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**Procedure for Actions against Listed Companies  
who fail to submit the Financial Statements or Late Submission,  
or submits the Financial Statements for which the Auditor issued an Adverse Opinion**

**1. Principle and Rationale**

Because the financial statement is an information which is important and necessary to decision to invest in securities, the fact that the listed company fails to submit the financial statements or late submission or submits the financial statements for which the auditor issued an adverse opinion means that the company is potentially not disclosing material information which may then seriously and adversely affect the rights, interests or decision of investors and serves as a sign that the company is experiencing a problem with its internal operation and management which may cause serious damage to shareholders. The Stock Exchange of Thailand (“SET”) has thus laid down clear procedure for actions in such situation for listed companies in order for shareholders and investors to be well-informed in order to assess risks involved in investing in companies’ securities. Moreover, this procedure will encourage listed companies to improve their internal control system, accounting system and effective financial report preparation procedure, which would subsequently enhance confidence in the anagement of listed companies.

**2. Procedure for Actions against Listed Companies and their Management who fail to submit the Financial Statements or Late Submission or submits the financial statements for which the auditor issued an adverse opinion**

2.1 Any listed company who fails to submit the financial statements or late submission or submits the financial statements for which the auditor issued an adverse opinion shall have its name announced by the SET as its listed securities may potentially be delisted under Clause 9 (3) and 9 (5) of the Regulation of the Stock Exchange of Thailand Re: Delisting of Securities B.E. 2542 (1999) dated 9 December 1999 which provides that:

Clause 9 ( 3) “The listed company violates or fails to comply with the laws governing securities and exchange, regulations of the Exchange, listing agreement executed with the Exchange as well as any circulars required by the Exchange for compliance, which may seriously and adversely affect the rights, interests or decision of the investors or the change of the price of securities”; and

Clause 9 (5) “The listed company fails to disclose material information or makes a mistake in disclosing material information, which may seriously and adversely affect the rights, interests or decision of investors or the change in price of the securities”.

2.2 In case the director, manager or management of the listed company responsible for the operation of the listed company prepares an account which is incomplete, incorrect or not updated which deem violating the Section 312 of the Securities and Exchange Act B.E. 2535 (1992) and/or fails to submit the financial statements or late submission or submits the financial statements for which the auditor issued an adverse opinion thereby causing the listed company to be delisted from the SET, the SET may consider that the management responsible for the operation of such listed company lacks the qualifications of the management and controlling parties of the listed company pursuant to the rules for maintaining listing status and may announce to shareholders and the general public that the SET does not accept such person as the director and management of the listed company and the company submitting the request as a listed company pursuant to the rules regarding listing of securities.

### **3. Procedure**

The regulations of the SET regarding preparation and submission of financial statements and reports on financial and operating results of listed companies prescribe that listed companies shall prepare and submit the financial statements within the time period prescribed in the notification of the Capital Market Supervisory Board regarding the disclosure of financial and non-financial information of securities issuer. If the company fails to comply with this requirement within the time period prescribed, the SET shall take the following actions:

#### **3.1 The Listed Company fails to submit or submit the Financial Statements 6 Months after the Due Date or submits the financial statements for which the auditor issued an adverse opinion**

The SET has divided the period of action into 2 parts as follows:

##### **(1) Period for the Elimination of the Grounds for Delisting**

- The SET shall post SP (Suspension) sign immediately from the due date for the submission of the financial statements or the date of submission of financial statement for which the auditor issues an adverse opinion to prohibit the trading of the listed company's securities (pursuant to the regulations of the SET regarding the rules, conditions and procedures for temporary suspension of listed securities trading) until the listed company is able to solved such causes, for example, in the event that the listed company fails to submit such financial statement, if the listed company is able to submit the Financial Statement, or, in the event that the listed company submits the financial statements for which the auditor issued an adverse opinion, if the listed company is able to submit the financial statement for which the auditor does not issues an adverse opinion.

- The SET shall announce the names of securities of the listed company that may potentially be delisted and post NC (Non-Compliance) sign from the date of the end of 6 months after the due date for the submission of the financial statements or the date of submission of financial statement for which the auditor issues an adverse opinion until the listed company can submit the financial statements and repossess the qualifications in order to resume trading as normal;

- If the listed company is able to submit the financial statements within 1 year from the date of the announcement that its securities may potentially be delisted, the listed company shall repossess the qualifications in order to resume trading pursuant to the rules in

3.1 (2). On this basis, the SET shall announce the names of securities of the listed company as having entered the period for the repossession of qualifications in order to resume trading (Resume Stage); and

- If the listed company is unable to eliminate the ground for delisting within 1 year from the date of the announcement that its securities may potentially be delisted, the SET shall propose to the Board of Governors of the Stock Exchange of Thailand to consider delisting the securities of the listed company accordingly. On this basis, before the date on which the delisting of the ordinary shares of the listed company takes effect, the trading of securities shall be allowed in accordance with the rules within the period specified in 4.

