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(Bor.Jor./Por.23-00)

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NOTIFICATION OF THE STOCK EXCHANGE OF THAILAND

Re : Guidelines on Disclosure of Information of Listed Companies

To secure active, fair and orderly securities trading in the Exchange, the Board of Governors of the Stock Exchange of Thailand hereby prescribes that listed companies disclose information necessary for decision making to the general public. Such disclosed information shall be correct, sufficient and timely. Furthermore, the listed companies shall give investors in the Exchange equal access to the information.

Therefore, to conform to the fundamental principle of information disclosure, the Board of Governors of the Stock Exchange of Thailand finds it appropriate to prescribe guidelines on disclosure of information of listed companies as per the attachment hereof. All listed companies shall strictly observe such guidelines.

This Notification shall come into force on the 20th day of May 1993.

Notified on this 30th day of April 1993.

(Signed) Sangvian Indaravijaya

(Mr. Sangvian Indaravijaya)
Chairman of the Board
The Stock Exchange of Thailand

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GUIDELINES ON DISCLOSURE OF INFORMATION OF LISTED COMPANIES

1. Introduction

For many years the Exchange has been maintaining a policy of requiring companies whose securities are traded on the Exchange to make prompt and adequate public disclosure of material incidents or developments in their affairs. A company which lists its securities on the Exchange in effect invites the public to invest in those securities. Thus, the Exchange considers that a company has an obligation to disclose to the public the information necessary to make informed investment decisions.

2. Guidelines on Disclosure of Information of Listed Companies

In order to conduct an active, a fair and orderly market, the Exchange sees it necessary to require every listed company to make available to the public information necessary for informed investing on securities. Such information shall be correct, sufficient and timely. In addition, a listed company shall take reasonable procedures to ensure that all who invest in its securities enjoy equal access to such information. To comply with this fundamental principle, the Board of Governors of the Stock Exchange of Thailand sets forth the guidelines concerning disclosure in six clauses as follows:

(1) Immediate Public Disclosure of Material Information

A listed company is required to make immediate public disclosure of all material information concerning affairs of a listed company or its subsidiary, except in some exceptional circumstances.

(2) Thorough Public Dissemination

A listed company is required to release material information to the public in a manner designed to obtain its fullest possible public dissemination.

(3) Clarification or Confirmation of Rumours and Reports

Whenever a listed company becomes aware of a rumour or report, true or false, that contains information that is likely to have, or has had, an effect on the trading in the company's securities or would be likely to have a bearing on investment decisions, the company is required to publicly clarify such rumour or report as promptly as possible.

(4) Response to Unusual Market Activity

Whenever unusual market activity takes place in a listed company's securities, the company is expected to make inquiry to determine whether rumours or other conditions requiring corrective action in accordance with these guidelines exist. If, after the company's review, the unusual market activity remains unexplained, the company shall announce that there has been no material development in its business and affairs previously disclosed or, to its knowledge, no other reason to account for the unusual market activity.

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(5) Unwarranted Promotional Disclosure

A listed company shall refrain from promotional disclosure information which exceeds that necessary to enable the public to make informed investment decisions. Such information includes:

- (a) inappropriately worded news releases;
- (b) public announcements not justified by actual developments in the company's affairs;
- (c) exaggerated reports or predictions; and
- (d) flamboyant wording and other forms of over-stated or over-zealous disclosure activity which may mislead investors and cause unwarranted price movements and activity in the company's securities.

(6) Insider Trading

Insiders shall not trade on the basis of material information which is not known to the public. Moreover, insiders should refrain from trading, even after material information has been disclosed, for a period sufficient to permit evaluation of the information by investors.

3. Explanation of Disclosure Guidelines

3.1 Guideline on Immediate Public Disclosure of Material Information

(1) Standards for determining whether disclosure should be made:

Immediate disclosure should be made of information about a company's affairs or about incidents or conditions in the market for the company's securities which meets any of the following standards:

- (a) where the information is likely to have a significant effect on the price trading of any of the company's securities; or
- (b) where such information is likely to be considered important by an investor, who applies analysis of information by analysts or experts in determining his choice of action; or
- (c) where such information has or is likely to have effect on the interests of shareholders.

It shall be deemed the responsibility of a listed company to determine which information is material and must be disclosed under the above mentioned standards, as the listed company is in the best position to know which information is material to the company's business. In case of doubt, the company shall consult with the Listing Department of the Exchange.

