the date of issuance of the share certificate.

Section 57. A company may not impose any restrictions on a transfer of shares except such restrictions are imposed for the purpose of preserving rights and benefits which the company may enjoy under the law or for the purpose of maintaining a ratio of shareholdings between Thais and foreigners.

The promoters may not transfer shares purchased under section 17 (3) prior to the expiration of two years as from the registration of the company, unless upon approval by a meeting of shareholders.

Section 58. A transfer of shares is valid upon the endorsement of the share certificate by the transferor, with an indication of the name of the transferee and the signatures of the transferor and of the transferee being affixed thereon, and upon the delivery of the share certificate to the transferee. The transfer may be set up against the company upon receipt by the company of a request for an entry of the transfer of shares in the register but may be set up against a third person upon an entry by the company of the transfer of shares in the register. In this regard, if the company considers that the transfer of shares is duly made in accordance with the law, the company shall enter the transfer of shares in the register within fourteen days as from the date of receipt of such request, or if the company considers that the transfer is not duly or validly made the company shall notify it to the requester within seven days.

In the case where the transferee wishes to have a new share certificate issued, the transferee shall make to the company a request in writing signed by the transferee, with a signature of at least one witness in certification of such signature, and surrender the original share certificate or other evidence to the company. In this regard, if the company considers that the transfer of shares is duly made in accordance with the law, the company shall enter the transfer of shares in the register within seven days as from the date of receipt of the

request and shall issue a new share certificate within one month as from the date of receipt of such request.

Section 59. In the case where a shareholder of the company dies or becomes bankrupt and, in consequence thereof, any other person becomes entitled to the shares, the company shall, upon proper evidence being completely produced by such person, enter the entitlement in the register and issue a new share certificate within one month as from the date of receipt of complete evidence.

Section 60. During the period of twenty one days prior to the date of a meeting of shareholders, a company may decide to cease any entry of transfers of shares in the register, provided that prior notification of such decision must be made to shareholders at the principal business office and every branch office of the company not less than fourteen days prior to the date on which the cessation of an entry of transfers of shares commences.

Section 61. A company must keep a register of shareholders which must at least contain the following particulars:

- (1) the names, nationalities and addresses of shareholders;
- (2) the types, value, reference number and number of shares; and
- (3) the date on which each person was entered in the register as a shareholder or as having ceased to be a shareholder.

Section 62. A company shall keep the register of shareholders and evidence pertinent to all entries in the register at its principal business office but the company may entrust any person to keep the register of shareholders and evidence pertinent to all entries in the register on behalf of the company at any place, provided that shareholders and the Registrar must be notified of the keeper of such register.

In the case where the register of shareholders is lost, defaced or substantially damaged, the company shall notify the Registrar within fourteen days as from the date on which such loss, defacement or damage becomes or ought to have become known to the company and shall complete the preparation or repair of the register of shareholders within one month as from the date of such notification.

The register of shareholders shall be presumed to be correct.

Section 63. A shareholder has the right to examine particulars in the register of shareholders and evidence pertinent to the entries in the register during office hours of the keeper of the register of shareholders. For this purpose, the keeper of the register of shareholders may specify the examination period, provided that it shall not be less than two hours a day.

In the case where a shareholder has made a request for a copy, certified by the company as correct, of the register of shareholders in whole or in part or has made a request for issuance of a new share certificate in replacement of the lost, defaced or substantially damaged share certificate and has paid the company the fees in accordance with its articles of association, the company must cause it to be made for or issued to the shareholder within fourteen days as from the date of the request.

The fees in accordance with the articles of association of the company under paragraph two must not be in excess of the rates prescribed in the Ministerial Regulations.

Section 64. A company must file with the Registrar a list of shareholders existing on the date of the annual ordinary meeting, with the particulars under section 39 paragraph two, within one month as from the date of the completion of the meeting.

Section 65. Preferential rights attributed to shares already issued may not be altered.

No conversion of a preference share into an ordinary share may be made unless otherwise provided by the articles of association of the company, in which case the conversion shall be made upon the submission to the company of the shareholder's request for a share conversion and the surrender of the share certificate.

The conversion of shares under paragraph two shall be effective as from the date of the request. For this purpose, the company shall issue a new share certificate to the requester within fourteen days as from the date of receipt of the request.

Section 66. A company may not own its own shares or take its own shares in pledge.

***Section 66/1.** The provisions of section 66 insofar as they prohibit a company from owning its own shares shall not apply if it is any of the following cases:

(1) the company may repurchase shares from the shareholders who vote against the resolution of the meeting of shareholders for the alteration of the company's articles of association in the matters related to the right to vote and the right to receive dividends which are considered by such shareholders to be unfair to them; or

(2) the company may repurchase shares for the purpose of financial administration when it has accumulated profits and surplus liquidity and such repurchase does not result in any financial difficulty on the part of the company.

Shares as held by the company shall be disregarded in the computation of a quorum of a meeting of shareholders and shall not carry any right to vote or any right to receive dividends.

The shares repurchased under paragraph one must be disposed of within the time prescribed in the Ministerial Regulations. If they are not disposed of or are unable to be fully disposed of within the time prescribed, the company shall reduce its paid-up capital by deduction therefrom the registered shares not disposed of.

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

* Added by section 5 of the Public Limited Companies (No. 2) Act, B.E. 2544 (2001).

CHAPTER VI
BOARD OF DIRECTORS

Section 67. A company must, for the operation of its business, have a board of directors consisting of at least five directors, provided that not less than one half of the total number of directors must have a residence in the Kingdom.

Section 68. A director must be a natural person and :

- (1) become *sui juris*;
- (2) not be a bankrupt, an incompetent person or a quasi- incompetent person;
- (3) not have been imprisoned by a final judgment to a term of imprisonment for an offence against property committed dishonestly; and
- (4) not have been punished by an expulsion or removal from the governmental service or a State organisation or agency on the ground of corrupt practices in official duties.

Section 69. There shall not be imposed any restrictions which have the effect of precluding a shareholder from becoming a director.

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

- (1) each shareholder has the same number of votes as that of the shares held by such shareholder multiplied by the number of directors to be elected;
- (2) each shareholder may cast the total number of votes under (1) for electing one or more persons as director or directors, and in the case of electing more persons as directors, votes may be appropriated to any person in any number at the shareholder's pleasure; and
- (3) the persons who received the highest votes in the respective order are elected as directors in accordance with the intended number of directors; and, in the case where any persons so elected in a next lower order have equal votes such that the number of the elected persons exceeds the number of directors intended to be elected, then an election shall be made by drawing lots for the purpose of achieving the intended number of directors.

In the case where the procedures for electing directors are otherwise provided in the articles of association of the company, such articles of association must not contain anything to the effect of precluding the right of shareholders to vote in an election of directors.

Section 71. At every annual ordinary meeting of shareholders, there shall be an election of the board of directors *en masse* on the same occasion, provided that the original board of directors may remain in office to serve as the acting board of directors in furtherance of the operation of the business of the company for the time being and to the extent necessary until the new board of directors takes office.

The provisions of paragraph one shall not apply to the case where the procedures for an election of directors are provided in the articles of association of the company differently from those provided in section 70, in which case one-third of the number of directors shall vacate office. If the number of directors is not a multiple of three, then the number nearest to one-third shall vacate office.

The directors to vacate office in the first and second years following the registration of the company shall, unless otherwise provided in the articles of association, be drawn by lots. In every subsequent year, the directors who have been longest in office shall vacate office.

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

Section 72. In addition to vacating office at the expiration of the term under section 71, a director vacates office upon:

- (1) death;
- (2) resignation;
- (3) being disqualified or being under any of the prohibitions under section 68;
- (4) being removed by a resolution of a meeting of shareholders under section 76; or
- (5) being removed by an order of the Court.

Section 73. Any director intending to resign shall submit a resignation letter to the company. The resignation takes effect as from the date on which the resignation letter reaches the company.

The director having resigned under paragraph one may also notify the Registrar of his resignation.

Section 74. In the case where directors vacate office *en masse*, the outgoing board of directors shall remain in office to serve as the acting board of directors in furtherance of the operation of the business of the company to the extent necessary until the new board of directors takes office, unless otherwise ordered by the Court in the case where the board of directors vacates office under section 72 (5).