##### **(2) Period for the Repossession of Qualifications in order to resume Trading (Resume Stage)**

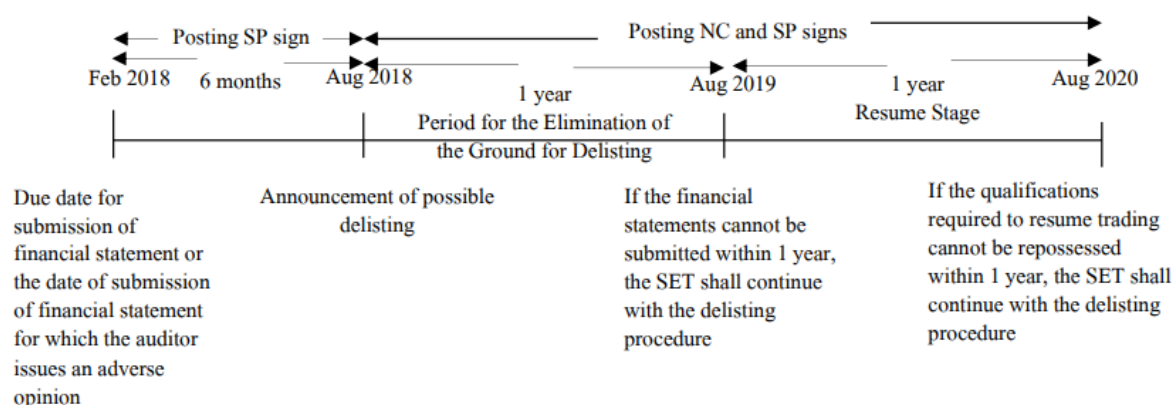
- The SET shall give the listed company that is able to eliminate the ground for delisting under 3.1 (1) to take actions to repossess the qualifications in order to resume trading within 1 year from the date of the end of the period in 3.1 (1) or the date the listed company eliminates the ground for delisting, whichever is the earlier. NC (Non-Compliance) sign shall remain posted by the SET to inform investors that the securities of the listed Company may potentially be delisted and SP (Suspension) sign to prohibit the trading of securities;

- If the listed company is able to repossess the qualifications in order to resume trading within 1 year from the date the listed company eliminates the ground for delisting

under 3.1 (1), the listed company can submit request with the SET to have NC and SP signs removed and to allow its securities to be traded as normal;

- If the listed company is unable to repossess the qualifications in order to resume trading within 1 year from the date the listed company eliminates the ground for delisting under 3.1 (1), the SET shall propose to the Board of Governors of the Stock Exchange of Thailand to consider delisting the securities of the listed company accordingly. On this basis, before the date on which the delisting of the ordinary shares of the listed company takes effect, the trading of securities shall be allowed in accordance with the rules within the period specified in 4.

#### Example Chart of Procedure for Actions



### 3.2 The Listed Company fails to submit or submit the Financial Statements ordered to be amended by the Securities and Exchange Commission (SEC) 6 Months after the Due Date

The SET has divided the period of action into 2 parts as follows:

#### (1) Period for the Elimination of the Grounds for Delisting

- The SET shall announce the names of securities of the listed company that may potentially be delisted and post NC (Non-Compliance) sign to inform investors that the securities may potentially be delisted and SP (Suspension) sign to prohibit the trading of securities from the date of the end of 6 months after the date the SEC ordered the financial statements to be amended until the listed company can submit the amended financial statements and take actions to repossess the qualifications in order to resume trading as normal;

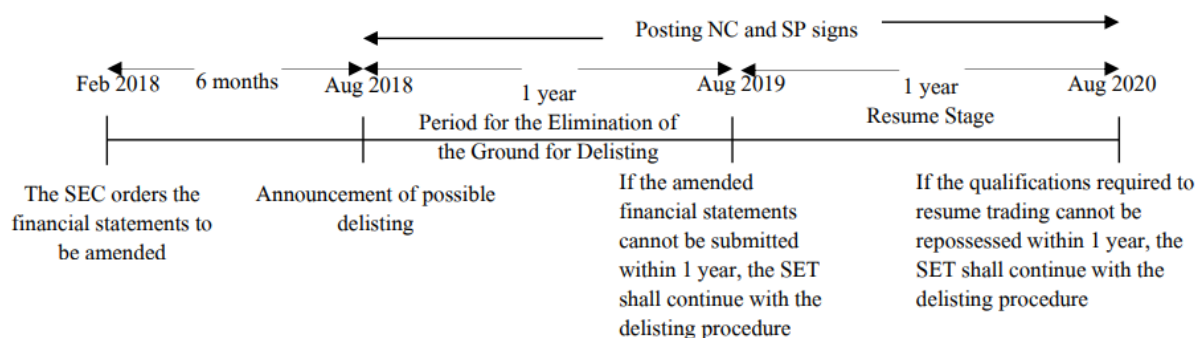
- If the listed company is able to submit the amended the financial statements within 1 year from the date of the announcement that its securities may potentially be delisted, the listed company shall repossess the qualifications in order to resume trading pursuant to the rules in 3.2 (2). On this basis, the SET shall announce the names of securities of the listed company as having entered the period for the repossession of qualifications in order to resume trading (Resume Stage);

- If the listed company is unable to submit the amended financial statements within 1 year from the date of the announcement that its securities may potentially be delisted, the SET shall propose to the Board of Governors of the Stock Exchange of Thailand to consider delisting the securities of the listed company accordingly. On this basis, before the date on which the delisting of the ordinary shares of the listed company takes effect, the trading of securities shall be allowed in accordance with the rules within the period specified in 4.

