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## **Regulation of the Stock Exchange of Thailand**

### **Re: Measure in case of Events that may affect the Listed Companies' Financial Position and Business Operation B.E. 2561 (2018)**

By virtue of (7) and (17) of the second paragraph of Section 170 of the Securities and Exchange Act B.E. 2535 (1992), the Board of Governors of the Stock Exchange of Thailand, with the approval of the Securities and Exchange Commission, hereby issues the following regulations:

1. This Regulation shall come into force from 2 July 2018 onwards.

**Effectiveness**

2. In this Regulation:

**Definitions**

“Exchange” means the Stock Exchange of Thailand;

“Office” means the Office of the Securities and Exchange Commission;

“financial institution” shall have the same meaning as defined by the law on financial institution;

“securities company” means securities company pursuant to the law on securities and exchange;

“life insurance company” means company licensed to engage in life insurance business pursuant to the law on life insurance;

“non-life insurance company” means company licensed to engage in non-life insurance business pursuant to the law on non-life insurance;

\*“listed securities” means securities of listed company which are listed or authorized to trade on the Exchange;

*(\*Amended on 29 December 2020, force on 1 March 2021)*

“listed company” means company whose ordinary shares are listed on the Exchange;

“financial statement” means a financial statement or consolidated financial statement (if any) on a quarterly basis or an annual financial statement of a listed company which has been reviewed or audited by an auditor as the case may be; and

\*\*“Management” -

*(\*\*Cancelled on 19 February 2024, force on 25 March 2024)*

\*\*\*“Subsidiaries” and “Management” shall have the same meaning with the definition of such words pursuant to the Notification of the Securities and Exchange Commission Re: Determination of Definitions in Notifications with respect to the Issuance and Offering of Securities.

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*(\*\*\*Added on 19 February 2024, force on 25 March 2024)*

\*“business restructuring” means the acquisition or combination of businesses or assets which results in the adjustments of shareholders’ equity but not retained earnings, such as reverse takeover, business combination under common control, etc.

*(\*Added on 18 November 2019, forced on 18 November 2019.)*

\*\*\*\*“Notification of the Capital Market Supervisory Board” and “Notification of the Capital Market Supervisory Board for Foreign Companies” shall have the same meaning with the definition of such words as stipulated in the Regulation of the Exchange governing the listing of ordinary shares or preferred shares as listed securities;

*(\*\*\*\*Added on 31 May 2024, forced on 1 July 2024.)*

**Events which may affect financial position and business operation**

3. The Exchange shall take measurement actions against a listed company in case of the occurrence of one of the following events that may affect its financial position and business operation:

\*\*\* (1) The listed company experiences an issue with its financial position or business operation upon occurrence of any of the following events:

\*\* (a) The Listed Company has financial position or business operation as follows:

(a.1) Having shareholders’ equity as disclosed in the latest financial statement less than 50 percent of the paid-up capital.

(a.2) Having net operating loss as disclosed in the annual financial statement for 3 consecutive period causing the shareholders’ equity as disclosed in the latest annual financial statement to be less than 100 percent of the paid-up capital.

In considering the net operating loss under (a.2), the Exchange will begin from consideration of the latest annual financial statement ending after this regulation comes into force. The Exchange will also consider the annual financial statement of 2 preceding years from such latest annual financial statement together with such latest annual financial statement.

The paid-up capital mentioned above shall mean the paid-up capital deducting the discounts on share capital and the discounts from Business Restructuring in accordance with the calculating method stipulated by the Exchange. In any case, the paid-up capital after those deductions shall be greater than zero

(b) The regulatory authority of the Listed Company which is a financial institution, securities company, life insurance company or non-life insurance company issues a publicly available order that the financial position or operation shall be amended whereby operation is partially suspended or the expansion of business is temporarily suspended, and the Exchange deems that such order has material impact on the listed company’s financial position and operation;

(c) The listed company, its creditor or the regulatory authority submits a petition for the rehabilitation of the listed company pursuant to the law on bankruptcy, and the court accepts such petition; or

(d) The listed company has a bankruptcy claim instituted against it by its creditor pursuant to the law on bankruptcy, and the court accepts such claim;

\*\*\* (e) The Listed Company has operating income as disclosed in the latest annual financial statement showing the performance as follows:

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(e.1) less than Baht 100 million, in case the company has securities listed in the Stock Exchange of Thailand (SET)

(e.2) less than Baht 50 million in case the company has securities listed in the Market for Alternative Investment (mai).