The outgoing board of directors must cause to be held a meeting of shareholders for electing a new board of directors within one month as from the date of the vacation of office and, for this purpose, send shareholders a written notice summoning a meeting not less than fourteen days prior to the date of the meeting.

Section 75. Subject to section 83, in the case where the office of a director becomes vacant by any reason other than the expiration of the term, the board of directors shall elect a person possessing the qualifications and being under no prohibitions under section 68 as a replacing director at the next meeting of the board of directors, unless the remaining term of office of such director is less than two months.

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

The replacing director under paragraph one shall hold office only for the remaining term of the replaced director.

Section 76. A meeting of shareholders may pass a resolution removing any director from office prior to the expiration of the term, with the votes of not less than three-fourths of the number of shareholders present at the meeting and entitled to vote and also with the aggregate number of shares of not less than one half of the number of shares held by the shareholders present at the meeting and entitled to vote.

Section 77. The board of directors has the power and duties to manage the company in accordance with its objects and articles of association and resolutions of meetings of shareholders.

The board of directors may entrust one or more directors or any other persons to perform any act on behalf of the board of directors, unless it is clearly indicated in the articles of association of the company that the board of director shall not have such power.

Section 78. The board of directors shall elect one of the directors as chairman of the board.

In the case where the board of directors deems appropriate, the board of directors may elect one or more directors to assume vice-chairmanship. A vice chairman has the duties as specified in the articles of association in respect of the business entrusted by the chairman of the board.

Section 79. The board of directors must meet at least once every three months at the locality where the principal business office of the company is located or in a nearby province, unless the articles of association of the company require meetings to be held elsewhere.

Section 80. At 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 quorum. In the case where the chairman of the board is not present at the meeting or is unable to perform the duty, a vice chairman, if any, shall preside over the meeting. If there is no vice chairman or there is a vice chairman but the vice chairman is unable to perform the duty, the directors present at the meeting shall elect one amongst themselves to preside over the meeting.

A decision of a meeting shall be by a majority of votes.

In casting votes, each director shall have one vote, provided that any director who has any interest in a particular matter may not vote on such matter. In the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

Section 81. Meetings of the board of directors shall be summoned by the chairman of the board.

If a request is made by at least two directors for a summons of a meeting of the board of directors, the chairman of the board shall fix the date of the meeting within fourteen days as from the date of the request.

Section 82. In summoning a meeting of the board of directors, the chairman of the board or the person entrusted shall send a written notice summoning a meeting to directors not less than seven days prior to the date of the meeting except that, in the case of necessity or urgency for the purpose of protecting rights or benefits of the company, a summons of a meeting may be notified by other means and an earlier date of the meeting may be fixed.

Section 83. In the case where vacancies in the board of directors result in the number of directors being below the number required to constitute a quorum of a meeting, the remaining directors may act in the name of the board of directors only in respect of the arrangements for holding a meeting of shareholders for the purpose of electing directors to fill all the vacancies.

The meeting under paragraph one shall be held within one month as from the date on which the vacancies resulting in the number of directors being below the number required to constitute a quorum has occurred.

The persons elected as directors to fill the vacancies under paragraph one may hold office only for the remaining term of the replaced directors.

Section 84. All business of the company as done by its board of directors or directors or persons entrusted by the board of directors on behalf of the company shall be valid and binding upon the company notwithstanding that it appears thereafter that there was some defect in connection with the election, appointment or qualifications of the directors.

Section 85. In the operation of the business of the company, directors must perform duties in accordance with the law, the objects and articles of association of the company and resolutions of meetings of shareholders and with integrity, honesty and due care in the protection of benefits of the company.

In the case where any director does any act or omits to do any act which is tantamount to the non-compliance with paragraph one, the company or the shareholders, as the case may be, may take the following action:

(1) if such act or omission causes loss to the company, the company may claim compensation from such director;

provided that in the case where the company fails to make a claim therefor, one or more shareholders holding the aggregate number of shares of not less than five percent of the total number of shares sold may notify the company in writing demanding the company to make a claim and, where the company fails to take action as notified by the shareholders, such shareholders may institute an action for claiming compensation on behalf of the company; and

(2) if such act or omission threatens to cause loss to the company, one or more shareholders holding the aggregate number of shares of not less than five percent of the total number of shares sold may apply to the Court for an order restraining such act.

In the case where the action under paragraph two is taken by the shareholders, the shareholders may apply to the Court for an order that such director be removed from office.

The shareholders taking action under paragraph two and paragraph three must hold shares of the company at the time of such director's act or omission which causes loss or threatens to cause loss to the company, as the case may be.

Section 86. A director must not, whether on his own account or on account of a third person, undertake any business of the same nature as and competing with that of the company, become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or become a director of a private company or any other company undertaking any business of the same nature as and competing with that of the company, unless such fact has been notified to the meeting of shareholders prior to the resolution electing such director.

In the case where any director contravenes the provisions of paragraph one, the company may claim from such director compensation for loss suffered by the company, provided that an action must be entered within one year as from the date on which the contravention becomes known to the company and not later than two years as from the date of the contravention.

In the case where the company fails to exercise its right to make a claim under paragraph two, one or more shareholders holding the aggregate number of shares of not less than five percent of the total number of shares sold may notify the company in writing demanding the company to make a claim. If the company fails to take action as notified by the shareholders within one month as from the date of the notification or if less than one month remains in the period of prescription therefor, such shareholders may exercise the right to make a claim on behalf of the company and section 85 paragraph two (2) and paragraph three shall apply *mutatis mutandis*.

Section 87. In the case where any director purchases any property of the company, sells any property to the company or enters into any business transaction with the company, whether on his own account or on account of a third person, such purchase, sale or business transaction shall not, in the absence of the consent of the board of directors, be binding upon the company.

Section 88. A director shall notify to the company without delay in any of the following cases:

(1) having any direct or indirect interest in any contract made by the company during an accounting year, provided that the notification in this case shall indicate facts concerning the nature of the contract, names of the parties thereto and the interest of the director in such contract (if any); or

(2) holding shares or debentures in the company or an affiliated company, provided that the notification in this case shall indicate the increasing or decreasing number of shares during an accounting year (if any).

Section 89. A company shall not grant a loan of money to its directors, members or employees unless:

(1) it is a loan of money granted in accordance with regulations on members' and employees' assistance schemes; or

(2) it is a loan of money granted in accordance with the law on commercial banking, the law on life assurance or other laws.

Granting a loan of money in the following cases shall be deemed as granting a loan of money to directors, members or employees of the company under paragraph one:

(a) granting a loan of money to a spouse or a child who is not *sui juris* of a director, member or employee;

(b) granting a loan of money to an ordinary partnership in which a director, member or employee or a spouse or a child who is not *sui juris* of such director, member or employee is a partner;

(c) granting a loan of money to a limited partnership in which a director, member or employee or a spouse or a child who is not *sui juris* of such director, member or employee is a partner with unlimited liability; or

(d) granting a loan of money to any other company or a private company in which a director, member or employee or a spouse or a child who is not *sui juris* of such director, member or employee holds shares in the aggregate number of more than one half of the total number of shares of such other company or private company.

Granting a loan of money under paragraph one also includes giving a guarantee for a purchase or discount of bills and providing securities in connection with a loan of money.

Section 90. A company shall not pay money or give any other property to directors unless it is the payment of remuneration under the articles of association of the company.

In the case where it is not specified in the articles of association, payment of remuneration under paragraph one shall be in accordance with resolutions of meetings of shareholders with the votes of not less than two-thirds of the total votes of the shareholders present at the meeting.

Section 91. Directors shall be jointly liable for any loss caused to the company in any of the following cases:

(1) calling subscribers to make payment on shares or to transfer ownership in property to the company in contravention of section 37 or section 38;

(2) spending the money paid on shares or disposing of the property received as payment on shares of the company in contravention of section 43;

(3) carrying out any act in contravention of section 85;

(4) granting a loan of money in contravention of section 89;

(5) making payment of money or giving any other property to directors in contravention of section 90;

(6) making payment of dividends to shareholders in contravention of section 115 or doing the act engendering the liability under section 118 unless it is proved that the act has been done in good faith and in reliance on evidence or a financial report certified as correct by the chairman of the board or the company's financial officer or auditor; or

(7) failing to prepare or keep books, registers or documents of the company in accordance with this Act unless it is proved that they have taken reasonable steps to prevent such contravention.

