

(Translation)

Bor.Jor. (Wor) 2/2021

October 5, 2021

Re: Revision of the Regulations for the Listed Companies

To: Managing Directors

Listed companies, member companies, asset management companies, trust managers, financial advisers and legal consultants of all companies

Attachments: 1. Summary of the Revised Rules of the Stock Exchange of Thailand  
2. List of the Revised Rules of the Stock Exchange of Thailand (totaling 24 Rules)

The Stock Exchange of Thailand (SET) has revised the criteria for listing of warrants on ordinary shares or preferred shares as listed securities to include offer to existing shareholders in proportion to their shareholdings whereby no offer shall be made to shareholders in a manner which will render applicants to have duty under foreign law (Preferential Public Offering: PPO). The revision shall be effective from October 6, 2021 onwards.

In addition, SET has revised the regulations regarding delisting of securities and disclosure of information to be clearer and more intelligible whereby shareholders and investors are informed of up-to-date and sufficient information for investment decision-making. The revision shall be effective from November 1, 2021 onwards, and the summary of the revised rules is in Attachment 1.

Please be informed accordingly.

Yours sincerely,

(Signed) Duangrat Samudavanija

(Duangrat Samudavanija)

Executive Vice President

(On behalf of President)

Listing and Disclosure Department

Tel. 0-2009-9726

## Summary of the Revised Rules of the Stock Exchange of Thailand

## Rules Amendments Regarding Delisting of Securities

The grounds for delisting and procedure for actions when the company is subject to possible delisting are revised to provide greater clarity and intelligibility and can be summarized as follows:

Ground for Delisting	Conditions and Period for Improving the Qualifications of Listed Companies	
	Stage 1 Period for the elimination of the grounds for delisting	Stage 2 Period for the repossession of qualifications in order to resume trading
1. Failure to submit financial statements / Late submission of financial statements / Submission of financial statements for which the auditor issued an adverse opinion for more than 6 months <u>in each period only for the first period in which the lateness is more than 6 months</u>	Submission of <del>the financial statements that were announced NG</del> <u>all late financial statements within 1 year within 2 years</u>	Submission of all late financial statements and submission of financial statements within the period stipulated for 2 consecutive periods within 1 year <del>(extension may be requested for another 1 year)</del> whereby the auditor's report shall not possess any of the following characteristics: (1) A qualified opinion in relation to defect in the internal control system, or incomplete accounting system or the financial statements fail to comply with the financial reporting standards that the SEC accepts (2) A disclaimer of opinion or a qualified opinion in relation to limitation on scope of audit imposed by the act or omission of the company, director or management (3) An adverse opinion on the financial statements
2. Financial position (1) Equity < 0 (2) Cessation of operation (3) The auditor issues a disclaimer opinion for 3 consecutive years (4) <del>Assets used for operation have decreased or are about to decrease significantly</del>	Elimination of the ground for delisting within 3 years (extension may be requested for another 1 year) <del>such as, where Equity &lt; 0, actions have been taken so that equity is not less than 0 etc.</del> <u>pursuant to each of the grounds for delisting announced as follows:</u> (1) <u>Equity &gt; 0</u> (2) <u>There is operation</u> (3) <u>The report of auditor for the annual financial statements or the annual consolidated financial statements does not contain a disclaimer opinion or an adverse opinion</u> <u>While a listed company is in stage 1, SET will announce the name of the listed company in 3 periods, each being a period of 1 year i.e. NG Stage 1, NG Stage 2 and NG Stage 3.</u>	Possession of the following qualifications within 2 years (extension may be requested for another 1 year): • Equity: SET ≥ 300 million Baht / mai ≥ 50 million Baht • Profit from the main business for the period of 1 year or 4 quarters: SET ≥ 30 million Baht / mai ≥ 10 million Baht and there is accumulated net profit prior to the submission of request • Financial position and operating results are stable taking into account cash flow and accumulated loss • Possess of the qualifications pursuant to the criteria to maintain status of a listed company • The distribution of minority shareholding ('free float') is at least 15% and at least 150 minority shareholders • Debt restructuring > 75% • In case of rehabilitation pursuant to the bankruptcy law, the company shall no longer be under rehabilitation as approved by the court
3. Being a Cash Company for more than 6 months	Not being a Cash Company and possessing a business within 1 year	Possession of the qualifications pursuant to the criteria for the listing of securities except for free float, <del>which shall be pursuant to the criteria to maintain listing status of a listed company</del> , which shall be at least 15% and at least 150 minority shareholders whereby all actions shall be taken within 1 year and an extension of 1 year may be requested
Ground for Delisting	Announcement of Entering Ground for Delisting (NC)	
4. <del>In case there is insufficient number of Audit Committee (AC) members for more than 9 months</del> <u>SP sign has been posted for more than 2 years</u> due to violation of or failure to comply with the law and related rules and regulations or failure to disclose information to SET	<ul style="list-style-type: none"> <li>Where AC has members less than 3 persons: <ul style="list-style-type: none"> <li>For 3 months: NP sign will be posted</li> <li>When NP sign has been posted for 3 months: SP sign will be posted</li> <li><del>More than 9 months</del> <u>When SP sign has been posted for more than 2 years</u>: Announcement of entering ground for delisting (NC) and further consideration to issue a delisting order</li> </ul> </li> </ul>	
5. <u>Liquidation to dissolve its business</u>	<u>When the shareholders' meeting has a resolution to dissolve the company</u> , SET will announce that the listed company has entered the ground for delisting (NC) and post SP sign	