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(2) Information about a listed company's affairs to be disclosed:

Any material information of a factual nature that bears on the price of a listed company's securities or on decisions as to whether or not to invest or trade in such securities shall be disclosed. Included is information concerning the company's property, business, financial condition and prospects, consolidations and acquisitions, and major dealings with employees, suppliers, customers and others, as well as information concerning a significant change in ownership of the company's securities owned by insiders or controlling persons of the company.

The listed company is not required to disclose the company's internal estimates or projections of its earnings or of other data relating to its affairs. If such estimates or projections are released, they should be prepared carefully, with a reasonable factual basis, and should be stated realistically, with appropriate qualifications. Moreover, if such estimates or projections subsequently appear to have been mistaken, they should be promptly and publicly corrected.

(3) The following are specific examples of a company's affairs or market conditions requiring prompt disclosure:

- (a) a joint venture, consolidation or acquisition;
- (b) the declaration or omission of dividends or the determination of earnings;
- (c) a change in a share's par value or payment of dividend in shares;
- (d) the acquisition or loss of a significant commercial contract;
- (e) a significant new product, significant development in a resource, technology, product or market or significant discovery concerning a natural resource;
- (f) a change in control or a significant change in management;
- (g) a call of securities for redemption;
- (h) the borrowing of a significant amount of funds as against the financial status and performance;
- (i) the issuance of a significant amount of new shares for sale to the public or any person;
- (j) significant litigation;
- (k) the purchase or sale of a significant asset;
- (l) a significant change in capital investment plans;

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- (m) a change in the company's objectives;
 - (n) a significant labor dispute or disputes with sub-contractors or suppliers;
 - (o) a tender offer for another company's securities; and
 - (p) a significant alteration in accounting policy.
- (4) Cases where a listed company is not required to promptly disclose material information:

In the following circumstances a company may temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained:

- (a) When immediate disclosure would prejudice the ability of the company to pursue its corporate objectives.

Although public disclosure is generally necessary to protect the interests of investors, circumstances may occasionally arise where disclosure would prejudice a company's ability to achieve a valid corporate objective. Public disclosure of a plan to acquire certain real estate, for example, could result in an increase in the company's cost of the desired acquisition or could prevent the company from carrying out the plan at all. In such circumstances, as non-disclosure is more favourable, disclosure may properly be deferred to a more appropriate time.

- (b) When the facts are in a state of flux and a more appropriate moment for disclosure is imminent.

Occasionally the company's plans or developments may give rise to material information but is subject to rapid change. If the situation is about to stabilize or resolve itself in the near future, it may be proper to withhold public announcement until a firm conclusion has been made, since successive public announcements concerning the same subject but based on changing facts may confuse or mislead the public.

In the course of a negotiation for the acquisition of another company, for example, the only information known to each party at the outset may be the willingness of the other to hold discussions. Shortly thereafter it may become apparent to the parties that it is likely an agreement can be reached. Finally, agreement in principle may be reached on specific terms. In such circumstances a company need not issue a public announcement at each stage of the negotiations, describing the current state of constantly changing facts, but may await agreement in principle on specific terms. If, on the other hand, progress in the negotiations should stabilize at some other point, disclosure should then be made if the information is material.

- (c) When the immediate disclosure will significantly benefit the company's competitor.

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The disclosure of information which will amount to giving confidential information of the company to, and significantly benefit, the company's competitor, e.g., in a decision to launch a new product or new form of product. However, if the competitor can have such information from other sources, the disclosure shall be made immediately.

However, other laws or regulations may restrict the extent of permissible disclosure before or during a public offering of securities.

In case of doubt, it shall be presumed that the disclosure must be made.

(5) Actions required when rumours occur while material information is being temporarily withheld:

If rumours concerning such information should develop, immediate public disclosure must be made.

(6) Actions required when insider trading occurs while material information is being temporarily withheld:

Immediate public disclosure of the information in question must be made if the company should learn that insider trading has taken or is taking place. In unusual cases, where the trading is insignificant and did not have any influence on the market and measures sufficient to halt the insider trading and prevent its recurrence are taken, exceptions might be made which should be discussed with the Exchange. The Exchange's Listing Department can provide current information regarding market activity in the company's securities with which to help assess the significance of such trading.