Section 92. A director shall not be liable under section 91 in any of the following cases:

(1) it is proved that he did not take part in the act concerned or such act was done without reliance on any resolution of a meeting of the board of directors; or

(2) he has raised an objection at a meeting of the board of directors as apparent in the minutes of the meeting or has submitted a written objection to the person presiding over the meeting within three days as from the end of the meeting.

Section 93. In the case where a director is liable for any loss caused to the company under section 91 (6), such director has the right to claim a refund of the excess amount of dividends from the shareholders having received the same with the knowledge that the payment was made in contravention of section 115 or that it was the act engendering liability under section 118.

Section 94. Directors shall be jointly liable for any loss caused to shareholders or persons connected with the company in any of the following cases, unless it is proved that they had no part in such culpable act:

(1) making a representation of any fact which is false or concealing any fact which should be revealed in relation to the financial standing and business operation of the company in any offer for sale of shares, debentures or financial instruments of the company;

(2) making a representation of any fact or making an entry of particulars in a document filed with the Registrar with a falsehood therein or with discrepancy with the company's accounts, registers or documents; or

(3) preparing a balance-sheet, a profit and loss account, minutes of a meeting of shareholders or minutes of a meeting of the board of directors with a falsehood therein.

Section 95. Any director who did any act authorised, approved or ratified by a resolution of a meeting of shareholders shall not be liable for such act to the company, shareholders or creditors of the company notwithstanding any cancellation of such resolution thereafter.

Section 96. A company must make available and keep a register of directors, the minutes of meetings of the board of directors and the minutes of meetings of shareholders at the principal business office of the company but the company may entrust any person to keep such documents and register on its behalf at any place, provided that prior notification thereof shall be given to the Registrar and the same shall be kept in the locality where the its principal business office is located or in a nearby province.

The register of directors must at least contain the following particulars:

(1) names, dates of birth, nationalities and addresses of directors;

(2) the types, value, reference numbers of share certificates and number of shares held by each director; and

(3) the dates of becoming and ceasing to become directors.

The Board of directors shall cause the minutes of a meeting of the board of directors and the minutes of a meeting of shareholders to be completely prepared within fourteen days as from the date of the meeting.

Section 97. Unless otherwise provided in this Chapter, the relationships between directors and the company and between the company and a third person shall be in accordance with the Civil and Commercial Code concerning Agency.

CHAPTER VII MEETINGS OF SHAREHOLDERS

Section 98. The board of directors must cause an annual ordinary meeting of shareholders to be held within four months as from the date on which the accounting year of the company ends.

Meetings of shareholders other than the one under paragraph one shall be called extraordinary meetings.

Section 99. The board of directors may summon an extraordinary meeting whenever it deems appropriate.

Section 100. Shareholders holding shares in the aggregate number of not less than one-fifth of the total number of shares sold, or not less than twenty five shareholders holding shares in the aggregate number of not less than one-tenth of the total number of shares sold, may, by subscribing their names, make a written requisition to the board of directors for summoning an extraordinary meeting at any time, provided that reasons for requisitioning a summons of a meeting shall also be clearly indicated therein. In such case, the board of directors must cause a meeting of shareholders to be held within one month as from the date of receipt the written request from the shareholders.

Section 101. In summoning a meeting of shareholders, the board of directors shall prepare a notice summoning the meeting, with an indication of the place, date, time and agenda of the meeting and matters to be submitted to the meeting, together with reasonable details and a clear indication as to whether such matters are to be submitted for information, approval or consideration, as the case may be, as well as opinions of the board of directors on such matters, and shall send such notice to the shareholders and the Registrar not less than seven days prior to the date of the meeting, provided that the notice summoning the meeting shall also be published in a newspaper not less than three days prior to the date of the meeting.

The place for the meeting under paragraph one must be in the locality where the principal business office of the company is located or in a nearby province, unless otherwise provided in the articles of association.

Section 102. A shareholder has the right to attend and vote at a meeting of shareholders but may appoint another person as proxy for attending and voting at the meeting. For this purpose, section 33 paragraph two, paragraph four and paragraph five and

section 34 shall apply *mutatis mutandis*. In the case of an appointment of a proxy, the written instrument appointing the proxy shall be submitted to the chairman of the board or the person designated by the chairman of the board.

* In voting under paragraph one, the requirement to the effect that one share shall carry one vote shall not apply to the case where the company issues preference shares on the proviso that the right to vote accorded thereto shall be inferior to that accorded to ordinary shares.

Section 103. Unless otherwise provided in this Act, at a meeting of shareholders, the presence of not less than twenty five shareholders and their proxies (if any) or not less than one half of the total number of shareholders, with the aggregate number of shares of not less than one-third of the number of shares sold, is required to constitute a quorum.

In the case where, at any meeting of shareholders, it appears that after an hour from the appointed time the quorum is not constituted by the presence of shareholders as prescribed under paragraph one, the meeting, if summoned upon the requisition of shareholders under section 100, shall be dissolved. If the meeting of shareholders had not been summoned upon the requisition of shareholders under section 100, another meeting shall be summoned, and a written notice summoning the meeting shall be sent to the shareholders not less than seven days prior to the date of the meeting. At such subsequent meeting, no quorum is required to be constituted.

Section 104. The chairman of the board shall preside over a meeting of shareholders. In the case where the chairman of the board is not present or is unable to perform the duty, a vice chairman, if any, shall preside over the meeting. If there is no vice chairman or there is a vice chairman but the vice chairman is unable to perform the duty, the shareholders present at the meeting shall elect one amongst themselves to preside over the meeting.

Section 105. The person presiding over a meeting of shareholders has the duty to monitor the meeting to ensure its compliance with the company's articles of association concerning meetings. For this purpose, a meeting must be conducted in order of the business listed in the agenda as specified in the written notice summoning the meeting, unless the meeting passes a resolution reshuffling the order of business in the agenda, with the votes of not less than two-thirds of the number of shareholders present at the meeting.

Upon completion of the consideration of all the business at the meeting under paragraph one, the shareholders holding the aggregate number of shares of not less than one-third of the total number of shares sold may request the consideration at the meeting of other business in addition to that specified in the notice summoning the meeting.

In the case where the consideration of the business in order of the agenda under paragraph one is unfinished or the consideration of the business proposed by the shareholders under paragraph two is unfinished, as the case may be, and an adjournment of its consideration is necessary, the meeting shall fix the place, date and time of the next meeting and the board of directors shall send a written notice summoning a meeting, with an

* Added by section 6 of the Public Limited Companies (No. 2) Act, B.E. 2544 (2001).

indication of the place, date, time and the agenda of the meeting to the shareholders not less than seven days prior to the date of the meeting, provided that the notice summoning the meeting shall also be published in a newspaper not less than three days prior to the date of the meeting.

Section 106. Section 29 shall apply *mutatis mutandis* to the sending of a written notice summoning a meeting provided in this Chapter.

Section 107. Unless otherwise provided in this Act, a resolution of a meeting of shareholders requires votes as follows:

(1) in a normal case, a majority of votes of the shareholders present and voting at the meeting is required, provided that in the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote;

(2) in any of the following cases, votes of not less than three-fourths of the total number of votes of shareholders present at the meeting and entitled to vote are required:

(a) selling or transferring the undertaking of the company, in whole or in substantial part, to any other person;

(b) purchasing or taking a transfer of the undertaking of any other company or a private company to be owned by the company; or

(c) concluding, modifying or terminating any contract concerning the granting of a lease of the company's undertaking in whole or in substantial part, the entrusting of any other person to manage the business of the company, or an amalgamation of the undertaking with any other person with a view to sharing profits and loss;

(3) in the case where a resolution of a meeting of shareholders in respect of any particular matter is otherwise specified by the company's articles of association to the effect of requiring a greater number of votes than that provided in (1) or (2), such requirement shall be complied with.

