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## **Notification of the Board of Governors of the Stock Exchange of Thailand**

### **Re: Procedures for Action for the Elimination of the Grounds for Delisting of Ordinary Shares B.E. 2567 (2024)**

By virtue of Clause 9 and Clause 16 of the Regulation of the Stock Exchange of Thailand Re: Delisting of Securities B.E. 2564 (2021) dated 5 October 2021, 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 Notification shall come into force from 1 January 2025 onwards.

**Effectiveness**

2. In this Notification:

**Definition**

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

“management”, “major shareholders” and “controlling persons” shall have the same meanings as defined in the Notification of the Securities and Exchange Commission governing determination of definitions in notifications relating to issuance and offers for sale of securities; and

“persons taking part in the management” shall have the same meaning as defined in the Regulation of the Exchange governing listing of ordinary shares or preferred shares.

3. The Board has prescribed the procedures for action for the elimination of the grounds for delisting of ordinary shares, as attached hereto, in relation to the following matters:

(1) Chapter 1 - Procedures for action against listed companies subject to possible delisting due to non-submission or late submission of financial statements or submission of financial statements with adverse opinion;

(2) Chapter 2 - Procedures for action against listed companies subject to possible delisting due to business operation or financial position; and

(3) Chapter 3 - Procedures for action against listed companies subject to possible delisting due to status as cash company where assets of listed companies and/or their subsidiaries are entirely or predominantly in the form of cash or short-term securities.

(4) In case any listed company experiences circumstances that may subject it to possible delisting of its ordinary shares prior to the effective date of this announcement and the delisting grounds have not yet been eliminated by such listed company, the procedures for action for the elimination of the grounds for delisting of ordinary shares being in effect at the time such listed companies initially became at risk of delisting shall continue to apply until their successful elimination of the grounds for delisting.

If a listed company under paragraph one develops circumstances that constitute new grounds for delisting its ordinary shares in addition to the delisting grounds specified in paragraph one after the effective date of this Notification, the procedures for action for the elimination of the grounds for delisting of common shares as stipulated in this announcement shall apply to such new grounds.

Issued on 25 November 2024

*(Signed) Kitipong Urapeepatanapong*  
(Adjunct Professor Kitipong Urapeepatanapong)  
Chairman of the Board  
The Stock Exchange of Thailand

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Rationale: Whereas the Stock Exchange of Thailand considers it expedient to enhance the procedures for action for the elimination of the grounds for delisting ordinary shares to ensure that listed companies seeking to resume trading possess strong financial position or operating performance, it is therefore deemed appropriate to issue this Notification.

## Chapter 1

### **Procedure for Actions against Listed Companies Subject to Possible Delisting Due to Non-Submission or Late Submission of Financial Statements or Submission of Financial Statements with Adverse Auditor Opinion**

In case a listed company fails to submit its financial statements to the Exchange or submits the financial statements to the Exchange later than 6 months from the financial statements submission due date, or a listed company fails to submit the financial statements ordered to be amended by the Office within 6 months from the date such amendment is ordered by the Office, or a listed company submits the financial statements on which the auditor issued an adverse opinion and fails to make the necessary rectification within 6 months from the submission date of the financial statements on which an auditor issued such an adverse opinion (hereinafter collectively refer to these acts of listed company as **“failure to submit financial statements as prescribed”**), the listed company shall be deemed to fail to disclose material information, or to make an erroneous disclosure of material information and to violate or fail to comply with the rules prescribed by the Exchange, which may adversely affect the rights and benefits of the shareholders, decision making of the investors or the change in the securities prices, which constitute grounds for the possible delisting of the listed company’s ordinary shares pursuant to the regulations of the Exchange governing delisting of securities.

#### **1. Actions when ordinary shares of listed companies are subject to possible delisting due to failure to submit financial statements as prescribed**

1.1. In occurrence of the following, the Exchange will announce that the listed company’s ordinary shares are subject to possible delisting and will post the NC (Non-Compliance) sign and the SP (Suspension) sign on listed securities of such listed company.