The consideration of operating income under the first paragraph shall be as prescribed by the Exchange.

\*\*\* (f) The Listed Company or the Subsidiaries default in payment with financial institution or is in default or unable to comply with its obligations under transactions respecting issuance of bonds. In case of Subsidiaries, it shall consider the event of default against the Financial Institution or the default or unable to comply with its obligation under transactions respecting issuance of bonds with value from 5 percent of the total assets of the Listed Company as disclosed in the latest financial statement.

The default or unable to comply with its obligations under transactions respecting issuance of bonds under the first paragraph shall be deemed to have occurred when the authority acting as the bond information center has posted sign on the Listed Company's or the Subsidiaries' bonds, indicating that there is an event of default or event which causes the inability to comply with the obligations under transactions respecting issuance of such bonds. Provided that it shall be in accordance with the guideline prescribed by the Exchange.

\*\*\* (2) The auditor's report on the Listed Company's latest financial statement is in a manner of disclaimer of opinion.

(3) The Office orders the Listed company to amend the financial statement or to arrange for special audit

(4) The Listed company has all or most of its assets in the form of cash according to the rules and procedures for action against listed companies whose all or most of its assets are in the form of cash pursuant to the regulations of the Exchange regarding disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets.

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\*\*\* (5) The Listed Company is unable to maintain the qualification regarding the engagement of an audit committee pursuant to the criteria prescribed by the Exchange

\*\*\* (6) The Listed Company is unable to maintain the qualification regarding the distribution of minority shareholding as prescribed by the Exchange.

\*\*\*\* (7) The Listed Company is unable to maintain the qualification regarding the nature of business operation which shall not engage operations in the manner of an investment management business (Investment Company), as specified in the Notification of the Capital Market Supervisory Board or the Notification of the Capital Market Supervisory Board for Foreign Companies, as the case may be.

In determining whether a Listed Company operates as an Investment Company as stated in first paragraph, consideration shall be based on the Listed Company's most recent notes to financial statements audited or reviewed, as the case may be, by an auditor, according to the financial statements or consolidated financial statements (if any), commencing with the financial period ending on 1 August 2024 onward.

The provision in the first paragraph shall not apply to cases where the operations as an investment management business (Investment Company) do not arise from actions that directly or indirectly increase in the investment proportion of the Listed Company.

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*(\*Clause 3(2) was amended on 21 March 2019, forced on 1 April 2019.)*

*(\*\*Clause 3(1)(a) was amended on 18 November 2019, forced on 18 November 2019.)*

*(\*\*\*Clause 3(1)(a) was amended on 19 February 2024, force on 25 March 2024)*

*(\*\*\*Clause 3(1)(e) and (d) was added on 19 February 2024, force on 25 March 2024)*

*(\*\*\*Clause 3(2) was amended on 19 February 2024, force on 25 March 2024)*

*(\*\*\*The second paragraph of clause 3(4) was cancelled on 19 February 2024, force on 25 March 2024)*

*(\*\*\*Clause 3(5) and (6) was added on 19 February 2024, force on 25 March 2024)*

*(\*\*\*\*Clause 3(7) was added on 31 May 2024, force on 1 July 2024)*

4. \*The Exchange will announce the name of Listed Company with events under Clause 3 and the Exchange will post a sign indicating that the Listed Company has occurrence of event which may impact the financial position and business operation of the listed securities of such Listed Company, in accordance with the regulation of the Exchange regarding the practice guideline regarding trading, clearing and settlement of securities in the Exchange, and to purchase such securities through cash balance account pursuant to the regulation of the Exchange regarding purchase of securities through cash balance account.