Section 108. At any meeting of shareholders, if the meeting was summoned or a resolution was passed without complying with or in contravention of the articles of association of the company or the provisions of this Act, not less than five shareholders or the shareholders holding the aggregate number of shares of not less than one-fifth of the total number of shares sold may apply to the Court for an order cancelling the resolution of such meeting, provided that such application must be made to the Court within one month as from the date on which the resolution was passed.

In the case where the Court renders a judgment for a cancellation of the resolution of the meeting of shareholders under paragraph one, the company shall notify it to the shareholders within one month as from the date of the final judgment of the Court.

CHAPTER VIII
ACCOUNTS AND REPORTS

Section 109. A company must cause accounts to be made and kept and have the audit under the law on that particular matter.

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

The balance-sheet and the profit and loss account must contain particulars and definitions of particulars as prescribed in the Ministerial Regulations.

Section 111. In the case where the company has not received payments on shares up to the full amount of its registered capital, it shall clearly indicate, in the following documents of the company, the amount of its registered capital, the number of its registered shares and the amount of money received from the shares sold and paid up:

- (1) a balance-sheet; and
- (2) other documents indicating its financial status therein.

Section 112. The board of directors must cause to be made a balance-sheet and a profit and loss account as of the end of the company's accounting year to be submitted to an annual ordinary meeting of shareholders for consideration and approval.

The board of director shall have the balance-sheet and the profit and loss account as made under paragraph one or as made during the accounting year to be submitted to a meeting of shareholders for consideration and approval audited by an auditor prior to their submission to a meeting of shareholders.

Section 113. The board of directors shall send the following documents to shareholders together with a written notice summoning an annual ordinary meeting:

- (1) a copy of a balance-sheet and of a profit and loss account audited by an auditor under section 112 and an audit report of the auditor;
- (2) documents indicating particulars under section 114 (1) and (2) (if any); and
- (3) an annual report of the board of directors.

Section 114. There shall be, in an annual report of the board of directors, at least a report on:

(1) the name, address of the principal business office, type of business, number and types of all shares sold of the company, number and types of shares held by the company in affiliated companies (if any), provided that the nature of a company to be regarded as an affiliated company shall be as prescribed in the Ministerial Regulations;

(2) the name, address of the principal business office, type of business, number and types of all shares sold, number and types of shares of any other company or of a private company held by the company when such shareholding is at least ten percent of the number of shares sold of such other company or private company (if any);

- (3) the details notified by directors to the company under section 88;
- (4) remuneration, shares, debentures or any other rights and benefits received by directors from the company, with an indication of the directors receiving the same; and
- (5) other particulars as prescribed in the Ministerial Regulations.

Section 115. No dividends shall be paid otherwise than out of profits. In the case where a company has incurred accumulated loss, no dividends may be paid.

Unless otherwise provided in the articles of association insofar as they are concerned with preference shares, dividends shall be distributed in accordance with the number of shares, with each share being accorded equal distribution, provided that payment of dividends must be upon approval by a meeting of shareholders.

If permitted by the articles of association of the company, the board of directors may, from time to time, pay interim dividends to shareholders when it is apparent that the company has such reasonable profits as to justify such payment, and, when dividends have been paid, the board of directors shall report it to the shareholders at the next meeting.

Payment of dividends shall be made within one month as from the date of the resolution of a meeting of shareholders or a meeting of directors, as the case may be, provided that it shall be notified in writing to the shareholders and a notice of payment of such dividends shall also be published in a newspaper.

Section 116. A company must appropriate part of its annual net profits to a reserve fund in an amount of not less than five percent of the annual net profits with the deduction therefrom the amount representing the accumulated loss carried forwards (if any) until this reserve fund reaches the amount of not less than ten percent of the registered capital, unless a greater amount of the reserve fund is required by the articles of association of the company or other laws.

Section 117. In the case where a company has not sold its shares up to the registered number or has registered an increase of its capital, the company may pay the whole or part of its dividends by issuing new ordinary shares to shareholders with the approval of a meeting of shareholders.

Section 118. In the case where a company pay dividends to shareholders in contravention of section 115, section 116 or section 117 and thereby prejudices creditors of the company, the creditors may, within one year as from the date of the resolution of the meeting of shareholders, institute an action against shareholders for a return of the dividends received, provided that any shareholder having received the dividends in good faith may not be obliged to make such restitution.

***Section 119.** A company may, upon approval by a meeting of shareholders, transfer the reserve fund under section 51, the reserve fund under section 116 or any other reserve funds in compensation for its accumulated loss.

* Added by section 7 of the Public Limited Companies (No. 2) Act, B.E. 2544 (2001).

In making compensation for the accumulated loss under paragraph one, deduction shall first be made from other reserves prior to the deduction from the reserve fund under section 116 and the reserve fund under section 51 respectively.

Section 120. At an annual ordinary meeting of shareholders of each year, there shall be an appointment of an auditor and the determination of an audit fee of the company. In appointing an auditor, the former auditor may be re-appointed.

Section 121. The auditor must not be a director, member, employee or a person holding any office of the company.

Section 122. The auditor has the power to examine accounts, documents and any other evidence related to revenues, expenses, assets and liabilities of the company during office hours of the company. For this purpose, the auditor shall have the power to inquire any director, member, employee or person holding any office of the company and its agents or order such persons to give explanations or furnish documents or evidence related to the operation of business of the company.

Section 123. The auditor must make a report for submission to an annual ordinary meeting of shareholders under the law on auditing.

Section 124. A balance-sheet, a profit and loss account and a report of the auditor of the company must be made in Thai and be properly printed.

Section 125. The auditor has the right to prepare written explanations for submission to a meeting of shareholders and is obligated to be present at every meeting of shareholders at which a balance-sheet, a profit and loss account and any problem concerning accounts of the company is scheduled to be considered, for giving shareholders explanations on the auditing, and the company shall also furnish the auditor with the company's reports and documents which are to be received by shareholders at such meeting of shareholders.

Section 126. Any shareholder has the right to inspect a balance-sheet, a profit and loss account and the auditor's report of the company at any time during the company's office hours and may request the company to send a certified copy of such document. For this purpose, the company may demand payment of fees as specified in its articles of association.

Section 127. A company shall submit to the Registrar its annual report together with a copy of its balance-sheet and profit and loss account audited by an auditor and approved at a meeting of shareholders and a copy of the minutes of the meeting of shareholders insofar as they are concerned with the approval of the balance-sheet, the allocation of profits and the distribution of dividends, with the person authorised to sign on behalf of the company having affixed his signature thereon in certification of accuracy thereof. With respect of the balance-sheet, the company shall cause it to be publicly known by publication in a newspaper for the period of at least one day, provided that all this shall be undertaken within one month as from the date of the approval at the meeting of shareholders.

CHAPTER IX
INSPECTION

Section 128. The shareholders holding shares in the aggregate number of not less than one-fifth of the total number of shares sold or the shareholders in the number of not less than one-third of the total number of shareholders may, by subscribing their names, make an application in writing to the Registrar for appointing inspectors for the purposes of inspecting the business and financial standing of the company and also inspecting the conduct of business of the board of directors.

In the application under paragraph one, the applicants must clearly indicate the issues in respect of which the inspection is to be conducted and must also notify the name and address of one shareholder who shall represent them.

The Registrar shall issue an order appointing one or more officials as inspector or inspectors and, in the appointment order, the Registrar must clearly indicate the issues in respect of which the inspection is to be conducted.

Section 129. The Registrar may appoint one or more competent official as inspector or inspectors for inspecting a company when there is a reasonable cause to suspect that:

(1) the company has committed any act to defraud its creditors or has incurred the debt with the knowledge of its inability to repay;

(2) the company has contravened or failed to comply with this Act or made any representation with a falsehood in the application for registration, in a balance-sheet or a profit and loss account or in any report submitted to the Registrar or made known to the general public;

(3) executive directors or executive members of the company have conducted the business contrary to its objects or carried out any corrupt practice against the company or shareholders of the company;

(4) there has occurred any act unfairly prejudicing a minority of shareholders; or

(5) the management of the company threatens to cause loss to the shareholders.