1.1.1. The listed company fails to submit its financial statements to the Exchange or submits the financial statements to the Exchange later than 6 months from the financial statement submission due date, or the listed company fails to submit the amended financial statements per the amendment order issued by the Office within 6 months from the date such amendment is ordered by the Office.

1.1.2. The listed company has submitted financial statements on which the auditor issued an adverse opinion, and the listed company fails to make the necessary rectification within 6 months from the date the listed company submits the financial statements on which the auditor issued an adverse opinion.

1.2. After the announcement of the possible delisting of the listed company’s ordinary shares by the Exchange pursuant to Clause 1.1, if it subsequently appears that the listed company fails to submit the financial statements for the subsequent periods similar to any of the events under Clause 1.1, the Exchange will notify the listed company of such failure and disclose information with respect to the failure to submit the financial statements to the general investors.

1.3. The listed company shall proceed to eliminate the grounds for delisting and ensure that its listed securities qualify for trading resumption on the Exchange within the period prescribed by the Exchange. Such process is divided into 2 stages, i.e., Stage 1: Elimination of the grounds for delisting, and Stage 2: Repossession of qualifications in order to resume trading on the Exchange. The details of each stage are as follows:

#### **1.3.1. Stage 1: Elimination of the grounds for delisting**

(1) The listed company shall fulfil all of the following requirements in order to completely eliminate the grounds for delisting within 2 years from the date the Exchange announces that its ordinary shares are subject to possible delisting:

(1.1) In case the listed company fails to submit its financial statements to the Exchange or submits the financial statements to the Exchange later than 6 months from the financial statement submission due date, or the listed company fails to submit the amended financial statements per the amendment order issued by the Office within 6 months from the date such amendment is ordered by the Office

The listed company shall completely and duly submit to the Exchange the relevant financial statements for every period which are not submitted within 6 months from the financial statement submission due date or the date the amendment is ordered by the Office (as applicable) whereby such financial statements shall not contain the auditor's adverse opinion.

(1.2) In case the listed company has submitted financial statements on which the auditor issued an adverse opinion, and the listed company fails to make the necessary rectification within 6 months from the date the listed company submits the financial statements on which the auditor issued an adverse opinion

The listed company shall submit to the Exchange the financial statements which do not contain the auditor's adverse opinion, and where the listed company fails to submit financial statements for the subsequent periods after the Exchange's announcement of the possible delisting of the listed company's ordinary shares pursuant to Clause 1.1, the listed company shall also proceed in accordance with the rules prescribed in Clause 1.3.1(1) (1.1).

(2) In case the listed company is able to eliminate the grounds for delisting pursuant to the rules prescribed in Clause 1.3.1 (1) within the period prescribed, the listed company shall file an application with the Exchange at least 7 business days prior to the deadline of Stage 1 in order to request the transition into Stage 2. In this regard, the listed company shall provide clarification or evidence that the listed company is able to eliminate the grounds for delisting pursuant to the rules prescribed by the Exchange. If the Exchange concludes that the listed company has fully complied with the rules prescribed, the Exchange will then announce the transition of the listed company into Stage 2 while maintaining the NC sign and the SP sign on the listed securities of the listed company.

(3) In case the listed company is unable to eliminate the grounds for delisting in accordance with the rules prescribed in Clause 1.3.1 (1) within the period prescribed, the Exchange will propose to the Board to consider delisting the ordinary shares of the listed company.

If the Board orders that the ordinary shares of the listed company be delisted, the Exchange will allow the trading of such listed securities of the listed company prior to the effective date of the delisting of ordinary shares pursuant to the regulations of the Exchange governing delisting of securities.

### **1.3.2. Stage 2: Repossession of qualifications in order to resume trading**

(1) The listed company shall fully comply with the following rules within 1 year from the date the Exchange announced the transition of the listed company into Stage 2 in order for the listed securities of the listed company to resume trading on the Exchange.