**Procedure for actions**

The posting of sign and prescribing on trading of listed securities pursuant to the measure under the first paragraph shall come into force on the business day following the date the Exchange announces that the Listed Company experiences an event which may affect its financial position and business operation.

The listed securities under the first and second paragraphs shall include derivative warrants with the ordinary shares of the listed company who experiences an event under Clause 3 as underlying assets.

*(\*The first paragraph of clause 4 was amended on 19 February 2024, force on 25 March 2024)*

5. For the purpose of the protection of investors, the listed company who experiences an event under Clause 3 shall convene a meeting to provide information and resolving plan for the elimination of such event to shareholders, investors and parties concerned ( "Public Presentation") within 15 days from the date the Exchange has taken measurement actions against the listed company under the second paragraph of Clause 4, and such meeting shall be convened every quarter to report on the progress of the elimination of such event.

**Procedure for the protection of investors**

Resolving plan for the elimination and report on the progress of the elimination of event which may affect the financial position and business operation under the first paragraph shall be approved by the listed company's board of directors and the audit committee.

\*The Listed company shall disclose the report on the provision of information and resolving plan for the elimination of event under the first paragraph to the Exchange without delay. The disclosure shall be made within the period prescribed by the Exchange which shall be (a) before the first trading hours of securities in the Exchange, or (b) after the trading hours of securities in the Exchange.

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\*Where the Listed Company is unable to disclose the information mentioned in the third paragraph within the period as specified in the third paragraph due to force majeure, the Listed Company shall disclose within the period prescribed by the Exchange which shall be the period before the first trading hours of securities in the Exchange of the following business day.

The procedure for the disclosure of information under the third paragraph to the Exchange by shall be carried out by the Listed Company through the electronic system under the regulations of the Exchange regarding procedure for the disclosure of information and submission of documents of listed companies through the electronic system.

*(\*The second and The third Paragraph of clause 5 was amended on 19 February 2024, force on 25 March 2024)*

\*6. The Exchange shall take measurement actions under the second paragraph of Clause 4 until the Exchange considers that the Listed Company is able to eliminate the event in relation to its financial position and business operation or upon the occurrence of the following event as the case may be:

**Announcement of  
elimination of event**

(1) The Listed Company has solved the financial position or business operation issues according to the following:

(a) The Listed Company has financial position or business operation result as follow:

(a.1) The Listed Company under clause 3(1)(a)(a.1) is able to show that its shareholders' equity is 50 percent of the paid-up capital or more, which is disclosed in the latest financial statement;

(a.2) The Listed Company under clause 3(1)(a)(a.2) is able to show that it has net profit or the shareholders' equity is not less than 100 percent of the paid-up capital, which is disclosed in the latest financial statement.

(b) The Listed Company under Clause 3(1)(b) is able to show that it has solved the financial position or business operation issue according to the order issued by the regulatory authority of the Listed Company;

(c) The Listed Company under Clause 3(1)(c) or (d) is able to show that the court has dismissed the rehabilitation petition or dismissed the bankruptcy claim pursuant to the bankruptcy law;

(d) The Listed Company under Clause 3(1)(e) is able to show that it has operating income in the accumulated period or the latest period as disclosed in the latest financial statement, indicating the following performance:

(d.1) not less than Baht 100 million, in case the Listed Company has securities listed in the Stock Exchange of Thailand (SET);

(d.2) not less than Baht 50 million in case the Listed Company has securities listed in the Market for Alternative Investment (mai).

(e) The Listed Company under Clause 3(1)(f) is able to show that it has solved issue of the default in payment against financial institution, or the authority acting as the bond information center has cancelled the posting of sign on the bond of the Listed Company or the Subsidiaries;

(2) The Listed Company has submitted the financial statement which does not falls within the conditions under Clause 3(2);

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(3) The Listed Company has submitted the financial statement which has been amended pursuant to the order of the Office or has complied with the order of the Office for the listed company to arrange for special audit;

(4) The Listed Company has taken actions such that it is no longer a cash company prior to the date the Exchange announces that the Listed Company's ordinary shares may potentially be delisted pursuant to the regulation of the Exchange regarding the delisting of listed securities;