**(2) Period for the Repossession of Qualifications in order to resume Trading (Resume Stage)**

- The SET shall give the listed company that is able to submit the amended financial statements under 3.2 (1) time to take actions to repossess the qualifications in order to resume trading within 1 year from the date of the end of the period in 3.1 (1) or the date the listed company submits the financial statements to the SET, whichever is the earlier. NC (Non-Compliance) sign shall remain posted by SET to inform investors that the securities of the listed company may potentially be delisted and SP (Suspension) sign to prohibit the trading of securities;
- If the listed company is able to repossess the qualifications in order to resume trading within 1 year from the date the listed company submits the amended financial statements to the SET under 3.2 (1), the listed company can submit request with the SET to have NC and SP signs removed and to allow its securities to be traded as normal; and
- If the listed company is unable to repossess the qualifications in order to resume trading within 1 year from the date the listed company submits the amended financial statements to the SET under 3.2 (1), the SET shall propose to the Board of Governors of the Stock Exchange of Thailand to consider delisting the securities of the listed company accordingly. On this basis, before the date on which the delisting of the ordinary shares of the listed company takes effect, the trading of securities shall be allowed in accordance with the rules within the period specified in 4.

**Example Chart of Procedure for Actions**



**4. Trading of Securities before Delisting**

The SET shall allow the trading of the listed securities for 7 business days before the date of the delisting of ordinary shares as stipulated by the Board of Governors of the Stock Exchange of Thailand.

The trading of listed securities under paragraph one shall be conducted through cash balance account pursuant to the regulations of the SET regarding the purchase of securities through cash balance account whereby the SET shall maintain the NC (Non-Compliance) sign on the listed securities throughout the period for the trading of such listed securities.

**5. Request for Extension**

The listed company can submit the request for the extension of the period for the repossession of qualifications in order to resume trading (Resume Stage) once, and such extension shall not exceed 1 year. The SET shall consider the reason and need of the listed company in granting the extension.

The listed company shall submit the request for extension 7 business days in advance prior to the date of the end of the period for the repossession of qualifications in order to resume trading (Resume Stage), together with written notice clarifying and providing supporting reason or information which shows that the listed company possesses all of the following qualifications:

5.1 Apparently, there is a main business to be operated on a continuous basis taking into account factors such as commercial revenue, assets used in the operation of the main business, licenses/concessions required to operate such business etc.;

5.2 There is a procedure to eliminate the grounds for delisting, clear progress, and clear adherence to such plan; and

5.3 Other qualifications i.e. management and controlling parties do not possess the prohibited characteristics pursuant to the notifications of the SEC and compliance with disclosure rules of the SET.

## **6. Guidelines and Procedures for the Repossession of Qualifications in order to resume Trading**

The listed company can submit the request for the SET to consider allowing the listed company to resume trading as normal when the listed company has submitted the financial statements on 2 consecutive periods within the time prescribed after the submitting the financial statements which were submitted late or the financial statements for which the auditor does not issue an adverse opinion or the financial statements ordered to be amended by the SEC (as the case may be) and the report of the audit shall not be one of the following types:

(1) The auditor proposes a qualified opinion that there is defect in the internal control system or incomplete accounting system, or the listed company has failed to comply with the generally accepted accounting principle;

(2) The auditor issues a disclaimer in case the scope of audit is limited by an act or omission of the company or management; or

(3) The auditor issues an adverse opinion on the financial statements.

## **7. Announcement of the Resumption of Trading**

The SET shall disseminate information on the resumption of trading to shareholders and investors 7 business days in advance before the securities of the listed company commence trading.

## **8. Effectiveness**

The SET shall use this Procedure for Actions against Listed Companies who fail to submit the Financial Statements or late submission, or submit the Financial Statements for which the Auditor issued an Adverse Opinion instead of the Policy for Potential Delisting Notification Re: Late Submission of Financial Statements by Listed Companies dated 25 December 2017 (“Policy”), effective from 1 April 2019 onwards.

In case the listed company has submitted the application for the Listed Company’s ordinary shares to resume trading from 25 March 2024 onwards. The provisions of Section 1 of the procedure attached to the notification of the Board of Governors of the Stock Exchange of Thailand Re: Procedures for Action for the Elimination of the Grounds for Possible Delisting of Ordinary Shares B.E. 2567 (2024) (No.2) in the section related to the Listed Company’s ordinary shares to resume trading in the Exchange comes into force.

## **9. Transitory Provision**

The SET shall continuously count the time period pursuant to the criteria prescribed in the Procedure for Actions against Listed Companies who fail to submit the Financial Statements or Late Submission dated 25 December 2017 and dated 21 March 2019 for companies which failed to submit the financial statements at all or on time and fit the criteria for possible delisting before the date this Procedure comes into force.