In the order appointing inspectors, the Registrar must clearly indicate the issues in respect of which the inspection is to be conducted and notify the company, in writing, of the matter.

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

(1) to enter the office or any premises of the company during its office hours;

(2) to instruct any director, member, employee or person holding any office of the company, any agent of the company, auditors and any person who held such office or was under such duty and ceased to hold such office or to be under such duty for the period of not more than one year, to give statements; and

(3) to instruct the persons under (2) to show or furnish accounts and documents, which are pertinent to the operation of business of the company and falling under their responsibility, for inspection.

In the case where the inspector considers that the inspection for which he is appointed to conduct also entails an inspection of any other company or any private company under section 114 (1) and (2) by reason of some interconnection, the inspector, upon approval being first granted by the Registrar, has the power to inspect such company only in respect of the connected matters.

In the performance of the duty of the inspector under paragraph one or paragraph two, the inspector shall be an official under the Penal Code and any person concerned shall give assistance or provide convenience as is reasonable.

Section 131. The inspector must prepare an inspection report together with his opinions for submission to the Registrar within two months as from the date of the appointment. If the preparation of the report cannot be completed within such time limit, the inspector shall report the inspection to the Registrar every two months.

Section 132. Upon receipt of an inspection report from the inspector, the Registrar shall take the following action:

(1) furnishing a copy of such report to the company within seven days as from the date of receipt thereof;

(2) reporting to officials concerned for taking legal proceedings against persons committing the offences under this Act;

(3) ordering the company to make rectification to ensure compliance with this Act; and

(4) notifying, in writing, creditors and persons who may suffer loss as apparent from the inspection report.

Section 133. The company which has received the report under section 132 (1) shall make a summary of the report and send it to shareholders for their information within fourteen days as from the date of receipt thereof. In this instance, the company must make available a complete copy of the report at the company for inspection by shareholders.

Section 134. Expenses incurred in the inspection of a company shall be advanced by the following persons:

(1) the shareholders who have applied to the Registrar for the appointment of the inspector; or

(2) the Registrar, in the case of the inspection under section 129.

Section 135. In the case where the result of the inspection reveals the whole or part of the impropriety in respect of which the inspection was intended to be conducted, the company shall be responsible for the expenses incurred in the inspection as advanced by the persons under section 134.

CHAPTER X
INCREASE AND REDUCTION OF CAPITAL

Section 136. A company may increase its registered capital by issuing new shares.

The issuance of new shares under paragraph one may be made when:

(1) all shares have been sold and fully paid-up or, in the case where shares have not fully been sold, the remaining shares must be ones issued in accommodation of convertible debentures or share warrants;

(2) the issuance has been approved by a resolution of a meeting of shareholders with the votes of not less than three-fourths of the total number of votes of the shareholders present and entitled to vote; and

(3) registration has been made with the Registrar, in pursuance of such resolution, for an alteration of the registered capital within fourteen days as from the date on which such resolution was passed by the meeting;

provided that Chapter III and Chapter IV shall apply *mutatis mutandis*.

Section 137. The shares intended to be additionally issued under section 136 may be offered for sale in whole or in part and may first be offered for sale to existing shareholders in proportion to the number of shares held by each shareholder or may be offered for sale to the public or to other persons in whole or in part, in accordance with the resolution of the meeting of shareholders, and section 38 shall apply *mutatis mutandis*.

Section 138. When the company has sold part of the additionally issued shares, the company may apply to the Registrar for registration of the alteration of the paid-up capital in the manner that the increased portion of capital may be divided into lots each of which shall cover not less than twenty five percent of the number of shares offered for sale, provided that this must be specified in the prospectus or in the documents concerning the offer of shares for sale to the public.

In addition to the case provided in paragraph one, the company shall apply for registration of the alteration of its paid-up capital within fourteen days as from the date on which full payments on shares have been received up to the number of shares offered for sale and specified in the prospectus or in the documents concerning the offer of shares for sale to the public.

In applying for registration of the alteration of the paid-up capital under this section, the company shall also submit a list of its shareholders only in respect of the new shareholders, with an indication of their names, nationalities, addresses, the number of shares held and reference numbers of share certificates.

***Section 139.** A company may reduce its registered capital by reducing the value of each share or reducing the number of shares, provided that no reduction shall be made to the extent rendering the capital to be below one-fourth of the total capital.

In the case where the company has incurred accumulated loss and, after making compensation for the accumulated loss under section 119, such accumulated loss remains, the company may reduce its capital to the amount below one-fourth of the total capital.

The reduction of the value of shares or the reduction of the number of shares under paragraph one or paragraph two to an intended amount and by an intended method may be made only upon approval by a resolution of a meeting of shareholders with the votes of not less than three-fourths of the total number of votes of the shareholders present at the meeting and entitled to vote, provided that the company must cause such resolution to be registered within fourteen days as from the date on which such resolution was passed by the meeting.

Section 140. The meeting of shareholders may pass a resolution for the reduction of its capital by cancelling the registered shares not purchased or not yet offered for sale. Upon such resolution of the meeting, the company shall apply for registration of the reduction of its capital within fourteen days as from the date on which such resolution was passed by the meeting.

Section 141. In the reduction of its capital other than that under section 140, the company must, in writing, notify its known creditors of the resolution for such capital reduction within fourteen days as from the date on which such resolution was passed by the meeting of shareholders and specify, in the notification, that objections may be sent within two months as from the date of receipt of the notification of such resolution, and the company shall also publish such resolution in a newspaper within the said fourteen-day time limit.

If any objection is made, the company may not proceed with the reduction of its capital until it has satisfied the claims or given security therefor.

Section 142. Upon the action having been taken under section 139 and section 141, the company shall apply for registration of the reduction of its capital within the time limit as follows:

(1) fourteen days as from the date of the expiration of the time limit under section 141, in the case where no objection has been made by creditors;

(2) fourteen days as from the date on which claims have been satisfied or security therefor has been given, in the case where any objection has been made by creditors; provided that section 138 paragraph three shall apply *mutatis mutandis*.

Section 143. Upon registration by the company of the alteration of its paid-up capital under section 138 or of the reduction of its capital under section 140 or section 142, the company shall, in writing, notify the shareholders and publish it in at least one newspaper

* Added by section 9 of the Public Limited Companies (No. 2) Act, B.E. 2544 (2001).

within fourteen days as from the date of the registration of the increase or reduction of its capital, as the case may be.

Section 144. In the case where any creditor has not made an objection to the reduction of the company's capital within the time limit under section 141 in consequence of the creditor's ignorance of the resolution for the capital reduction and such ignorance was not due to his fault, such creditor must, if he wishes to hold the shareholders having received a refund of payments on shares liable to him for the amount refunded, enter an action within one year as from the date of the registration of the capital reduction.

CHAPTER XI DEBENTURES

Section 145. Any acquisition of loans of money by a company by issuing debentures to be offered for sale to the public shall be in accordance with the law on securities and securities exchange, and section 25 shall apply *mutatis mutandis*.

The issuance of debentures under paragraph one must be made upon a resolution of a meeting of shareholders with the votes of not less than three-fourths of the total number of votes of the shareholders present at the meeting and entitled to vote.

CHAPTER XII AMALGAMATION OF COMPANIES

Section 146. Two companies at least or a company and a private company may amalgamate into a company by a resolution of shareholders of each company with the votes of not less than three-fourths of the total number of votes of the shareholders present at the meeting and entitled to vote, and, in the case of an amalgamation with a private company, a special resolution under the Civil and Commercial Code is required.

In the case where a resolution has been passed for an amalgamation of companies under paragraph one with objections thereto having been made by any shareholder, the company must cause the shares held by such shareholder to be purchased at a price last traded in the Securities Exchange prior to the date of the resolution for the amalgamation, and, in the absence of such price in the Securities Exchange, reference shall be made to the price determined by independent valuers appointed by both parties. If the shareholder does not agree to sell his shares within fourteen days as from the date of receipt of the purchase offer, the company may proceed with the amalgamation and it shall be deemed that such shareholder is the shareholder of the company formed after the amalgamation.

