

March 6, 2018

Subject: “C” (Caution) measure and the adjustment of backdoor listing

To: Managing Directors of
Listed companies and financial advisers of all companies

- Encl:
1. Regulation of the Stock Exchange of Thailand about the action measure in case of listed companies facing the circumstances which might affect to its financial position and business operation, 2018.
 2. Notification Of The Board Of Governors Of The Stock Exchange Of Thailand about the disclosure of Information and other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets (6th issue), 2018.
 3. Attention and compliance schedule about “C” (Caution) measure.

The Board of Governors of The Stock Exchange of Thailand (SET), with the approval of the Securities and Exchange Commission (SEC) deems it appropriate to adjust the SET’s regulations related to listed companies in order to increase investors’ benefits protection measures consisting of “C” (Caution) measure in case there are any circumstances which may affect to the listed companies’ financial position and business operation and backdoor listing as summarized below.

1. “C” (Caution) measure

The regulation has been adjusted by increasing measure for investors to be aware of the investment in the group of companies with financial position, financial statements or business type risk by posting the “C” (Caution) sign on the listed companies’ securities. As a result, the investors have to purchase the mentioned securities with Cash Balance account only. Details are shown as follows;

1.1 “C” sign posting and lifting regulations.

Subject	“C” Sign posting	“C” Sign lifting
Financial Position	<ul style="list-style-type: none"> • The shareholders’ equity is less than 50% of paid-up capital deducted by discount on share capital (if any)^{1/}. • The financial institutions, securities companies, life insurance or non-life insurance companies have been publicly ordered by its regulator to rectify financial position or operating result by temporarily discontinuing their partial operation or business expansion which are significant orders considering the proportion of asset or income or profit from operation as of the latest quarter’s financial statements \geq 50 percent of the total of each item. • The company or debtor or regulator has submitted the company’s rehabilitation petition and the court has accepted the petition. • The company has been filed for bankruptcy by the debtors and the court has accepted the petition. 	<ul style="list-style-type: none"> • The shareholders’ equity is equal to 50% or more of paid-up capital deducted by discount on share capital (if any)^{1/}. • The company is able to show that the company has resolved its financial position or operating result as ordered by such regulator. • The court has dismissed or withdrawn the petition. • The court has dismissed the filed bankruptcy or the debtor has withdrawn the plaint according to the bankruptcy law.

^{1/} Consider from the audited or reviewed financial statements by the auditors with no transactions’ adjustment

Subject	“C” Sign posting	“C” Sign lifting
Financial statements	<ul style="list-style-type: none"> • The auditor’s report contains one of these characteristics: <ul style="list-style-type: none"> ○ Issues a disclaimer opinion on the financial statements due to the limitation of reviewing or auditing scope by the company or the committee or the executives or ○ Issues an adverse opinion on the financial statements. • The SEC has ordered the company to rectify financial statements or arrange a special audit. 	<ul style="list-style-type: none"> • The company has submitted the financial statement that does not contain such characteristics. • The company has submitted the rectified financial statements or special audit as ordered by the SEC.
Business type	The listed company that has total assets or almost all of its total assets in the form of cash or short-term assets (Cash Company).	The company has resolved the status of cash company within specified deadline.

1.2 “C” sign posting and lifting process

Whenever there is information that the listed company appeared to be in the scope of using “C” (Caution) measure, SET will announce to post the “C” sign on the next business day before the morning trading session. As a result, investors have to purchase such securities with Cash Balance account on the next business day from the notified date onwards.

SET will lift the “C” sign by the announcement in advance for 1 business day when the company has completely resolved mentioned problems or the company’s securities has already been announced to be possible delisting.



1.3 The listed companies’ action

The listed company is required to set up a meeting in order to provide information to the investors and concerned persons (Public Presentation) within 15 days since the day that “C” sign is posted by providing of the plan to solve the problems and report on resolving progress to the company’s Board Of Directors (BOD) and Audit Committee to approve. Also, aforementioned plan and progress must be reported through the SET Disclosure System.

1.4 Effectiveness

The measure will be effective from July 2, 2018 onwards. However, equity and auditor’s report consideration process will be started from the quarterly financial statements ended June 30, 2018 onwards.

2. Backdoor Listing

The regulations in considering the characteristics of backdoor listing have been adjusted by considering the actual substance of assets acquisition with the transaction size of less than 100 percent. SET may require the listed company to clarify and submit additional documents or evidence as appropriate within the specified deadline. The consideration process will be finished within 30 days since the date that SET has received accurate and complete information.

The details appeared on the related regulations are attached herewith. The listed companies can download via www.set.or.th under “Rules/Regulations” and “Regulations – SET Circular of the Listing and Disclosure Department”.

In addition, in order to provide for listed companies to understand these adjusted regulations, SET has scheduled the seminar session for compliance purpose on Wednesday March 28, 2018 from 9.00 - 11.00 a.m. at Professor Sangvian Indaravijaya conference room, C building (7th floor), The Stock Exchange of Thailand. We would like to invite one person from each company, as assigned. The registration period for the seminar is on March 7 - 26, 2018. Please find the details in the enclosed documents. If there is any question, please contact Miss Apinya Buntrapichai Tel: 0-2009-9745 or Miss Nudjarin Kupiyasub Tel: 0-2009-9719.

Please be informed accordingly.

Yours sincerely,

(Signed) Paveena Sriphothong

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(On behalf of President)

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