Whenever material information is being temporarily withheld, the strictest confidentiality must be maintained, and the company should be prepared to make an immediate public announcement if necessary. During this period, the market action of the company's securities should be closely watched, since unusual market activity frequently signifies that a "leak" may have occurred.

(7) How to maintain confidentiality of material information being temporarily withheld:

Material information that is to be kept confidential should be confined, to the extent possible, to the highest possible echelons of management and should be disclosed to officers, employees and others on a need to know basis only. Distribution of paperwork and other data should be held to a minimum. Where the information must be disclosed more broadly to company personnel, their attention should be drawn to its confidential nature and to the restrictions that apply to its use, including the prohibition of insider trading. It may be appropriate to require each person who gains access to the information to report any transaction which he effects in the company's securities to the company. If legal counsel, accountants, or financial or public relations advisers or other outsiders are consulted steps should be taken to ensure that they maintain precautions similar to that of the company personnel to maintain confidentiality. Therefore, it is recommended that a listed company reminds its employees on a regular basis of its policies on confidentiality.

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3.2 Guideline on Thorough Public Dissemination

(1) The steps required for disclosure of material information:

(a) Disclosure of material information must be made after the market closes. Otherwise, when it is necessary to make disclosure of material information before or during trading hours, the Exchange expects a company to notify its Listing Department in advance of such disclosure if the matter is of a non-routine nature or is expected to have a substantial impact on the market for the securities of the company. The Exchange, with the benefit of all the facts provided by the company, will be able to consider whether a temporary halt in trading, pending an announcement, would be desirable. Such a temporary halt in trading is not a reflection on the company or its securities, but provides an opportunity for disseminating and evaluating the information released. Such a step frequently helps avoid rumours and market instability, as well as the unfairness to investors that may arise when material information has reached part but not yet all of the investing community. Thus, in appropriate circumstances, the Exchange can often provide a valuable service to investors and listed companies by arranging for such a halt.

(b) Timing of Public Disclosure:

Any public disclosure of material information to the public shall be by written announcement to the Exchange or other means prescribed by the Exchange. Such means are, for example, advertisement in a newspaper or sending information by electric media. Where the information is complicated, the Exchange may require that the company hold a meeting with securities analysts. In addition, the company may also broaden its distribution simultaneously to newspapers and other news media, such as the announcement in the company's offices or plants, and to trade publications. The information in question should always be given to the media in such a way as to promote publication by them as promptly as possible, i.e. by telephone, or in writing by hand delivery, in both cases on an "immediate release" basis. The company is cautioned that some of the media may refuse to publish information given by telephone until it has been confirmed in writing or may require written confirmation after its publication. In all cases, the company shall send all announcements to the public to the Exchange.

(2) How to apply the guideline on thorough public dissemination to meetings with securities analysts, journalists, shareholders and others:

The Exchange recommends that companies observe an "open door" policy in dealing with analysts, journalists, shareholders and others. However, under no circumstances should disclosure of material corporate developments be made on an individual or selective basis to analysts, shareholders or other persons unless such information has previously been fully disclosed and disseminated to the public. In the event that material information is inadvertently disclosed on the occasion of any meetings with analysts or others, it must be publicly disseminated as promptly as possible by the means described above.

The company shall avoid any appearance of preference to partiality in the release or explanation of information. Thus, at meetings with analysts or other special groups, representatives of the news media and newspapers should be permitted to attend.

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3.3 Guideline on Clarification or Confirmation of Rumours and Reports

(1) Rumours or reports requiring clarification:

A public circulation by any means, whether by an article published in a newspaper, by a broker's market activity report, or by word-of-mouth of information, either correct or false, which has not been substantiated by the company and which is likely to have, or has had, an effect on the price of the company's securities or would be likely to have a bearing on investment decisions must be clarified and confirmed by the company.

(2) Response to be made to rumours or reports

In the case of a rumour or a report containing erroneous information which has been circulated, the company must make an announcement denying the rumour or the report and setting forth facts sufficient to clarify any misleading aspects of the rumour. In the case of a rumour or a report containing information that is correct, an announcement setting forth the facts should be prepared for public release. In both cases, the announcement should then be publicly disseminated in accordance with the guidelines prescribed above. In addition, in the case of a false rumour or report, a reasonable effort should be made to bring the announcement to the attention of the particular group that initially distributed it. For example, in the case of an erroneous newspaper article, the company shall send a copy of the announcement to the newspaper's financial editor, or in the case of an erroneous market activity report, a copy to the broker responsible for the report.