Section 147. The company must, in writing, notify its creditors of the resolution for the amalgamation and section 141 shall apply *mutatis mutandis*.

Section 148. Upon the action under section 147 having been taken, the chairman of the board of each of the amalgamating companies shall summon a joint meeting of shareholders for considering the following:

- (1) the allotment of shares of the amalgamated company to shareholders;
- (2) the name of the amalgamated company, provided that either a new name or the original name of any of the amalgamating companies may be used;
- (3) the objects of the amalgamated company;
- (4) the capital of the amalgamated company, provided that its capital must not be less than the combination of the paid-up capitals of all the amalgamating companies and, if any of the amalgamating companies has sold shares up to the registered number, an increase of the capital may be made at 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 directors of the amalgamated company;
- (8) the election of auditors of the amalgamated company; and
- (9) other matters necessary for the amalgamation of companies (if any);

provided that the meeting shall be completed within six months as from the date on which any of the companies last passed a resolution for the amalgamation unless an extension of time is granted by a resolution of the meeting under this section, provided that the total period of time must not be longer than one year.

Section 149. In holding a joint meeting for considering matters under section 148, the provisions concerning such particular matters shall apply *mutatis mutandis* except hereunder provided as follows:

- (1) the place for the meeting must be in the locality where the principal business office of any of the amalgamating companies is located or in a nearby province;
- (2) the presence of shareholders holding shares in the aggregate number of not less than one half of the total number of shares sold of the amalgamating companies is required to constitute a quorum;
- (3) the shareholders present at the meeting shall elect one amongst themselves to preside over the meeting; and
- (4) a decision of the meeting shall be by a majority of votes of shareholders present at the meeting under (2).

Section 150. The boards of directors of the former companies must hand over the business, property, accounts, documents and evidence of the companies to the board of directors of the amalgamated company within seven days as from the date of the completion of the meeting under section 148.

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

Section 152. Upon the registration of the amalgamation having been effected by the Registrar, the former companies shall cease to be juristic persons and the Registrar shall note it in the register.

Section 153. The registered amalgamated company takes all the property, obligations, rights, duties and liabilities of all the amalgamating companies.

CHAPTER XIII **DISSOLUTION OF A COMPANY**

Section 154. Upon the occurrence of any of the following events, a company shall be dissolved:

(1) upon a meeting of shareholders passing a resolution to that effect, with the votes of not less than three-fourths of the total number of votes of the shareholders present at the meeting and entitled to vote;

(2) upon bankruptcy of the company; or

(3) upon being ordered by the Court to be dissolved under section 155, provided that such order becomes final.

Section 155. Shareholders holding shares in the aggregated number of not less than one-tenth of the total number of shares sold may apply to the Court for an order dissolving a company on any of the following grounds:

(1) the promoters have contravened or failed to comply with the provisions concerning the statutory meeting or the preparation of a report on the formation of the company or the board of directors has contravened or failed to comply with the provisions concerning payment on shares, the transfer of ownership in the property or the preparation of documents or evidence for the exercise of rights by the company for the purpose of payment on shares, the preparation of a list of shareholders or the registration of the company;

(2) the number of the shareholders is reduced to less than fifteen; or

(3) the business of the company can only be carried on at a loss and there is no prospect of its fortune being retrieved.

Upon the application to the Court for an order in the case under (1) or (2), the Court may, in lieu of an order dissolving the company, issue an order instructing the company to make rectification or comply with the law within such time as determined, which shall not be more than six months.

Section 156. In the dissolution or issuing an order for the dissolution of a company, the meeting of shareholders or the Court, as the case may be, must at the same time appoint, and determine remuneration of, liquidators and auditors.

Section 157. Upon the dissolution of a company, the Board of Directors shall hand over all property, accounts, documents and evidence of the company to the liquidators within seven days as from the date of the dissolution.

Section 158. The dissolution of a company shall be effective as from the date on which the Registrar has effected the registration thereof. But, if the liquidation has not been completed, the company is deemed to continue its existence as far as it is necessary for the purpose of the liquidation.

CHAPTER XIV LIQUIDATION

Section 159. In the case where a company is dissolved on any ground other than bankruptcy, the liquidation shall be conducted in accordance with the provisions in this Chapter.

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

(1) to carry out the activities of the company only as far as necessary for the settlement of the unfinished affairs without initiating any fresh activity;

(2) to collect and receive the money or property which the company is entitled to receive from other persons or sell the property of the company;

(3) to carry out all acts in connection with civil or criminal legal proceedings or making compromises on any matters in the name of the company;

(4) to satisfy claims in the name of the company;

(5) to summon meetings of shareholders;

(6) to distribute amongst shareholders the money or property remaining after the satisfaction of claims;

(7) to take action under section 11 paragraph three; and

(8) to do all other acts as are necessary for the completion of the liquidation.

In the case where the liquidator has carried out activities under (1) beyond necessity to the extent incurring loss, the liquidator must be liable to the company for such loss.

Section 161. Within seven days as from the date of the appointment, the liquidator must:

(1) apply for registration of the status as the liquidator;

(2) apply for registration of the dissolution of the company; and

(3) cause the dissolution of the company to be publicly known by publication in a newspaper.

Section 162. Within one month as from the date of appointment, the liquidator must:

(1) serve a written notification to creditors whose names appear in the company's accounts and documents, requesting them to submit to the liquidator, within one month as from the date of receipt of the notification, a letter of demand of claim satisfaction; and

(2) serve a written notification to debtors whose names appear in the company's accounts and documents, instructing them to satisfy the claims by paying to the liquidator.

Section 163. Prior to the completion of the liquidation, the liquidator and auditor vacate office upon:

- (1) death;
- (2) resignation;
- (3) being removed by a resolution of a meeting of shareholders; or
- (4) being removed by an order of the Court.

Upon the death or resignation of the liquidator or auditor appointed by the meeting of shareholders or the Court, the meeting of shareholders or the Court, as the case may be, shall appoint another person as liquidator or auditor to replace the outgoing person, and section 161 (1) shall also apply to the newly appointed liquidator.

Section 164. When there is a reasonable cause, shareholders holding the aggregate number of not less than one-tenth of the total number of shares sold may summon a meeting of shareholders and request the meeting of shareholders to remove the liquidator or auditor already appointed by the shareholders and appoint another person to replace that liquidator or auditor at any time, but if the liquidator or auditor has been appointed by the Court, any shareholder may apply to the Court for a removal.

When any shareholder makes a request and the Register considers that any liquidator or auditor fails to perform the duties under this Act correctly, the Registrar may apply to the Court for removing the liquidator or auditor and appointing another person to replace such person at any time.

Section 165. The liquidator must cause to be made a balance-sheet and a profit and loss account of the company as of the beginning of the accounting year up to the date of the registration of its dissolution and furnish them to the auditor for examination within four months as from the date of the appointment of the liquidator and submit them to the meeting of shareholders for approval within one month as from the date of receipt thereof from the auditor.

Section 166. The liquidator must furnish a copy of the balance-sheet and the profit and loss account approved by the meeting of shareholders together with a copy of the minutes of the meeting of shareholders at which such balance-sheet and profit and loss account were approved to the Registrar within fourteen days as from the date of the approval by the meeting of shareholders.

Section 167. No restriction on the powers of the liquidator shall be set up against any third person who has acted in good faith.

Section 168. In the case where several liquidators have been appointed, each liquidator shall not act on his own unless otherwise stated by the meeting of shareholders or by the Court at the time of appointing the liquidators and the liquidators have already applied

for the registration thereof at the same time as the application for the registration of the dissolution of the company.

Section 169. The liquidator must make payment of fees, encumbered charges and expenses incurred in the liquidation respectively prior to the satisfaction of other claims.

Section 170. If the creditor of the company has not submitted a letter of demand of the satisfaction of the claim to the liquidator, the liquidator shall deposit the same amount of money as that of the claim revealed by the company's accounts, documents or evidence at the Deposit Office under the law on deposit of property, and the liquidator shall make it known to the creditor by publishing it in a newspaper.

All the money deposited at the Deposit Office shall, if the creditor has not claimed it within five years, be vested in the State.