Remark: The underlined information is the revised regulation and ~~strikethrough~~ is the original regulation.

In addition, there is a cancellation of the stipulation that listed companies shall appoint a financial advisor to jointly prepare the plan for the remedy of the ground for delisting and that such plan shall be approved by the shareholders, whereby listed companies shall have the discretion to undertake the consideration as necessary and appropriate. Nonetheless, in case involving significant undertakings, listed companies are required to ask for approval from the shareholders and to appoint a financial advisor pursuant to the relevant rules and regulations. Moreover, the SET has stipulated that listed companies shall disclose the remedy plan and inform investors of the progress every quarter or when there is a significant progress in such undertakings.

Furthermore, for listed companies that entered ground for delisting prior to the date the revised rules come into force, the original rules in relation to the delisting of securities shall continue to apply.

<b>Rules Amendments Regarding Disclosure of Information</b>
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1. Important events requiring immediate disclosure by listed companies shall be added for more clarity as follows:

- The listed company is under receivership by the court's order or under any similar events.
- The listed company has applied for rehabilitation with the bankruptcy court or there is any action or progress in relation to the application for rehabilitation.
- The shares of Foreign Listed Company with Secondary Listing may be delisted or have been delisted from the home exchange.

2. Revision shall be made to have immediate disclosure when listed companies default in the payment of debts owed to a financial institution or default in debt payment or are unable to comply with the obligations under the juristic act related to issuance of debt instruments (Events of Default: EOD<sup>1</sup> whereby no minimum threshold of default is stipulated since such events may significantly affect the rights of shareholders such as listed companies will not be able to declare the payment of dividend in case of failure to pay the principal and/or failure to pay debenture interest which is due. In case where listed companies default in debt payment in other instances, subsidiaries default in debt payment or there are Events of Default, the companies shall still disclose information when the amount is 5 percent of the total assets of the companies or more.

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<sup>1</sup> Examples of such EOD such as where listed companies receive a demand notice for debt payment from the financial institution or there is a default in debt payment as stipulated in the terms and conditions regarding the rights and obligations of debt instrument issuers.