In the case of a rumour or a report predicting future sales, earnings or other data, no response from the company is ordinarily required. However, if such a report is based on erroneous information, or is wrongly attributed to the company source, the company shall respond in the same manner as to other false rumours and reports. Moreover, if a rumour or a report contains a prediction that is clearly erroneous, the company shall issue an announcement to the effect that the company itself has made no such prediction and currently knows of no facts that would justify making such prediction.

3.4 Guideline on Response to Unusual Market Activity

(1) Substance of unusual market activity:

Where unusual market activity, in price movement, trading activity, or both, occurs without any apparent publicly available information which would account for the action, it may signify trading by persons who are acting either on unannounced material information or on a rumour or a report, whether true or false, about the company. Most often, of course, unusual market activity may not be traceable either to insider trading or to a rumour or a report. Nevertheless, the market action itself may be misleading to investors, who are likely to assume that a sudden and appreciable change in the price of a company's securities must reflect a parallel change in its business or prospects. Similarly, unusual trading volume, even when not accompanied by a significant change in price, tends to encourage rumours and give rise to excessive speculative trading activity which may be unrelated to actual developments in the company's affairs.

(2) Response required of a company when unusual market activity in its securities takes place:

First, the company should attempt to determine the reason for the market activity, by considering in particular:

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(a) whether any information about its affairs which would account for the activity has recently been publicly disclosed;

(b) whether there is any information of this type that has not been publicly disclosed (in which case the unusual market activity may signify that a "leak" has occurred); and

(c) whether the company is the subject of a rumour or a report.

If the company determines that the market action results from material information that has already been publicly disseminated, generally no further announcement is required.

However, if the market activity indicates that such information may have been misinterpreted, it may be helpful, after discussion with the Exchange, to issue a clarifying announcement.

If the market activity results from the "leak" of undisclosed information, the information in question must promptly be publicly disseminated.

If the market activity results from a false rumour or a report, the Exchange's guideline on correction of such rumour and report should be complied with.

If the company is unable to determine the cause of the market activity, the Exchange may suggest that the company make a public announcement to the effect that there have been no undisclosed developments affecting the company or its affairs which would account for the unusual market activity.

3.5 Guideline on Unwarranted Promotional Disclosure

Disclosure activity beyond that necessary to inform investors and explicable essentially as an attempt to influence securities prices is considered to be unwarranted and promotional. The distinction between legitimate public relations activities and such promotional activity is one that must necessarily be drawn from the facts of a particular case. The following are frequent earmarks of promotional activity:

(1) a series of public announcements unrelated in volume or frequency to the materiality of actual developments in a company's business and affairs;

(2) premature announcement of products still in the development stage with unproven commercial prospects;

(3) promotions and expense-paid trips, or the seeking out of meetings or interviews with analysts and financial writers, which could have the effect of unduly influencing the market activity in the company's securities and are not justified in frequency or scope by the need to disseminate information about actual developments in the company's business and affairs;

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(4) press releases or other public announcements of a one-sided or unbalanced nature; or

(5) company or product advertisements which in effect promote the company's securities.

3.6 Guideline on Insider Trading

(1) Definition:

(a) "Insiders" means all persons who come into possession of material inside information before its public release. The insiders for the purposes of the Exchange's disclosure guideline are such persons as controlling shareholders, directors, officers and employees, including outside attorneys, accountants, investment bankers, public relations advisers, advertising agencies, consultants, and other independent contractors. The insiders include spouse, father, mother child, siblings, and those under the control of insiders as well as persons induced by such persons and persons who come into possession of material inside information.

(b) "Inside information" means the information which has not been publicly released and which is intended for use solely for a corporate purpose and not for any personal use and which the company temporarily withholds.

(c) "Insider trading" refers not only to the purchase or sale of a company's securities, but also the purchase or sale of warrants on shares and securities convertible into capital shares. Insider trading is trading made by a person who has any beneficial interest, direct or indirect, in such trading securities, regardless of whether he makes the trading in his own name.

Insider trading means to include the disclosure of inside information to the public whereby outside persons can trade on the company's securities by depending on the non-disclosed information.