Section 171. In the case where the liquidator considers it necessary for the liquidation or where a request is made by creditors of the company, the liquidator may summon a meeting between the creditors of the company and the liquidator for considering the company's business as well as financial standing and agreeing on the satisfaction of claims.

Any agreement on satisfaction of claims by means of partial payment or by any other means shall be binding only upon the creditors having agreed thereto.

Section 172. Upon satisfaction of claims or setting aside money for the purpose of the satisfaction of all claims against the company, the liquidator shall, if there remains some property, distribute such property amongst shareholders in proportion to shares held by each shareholder, unless it is otherwise agreed in the company's articles of association insofar as they deal with preference shares.

Section 173. If the liquidator, after having taken action as provided in this Chapter, considers that the property of the company is insufficient for the satisfaction of claims and compromises cannot be concluded with all creditors, the liquidator shall apply to the Court for an order declaring the company bankrupt.

Section 174. The liquidator must prepare a report on the liquidation together with an account showing revenues received and expenses incurred in the liquidation for submission to the Registrar every three months as from the date of the appointment until the completion of the liquidation.

The report on the liquidation and the account showing revenues received and expenses incurred in the liquidation shall be in the forms and contain particulars as prescribed in the Ministerial Regulations.

If there appears any defect in the liquidation, the Registrar has the power to order the liquidator to rectify such defect. For this purpose, the liquidator must make rectification and report it to the Registrar within the time specified by the Registrar.

Section 175. If the liquidation cannot be completed within one year as from the date on which registration of the dissolution of the company has been effected by the Registrar, the liquidator shall summon a meeting of shareholders every year within four

months as from the end of each year for the purpose of submitting a report on the liquidation which has been carried out and the liquidation which is to be carried out, together with a balance-sheet and a profit and loss account, for the shareholders' information.

Section 176. Upon completion of the liquidation, the liquidator shall prepare a report on the liquidation together with a revenues and expenses account and explain the situation of the liquidation to a meeting of shareholders for approval within four months as from the date of the completion of the liquidation.

Upon approval by the meeting of shareholders of the report and the account under paragraph one, the liquidator shall apply to the Registrar for registration of the completion of the liquidation within fourteen days as from the date of the approval by the meeting of shareholders and furnish the account and all documents supplementary to entries in the account of the company to the Registrar.

Upon the registration having been effected, the Registrar shall make a note in the register and keep the account and documents supplementary to entries in the account of the company as furnished to the Registrar for a period of not less than three years as from the date on which the completion of the liquidation is registered.

Section 177. Subject to section 175, the liquidator must complete the liquidation within five years as from the date of the registration of the dissolution. If, upon the lapse of the five-year period the liquidation is not completed, the liquidator must make a report explaining reasons to the Registrar every three months and the Registrar shall have the power to order the liquidator to perform any act to expedite the liquidation as it is deemed appropriate.

Section 178. No action for payment of debts due from the company, shareholders or liquidators shall be entered later than two years as from the date on which the completion of the liquidation is registered.

Section 179. In the case where any particular act is required to be approved or consented to by a meeting of shareholders in accordance with the provisions of this Chapter, if a meeting of shareholders is unable to be held, the liquidator shall seek approval or consent from the Registrar.

CHAPTER XV

CONVERSION OF A PRIVATE COMPANY INTO A COMPANY

Section 180. A private company may be converted into a company upon a special resolution under the Civil and Commercial Code to that effect.

Section 181. At the meeting of shareholders under section 180, if the meeting of shareholders passes a resolution for a conversion into a company under this Act, the board of directors must also cause the following matters to be considered:

(1) the private company's memorandum of association which requires alteration, provided that alteration may also be made for increasing the private company's capital subsequent to the conversion;

- (2) the articles of association of the company;
- (3) the election of directors;
- (4) the election of auditors of the company; and
- (5) other matters necessary for the conversion.

In considering the matters under paragraph one, the provisions on such particular matters as applicable to a company shall apply *mutatis mutandis*.

Section 182. The board of directors of the private company must hand over the business, property, accounts, documents and evidence of the private company to the board of directors newly appointed within seven days as from the date of the completion of the meeting under section 181.

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

Section 184. Upon registration of the conversion into a company has been effected by the Registrar under this Act, the former private company shall cease to become a limited company under the Civil and Commercial Code, and the Registrar shall make a note in the register.

Section 185. A private company for which registration has been made for a conversion into a company takes all property, obligations, rights and liabilities of that former private company.

CHAPTER XVI THE REGISTRAR AND COMPETENT OFFICIALS

Section 186. In taking action for the purpose of effecting registration under this Act, the Registrar and competent officials shall have the power to inquire into facts and instruct applicants to furnish relevant documents and evidence or bring any persons concerned to give statements as is necessary.

Section 187. In the case where the application for registration is correct and complete, the Registrar shall effect the registration, but if it appears that the application for registration has incorrect particulars or has incomplete accompanying documents or that any particulars in the application or the accompanying documents are contrary to the law, the Registrar shall first instruct the applicant to make rectification, cause documents to be complete or cause particulars to be in compliance with the law. When the applicant has taken action as instructed, the Registrar shall effect the registration.

Upon the registration having been effected, the Registrar shall publish a summary of the registered information in the Government Gazette.

Upon publication of the information under paragraph two, it shall be deemed that the published information becomes known the general members of the public as from the day following the date of its publication.

In the case where the Registrar issues an order rejecting registration, the order together with reasons for such rejection shall expeditiously be notified in writing to the applicant. In this regard, the applicant may appeal against the order of the Registrar to the Minister within one month as from the date of receipt of the notification thereof.

The decision of the Minister shall be final.

Section 188. In the case where the Registrar discovers that the list of shareholders submitted by a company under section 64 is incorrect, the Registrar shall have the power to order, in writing, the company to make rectification within such reasonable time as determined by the Registrar.

Section 189. When it becomes apparent to the Registrar that the event under section 155 (1) or (2) has occurred with respect to any company, the Registrar shall have the power to order the company to make rectification or to act correctly within such time as determined by the Registrar.

Section 190. In the execution of this Act, the Registrar and competent officials shall have the power to enter any office or premises of a company during its office hours for the purpose examining documents and evidence required to be made by the company under this Act and shall also have the power to instruct persons concerned to give statements. For these purposes, the competent officials shall produce their identification card to such persons and the said persons shall provide assistance and convenience as is reasonable.

The identification card of the competent officials shall be in accordance with the form prescribed by the Minister.

CHAPTER XVII 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 who contravenes section 26 shall be liable to imprisonment for a term not exceeding three years or to a fine not exceeding six hundred thousand Baht or to 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 contravenes 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 to both.

Section 198. Any person who contravenes 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 contravenes section 57 paragraph two shall be liable to a fine not exceeding twenty thousand Baht or two times the values of the shares transferred, whichever is greater.

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 contravenes section 66 shall be liable to a fine not exceeding fifty thousand Baht or two times the values of the shares owned or taken in pledge, whichever is greater.

Section 202. Any chairman of the board or any entrusted person 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 complies therewith in an incomplete manner or at variance with the truth shall be liable to a fine not exceeding twenty thousand Baht.

Section 204. Any director, managing director or person with the authority to act on behalf of a company who does any act in contravention of section 89 shall be liable to a fine not exceeding twenty thousand Baht or two times the amount of the loan granted, whichever is greater.

Section 205. Any company which fails to comply with section 109 shall be liable to a fine not exceeding two hundred thousand Baht and to an additional fine at a daily rate of two thousand Baht until its due compliance with legal requirements.

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 which discloses the details under section 114 (3), (4) or (5) in an incomplete manner or at variance with the truth shall be liable to a fine not exceeding twenty thousand Baht.

Section 208. Any company which fails to make rectification as required by the order of the Registrar given under section 132 (3) shall be 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 paragraph two, section 175 or section 176 paragraph one or paragraph two or fails to comply with the order of the Registrar under section 174 paragraph three shall be liable to a fine not exceeding twenty thousand Baht

Section 211. Any liquidator who fails to comply with section 177 shall be liable to a fine not exceeding fifty thousand Baht.