### **List of the Revised Rules of the Stock Exchange of Thailand (totaling 24 Rules)**

#### SET's regulations related to the delisting of securities

1. Regulations of the Stock Exchange of Thailand Re: Cancellation of the Regulations of the Stock Exchange of Thailand Re: Delisting of Securities
2. Regulations of the Stock Exchange of Thailand Re: Delisting of Securities B.E. 2564 (2021)
3. Notification of the Board of Governors of the Stock Exchange of Thailand Re: Procedures for Voluntary Delisting of Securities B.E. 2564 (2021)
4. Notification of the Board of Governors of the Stock Exchange of Thailand Re: Procedure for Actions against Listed Companies to Eliminate the Grounds for Delisting B.E. 2564 (2021)
  - (1) Procedure for Actions against Listed Companies when the Listed Companies fails to submit the Financial Statements or Late Submission, or submit the Financial Statements for which the Auditor issued an Adverse Opinion and subject to Possible Delisting
  - (2) Procedure for Actions against Listed Companies whose Performance or Financial Positions fit the Criteria for Possible Delisting
  - (3) Procedure for Actions against Listed Companies when the Listed Companies and/or the Subsidiaries have all or most of the Assets in the Form of Cash or Short-Term Securities (Cash Company) and fit the Criteria for Possible Delisting

#### SET's regulations related to information disclosure

5. Regulations of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of Listed Company (No. 5) B.E. 2564 (2021)
6. Regulations of the Stock Exchange of Thailand Re: Cancellation of the Regulations of the Stock Exchange of Thailand Re: Disclosure of Information and Any Acts of a Foreign Listed Company B.E. 2560 (2017)
7. Regulations of the Stock Exchange of Thailand Re: Disclosure of Information and Any Acts of a Foreign Listed Company B.E. 2564 (2021)

#### SET's regulations which have been revised in order to align with the revised regulations about the delisting of securities, information disclosure and other regulations

8. Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities (No. 8) B.E. 2564 (2021)
9. Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities (No. 9) B.E. 2564 (2021)
10. Regulations of the Stock Exchange of Thailand Re: Listing of Securities, Disclosure of Information and Delisting of Securities in the "Market for Alternative Investment (mai)" (No. 2) B.E. 2564 (2021)

11. Procedure for Actions against Listed Companies when the Listed Companies do not meet audit committee membership requirements
12. Regulations of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures for Temporary Suspension of Listed Securities Trading (No. 2) B.E. 2564 (2021)
13. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Warrants to Purchase Ordinary Shares or Preferred Shares as Listed Securities (No. 2) B.E. 2564 (2021)
14. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Warrants to Purchase Ordinary Shares or Preferred Shares as Listed Securities (No. 3) B.E. 2564 (2021)
15. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Convertible Securities Issued by Foreign Listed Companies (No. 2) B.E. 2564 (2021)
16. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Transferable Subscription Rights (No. 3) B.E. 2564 (2021)
17. Regulations of the Stock Exchange of Thailand Re: Listing, Disclosure of Information and Delisting of Investment Trust Units (No. 5) B.E. 2564 (2021)
18. Regulations of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of a Property Fund (No. 3) B.E. 2564 (2021)
19. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Investment Units and Disclosure of Information of Infrastructure Fund (No. 7) B.E. 2564 (2021)
20. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Investment Units of Mutual Fund (No. 3) B.E. 2564 (2021)
21. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Investment Units, and Disclosure of Information of an ETF (No. 5) B.E. 2564 (2021)
22. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of ETF Units and Information Disclosure of Foreign ETFs (No. 4) B.E. 2564 (2021)
23. Regulations of the Stock Exchange of Thailand Re: Listing, Disclosure of Information and Delisting of Depository Receipts (No. 2) B.E. 2564 (2021)
24. Regulations of the Stock Exchange of Thailand Re: Listing and Delisting of Non-Voting Depository Receipts which were issued by the approval under the Notification of the Capital Market Supervisory Board No. Tor Jor 32/2552 (No. 2) B.E. 2564 (2021)