(2) Insider Trading after the release of material information:

How soon after the release of material information the insiders may begin to trade depends both on the rapidness and thoroughness of dissemination. In addition, following dissemination of the information, insiders should refrain from trading until the public has had an opportunity to evaluate it thoroughly. In the case of disclosure of uncomplicated information where the effect of the information on investment decisions is readily understandable, as in the case of earnings, the required waiting period will be shorter than where the information is complicated and must be interpreted before its bearing on investment decisions can be evaluated. The waiting period is, therefore, dependent on the circumstances. The Exchange recommends that, under the guideline on thorough dissemination of information, insiders should wait for at least twenty-four hours after the general publication of the release has been adequately disseminated. Where publication is not so widespread, a minimum waiting period of 48 hours is recommended.

(3) Procedures to be taken by listed companies to prevent improper insider trading:

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Listed companies should require its directors, officers, employees and other insiders to report their purchases or sales of the company's securities to prevent trading by using inside information, and to avoid any question of the propriety of insider purchases or sales. One such procedure might require corporate insiders to restrict their purchases and sales of the company's securities to periods following the release of annual statements or other releases setting forth the financial condition and status of the company.

4. Content and Preparation of a Public Announcement

4.1 Minimum Requirements of the Exchange

The content of a press or other public announcement is as important as its timing. Each announcement should:-

- (1) be factual, clear and succinct;
- (2) contain sufficient quantitative information to allow investors to evaluate its relative importance to the activities of the company;
- (3) be balanced and fair. Thus, the announcement should avoid:-
 - (a) omission of important unfavourable facts, or the slighting of such facts, e.g. by "burying" them at the end of a press release;
 - (b) presentation of favourable possibilities as certain, or as more probable than is actually the case;
 - (c) presentation of projections without sufficient qualification or without sufficient factual basis;
 - (d) negative statements phrased so as to create a positive implication, e.g., "The Company cannot now predict whether the development will have a materially favourable effect on its earnings," (creating the implication that the effect will be favourable even if not materially favourable), or "The Company expects that the development will not have a materially favourable effect on earnings in the immediate future," (creating the implication that the development will eventually have a materially favourable effect); and
 - (e) use of promotional jargon calculated to excite rather than to inform.
- (4) avoid over-technical language, and should be expressed to the extent possible in language comprehensible to the layman;
- (5) explain, if the consequences or effects of the information on the company's future prospects cannot be assessed, why this is so; and
- (6) clarify and point out any reasonable alternatives where the public announcement undertakes to interpret information disclosed.

4.2 Preparation of Announcements

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The following guidelines for the preparation of announcements to the Exchange or the public should help companies to ensure that the content of such announcements will meet the requirements prescribed above:-

(1) Every announcement should be either prepared or reviewed by a company official having familiarity with the matters about which disclosure is to be made, and a company official familiar with the requirements of the Exchange, as well as any applicable provisions of the laws governing securities and exchange.

(2) Since skill and experience are important to the preparation and editing of accurate, fair and balanced public announcements, the Exchange recommends that a specific group of individuals within the company be given this assignment on a continuing basis. Since a press announcement usually must be prepared and released as quickly as possible, however, the group charged with this assignment should be large enough to handle problems that arise suddenly and unexpectedly.

(3) Review of press releases and other public announcements by legal counsel might be desirable and necessary, depending on the importance and complexity of the announcement.

***5. Surveillance Procedures of the Exchange**

The Exchange's Listing Department is primarily responsible for day-to-day relations between listed companies and the Exchange. In case the Trading Supervision Department considers that unusual market activity occurs, the Trading Supervision Department will try to trace the reason for the activity to a specific cause, such as recently disclosed information, recommendations by advisory services, or rumours etc. If no explanation of the unusual activity is revealed, the Trading Supervision Department may also check member companies as to the source and reasons for activity stemming from any particular company. The Trading Supervision officer may therefore call a management of the listed company to determine whether the cause of the activity is known to them. If the activity appears to be attributable to a rumour or a report, or to material information that has been publicly disseminated, the Exchange may request that the company take appropriate corrective action, and it may be advisable to halt trading until such action has been taken.

For the purpose of the contact between the Exchange and the company in the case mentioned above, a listed company shall appoint a high level executive with authority to make a report. The company shall facilitate the contact made by a listing officer of the Exchange.

*(*Amended February 9, 1995)*

6. Consultation between the Exchange and Listed Companies

Listed companies are urged to contact the Exchange's Listing Department as early as possible whenever problems are encountered or anticipated in interpreting or applying these disclosure guidelines. By means of such advance consultation, effective liaison between companies and the Exchange can be maintained.