Section 212. Any person who obstructs or fails to provide convenience to the inspector in the performance of the duties under section 130 or to the competent officials in the performance of the duties under section 190 shall be liable to imprisonment for a term not exceeding one month or to a fine not exceeding ten thousand Baht or to both.

Section 213. Any person who uses a name or a trade name containing the Thai characters "Public Company Limited", "Company" or "Limited (Public) or "PLC" or the foreign-language characters bearing such connotation in any letters, advertisements, notices, invoices, receipts or other documents pertinent to the business of a company without forming a company shall be liable to a fine not exceeding twenty thousand Baht and to an additional fine at a daily rate of one thousand Baht until the discontinuance of such use, unless such use is made in the registration related to the formation of a company or in a public offering form or a prospectus.

Section 214. Any director or liquidator of a company who dishonestly asserts a falsehood or conceals a fact which should be revealed to a meeting of shareholders on any matter concerning the company's financial standing shall be liable to a fine not exceeding fifty thousand Baht.

Section 215. Any person who, being responsible for the operation of affairs of any company, does any act or omits to do any act, with an intent to seek any benefit otherwise unobtainable by a lawful means for himself or for any other person and thereby causes loss to such company shall be liable to a fine not exceeding fifty thousand Baht.

Section 216. Any person who, being responsible for the operation of affairs of any company, commits or gives consent to any of the following acts:

(1) damaging, destroying, altering, lessening or forging any account, document or security of the company or in connection with the company; or

(2) making false entries or failing to enter essential particulars in an account or a document of the company or in connection with the company,

shall be, if the act or the consent thereto is committed or given with an intent to fraudulently deprive the company or shareholders of due benefits otherwise obtainable, liable to imprisonment for a term not exceeding five years or to a fine not exceeding one million Baht or to both.

Section 217. Any person who, in an advertisement, makes a reference to a person, position, account, report or undertaking in connection with a company in a manner of presenting a material falsehood or concealing material information with an intent to:

(1) fraudulently deprive any interested person in such company of due benefits otherwise obtainable therefrom;

(2) induce a person to become a shareholder or debenture holder, give or furnish property to such company or become surety or give property as security for such company,

shall be liable to imprisonment for a term not exceeding three years or to a fine not exceeding six hundred thousand Baht or to both.

Section 218. Any person who attends a statutory meeting or a meeting of shareholders and votes or refrains from voting by impersonating a subscriber for shares, a shareholder or any person entitled to vote on behalf of a subscriber or a shareholder shall be liable to a fine not exceeding twenty thousand Baht.

Any person who provides assistance to the commission of an offence under paragraph one by presenting a document evincing the subscription for shares or a share certificate which has been used for such purpose shall be liable to the same penalty.

Section 219. Any person who dishonestly fixes the value of the property or any other thing remitted as the payment on shares in an amount higher than its actual value shall be liable to a fine not exceeding two times the amount in excess of such actual value.

Section 220. Any person who, having acquired any knowledge of the business of a company on account of the exercise of his powers or the performance of his duties provided in this Act when such business is to be kept in confidence in a normal course of dealing of the company, discloses such business shall be liable to imprisonment for a term not exceeding one year or to a fine not exceeding two hundred thousand Baht or to both, unless such disclosure is made by virtue of his powers and duties or for the purposes of official enquiries or trial of cases.

Section 221. In the case where a juristic person is an offender and punished under this Act, the representative of the juristic person who has connived at the commission of the offence or who has failed to take reasonable steps in preventing such offence shall also be liable to the penalty provided for such offence.

Section 222. In the case where a company is an offender and punished under this Act, any director who has connived at the commission of the offence or who has failed to take

reasonable steps in preventing such offence shall also be liable to the penalty provided for such offence.

***Section 222/1.** All offences under this Act which are only punishable by a fine may be settled, by way of payment of a fine, by Director-General of the Department of Business Development or a person entrusted by Director-General of the Department of Business Development. Upon payment by the offender of the settled amount of the fine within the time specified, the case shall be deemed settled under the Criminal Procedure Code.

If the offender fails to consent to the settlement or, upon consent thereto, fails to pay the fine within the time specified, legal proceedings shall be continued.

TRANSITORY PROVISIONS

Section 223. All companies formed under the Public Limited Companies Act, B.E. 2521 (1978) prior to the date of the entry into force of this Act shall be companies under this Act.

Section 224. Any offer for sale of shares and debentures to the public for which the prospectus inviting the purchase thereof has properly been registered under the Public Limited Companies Act, B.E. 2521 (1978) prior to the date of the entry into force of this Act shall be proceeded with under the said Act.

Section 225. All Ministerial Regulations, Notifications and Orders issued under the Public Limited Companies Act, B.E. 2521 (1978) which are in force on the date of the entry into force of this Act shall remain in force insofar as they are not contrary to or inconsistent with the provisions of this Act until Ministerial Regulations, Notifications and Orders issued under this Act are in force.

Countersigned by:
Anand Panyarachun
Prime Minister

* Added by section 3 of the Public Limited Companies (No. 3) Act, B.E. 2551 (2008).

Rates of Fees

(1) Registration of a Memorandum of Association Every amount not exceeding 1,000,000 Baht of the fixed capital; provided that a fraction of 1,000,000 Baht shall be reckoned as 1,000,000 Baht. Maximum fee being	1,000 Baht 50,000 Baht
(2) Registration of an alteration of the Memorandum of Association for increasing the capital prior to registration as a company Every amount not exceeding 1,000,000 Baht of the increased portion of the capital provided that a fraction of 1,000,000 Baht shall be reckoned as 1,000,000 Baht. Maximum fee being	1,000 Baht 50,000 Baht
(3) Registration of incorporation of a company Every amount not exceeding 1,000,000 Baht of the fixed capital; provided that a fraction of 1,000,000 Baht shall be reckoned as 1,000,000 Baht. Maximum fee being	1,000 Baht 250,000 Baht
(4) Registration of a conversion of a private company Every amount not exceeding 1,000,000 Baht of the fixed capital; provided that a fraction of 1,000,000 Baht shall be reckoned as 1,000,000 Baht. Maximum fee being	1,000 Baht 50,000 Baht
(5) Registration of an increase of the capital of a company Every amount not exceeding 1,000,000 Baht of the increased portion of the capital provided that a fraction of 1,000,000 Baht shall be reckoned as 1,000,000 Baht Maximum fee being	1,000 Baht 250,000 Baht
(6) Registration of a reduction of the capital of a company	500 Baht
(7) Registration of an alteration of the Memorandum of Association other than for increasing the capital under (2)	500 Baht
(8) Registration of an alteration of the articles of associations of a company	500 Baht
(9) Registration of the appointment of new directors	500 Baht per person

(10) Registration of an amalgamation of a company	10,000	Baht
(11) Registration of a dissolution of a company	500	Baht
(12) Registration of other matters	500	Baht for each matter
(13) Issuance of certificates of registration or substitutes for certificates of registration	200	Baht per copy
(14) Inspection of documents of each company	50	Baht for each inspection
(15) Request for certified copies or photocopies of documents In the case of a request for certified copies or photocopies of documents of a company outside the area of the province where its principal business office is located: subject to such additional fees as necessary and actually incurred	50	Baht per page
(16) Certification of statements entered in the register In the case of the certification of statements entered in the company's register outside the area of the province where its principal business office is located: subject to such additional fees as necessary and actually incurred	50	Baht per item
(17) Issuance of documents in accordance with the articles of association of a company	10	Baht per page/copy/time

Note: - The reason for the promulgation of this Act is as follows. Whereas the Public Limited Companies Act, B.E. 2521 (1978) has been in force for more than ten years and the formation of public limited companies has not been common because certain provisions have failed to facilitate the operation of business, trade and industry in the form of a public limited company, it is expedient to relax the rigidity of such provisions for promoting the formation or operation of public limited companies towards flexibilities and relocate provisions on the offering of shares and debentures for sale to the public to be separately embodied in the law on securities and securities exchange which is *sui generis* legislation on securities trading. In addition, as amendment has been made to a large number of provisions, it is thus expedient to undertake the revision by repealing the Public Limited Companies Act, B.E. 2521 (1978) altogether in the interest of convenience in the application of law. It is therefore necessary to enact this Act.