(5) The Listed Companies is able to procure for a completed audit committee pursuant to the criteria prescribed by the Exchange;

(6) The Listed Company is able to distribute the minority shareholding pursuant to the criteria prescribed by the Exchange;

\*\*(6/1) The Listed Company has already amended its operations that previously characterized as conducting an investment management business (Investment Company) under Clause 3(7);

(7) The Exchange has ordered for a temporary suspension on the trading of the listed securities pursuant to the regulation of the Exchange regarding the criteria, condition, and procedure with respect to the temporary suspension on the trading of the listed securities; in any of the following events:

(a) The Listed Company is unable to maintain the qualification regarding the engagement of a complete audit committee pursuant to the criteria prescribed by the Exchange and the Exchange has continuously proceeded with the measures under the second of Clause 4 for a complete period of 3 months;

(b) The Listed Company is unable to maintain the qualification regarding the distribution of minority shareholding as prescribed by the Exchange and the Exchange has continuously proceeded with the measures under the second of Clause 4 for a complete period of 1 year;

\*\*(c) The Listed Company is unable to maintain the qualification regarding the nature of business operation which required to not operate in the manner of an investment management business (Investment Company) as specified in the Notification of the Capital Market Supervisory Board or the Notification of the Capital Market Supervisory Board for Foreign Companies, as the case may be, and the Exchange has also implemented measures in accordance with the second paragraph of Clause 4, continuously for a period of one quarter. Furthermore, if the Listed Company's inability to maintain such qualification recurs within three years from the date the Exchange announces that the aforementioned event has been resolved, the Exchange will implement measures in accordance with, the second paragraph of Clause 4, continuously for a period of one month instead of one quarter.

(8) The Exchange announces that the listed securities of Listed Company may potentially be delisted pursuant to the regulation of the Exchange regarding the delisting of listed securities.

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The cancellation of measurement actions under the first paragraph shall come into force on the business day following the date the Exchange announces that the Listed Company is able to eliminate the event under Clause 3, or the business day following the date which the Exchange has ordered for temporary suspension on the trading of the listed securities, or the business day following the date which the Exchange announces that the listed securities of a Listed Company may potentially be delisted pursuant to the regulation of the Exchange regarding the delisting of listed securities, as the case may be.

*(\*Clause 6 was amended on 19 February 2024, force on 25 March 2024)*

*(\*\*Clause 6(6/1) and 6(7)(c) was added on 31 May 2024, force on 1 July 2024)*

Notified on 5 March 2018

*(Signed) Chaiyawat Wibulswasdi*

(Mr. Chaiyawat Wibulswasdi)

Chairman

Stock Exchange of Thailand

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Reason for Promulgation : As the Exchange deems it appropriate to prescribe measure in case of events that may affect the listed company's ability to maintain its listing status in term of financial condition, disclosure of financial statement and business operation whereby the Exchange has prescribed certain measures such as posting of sign on the listed company's securities and imposing specific trading measurement of listed company's securities in order to protect and urge investors to exercise caution in trading the securities of such listed company, it is therefore appropriate to issue this Regulation.

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**Note:**

**1. Transitory provisions**

\*In case the listed securities of a Listed Company is posted with C (Caution) sign prior to the date which this regulation comes into force and such Listed Company is unable to entirely solve the issues which impact the financial position and the business operation prior to the date which this regulation comes into force, the Exchange will post a sign indicating that the Listed Company has an event which may impact the financial position and the business operation pursuant to this regulation, until such Listed Company is able to entirely solve the issues which has impact on the financial position and business operation. The Exchange will continue to count the period which the C (Caution) sign has been posted together with period which a sign, indicating the Listed Company has an event which may impact the financial position and the business operation pursuant to this regulation, is posted

*(\*Transitory Provision under the Regulation of the Stock Exchange of Thailand Re: Measure in case of Events that may affect the Listed Companies' Financial Position and Business Operation (No. 4) B.E. 2567 (2024) dated 19 February 2024, forced on 25 March 2024)*

**Transitory  
provisions**