(1.1) To completely and duly submit to the Exchange the financial statements for all submission periods which have not yet been submitted and/or which have been amended per the Office's order, and/or the financial statements which do not contain the auditor's adverse opinion in accordance with the regulations of the Exchange governing preparation and submission of financial statements and reports on financial and non-financial information of listed companies.

(1.2) To submit the financial statements to the Exchange within the period prescribed pursuant to the regulations of the Exchange governing preparation and submission of financial statements and reports on financial and non-financial information of listed companies for 2 consecutive submission periods.

In case the listed company has been permitted to submit the financial reports of the first 6 months of the accounting year instead of the quarterly financial statements according to the criteria prescribed by the Capital Market Supervisory Board, the provisions in paragraph one shall also include the submission of financial reports within such period as prescribed.

(1.3) The auditor's report on the financial statements submitted under Clause 1.3.2 (1) (1.2) shall not possess any of these following characteristics:

(a) The auditor issued a qualified opinion with respect to the deficiency of the listed company's internal control system, the incompleteness of its accounting system, or the deviation of the financial statements from the accounting principles accepted by the Office.

(b) The auditor issued a disclaimer of opinion on the financial statements or issued a qualified opinion with regard to the limitation of auditing scope as a result of the act or omission of the listed company or the directors or the management of the listed company.

(c) The auditor issued an adverse opinion.

(1.4) To fulfil all of the qualification criteria for maintaining listing status. With respect to the shareholding distribution, the listed company shall maintain at least 150 minority shareholders and such shareholders shall hold share in aggregate not less than 15 percent of the listed company's paid-up capital.

(2) In case the listed company is able to ensure that its listed securities are qualified for trading resumption on the Exchange in accordance with the rules set forth in Clause 1.3.2 (1) within the period prescribed, the listed company shall proceed with the following:

(2.1) Filing an application with the Exchange at least 7 business days prior to the deadline of Stage 2 in order to request the trading resumption of its listed securities on the Exchange. In this regard, the listed company shall provide clarification or evidence that the listed company is able to ensure that its listed securities are qualified for trading resumption on the Exchange pursuant to the rules prescribed by the Exchange.

(2.2) Engaging a financial advisor pursuant to the listing criteria in the preparation of the application whereby such financial advisor shall remain engaged for a consecutive period of 1 year from the date of the application submission.

(3) After receiving the application together with clarification or evidence from the listed company under Clause 1.3.2 (2), the Exchange may submit the application together with such clarification or evidence to the Office for joint consideration. In this regard, the listed company shall submit information for consideration of the Exchange and the Office, as additionally requested by the Exchange and/or the Office.

(4) After the Exchange has been notified of the consideration results by the Office and if the Exchange concludes that the listed company has successfully eliminated the grounds for possible delisting of the listed company's ordinary shares and the listed company has remained fully qualified until the trading resumption date determined by the Exchange, the Exchange will announce the release of the listed company's ordinary shares from the delisting review and will remove the NC sign and the SP sign from the listed securities of such listed company. The listed company shall hold a meeting to provide information and clarification on its business and operating results to the shareholders, investors and related persons pursuant to the guideline prescribed by the Exchange at least once within 1 year from the date the listed company's ordinary shares resume trading on the Exchange.

The Exchange will disclose the information with regard to the trading resumption under paragraph one to the general investors at least 7 business days prior to the first day of trading resumption of the listed company's listed securities on the Exchange.

(5) In case the listed company is unable to meet the trading resumption requirements according to the rules prescribed in Clause 1.3.2, the Exchange shall propose the delisting of the listed company's ordinary shares to the Board.

If the Board has issued a delisting order for the ordinary shares of the listed company, the Exchange will allow the trading of such listed securities of the listed company prior to the effective date of the delisting of ordinary shares pursuant to the regulations of the Exchange governing delisting of securities.

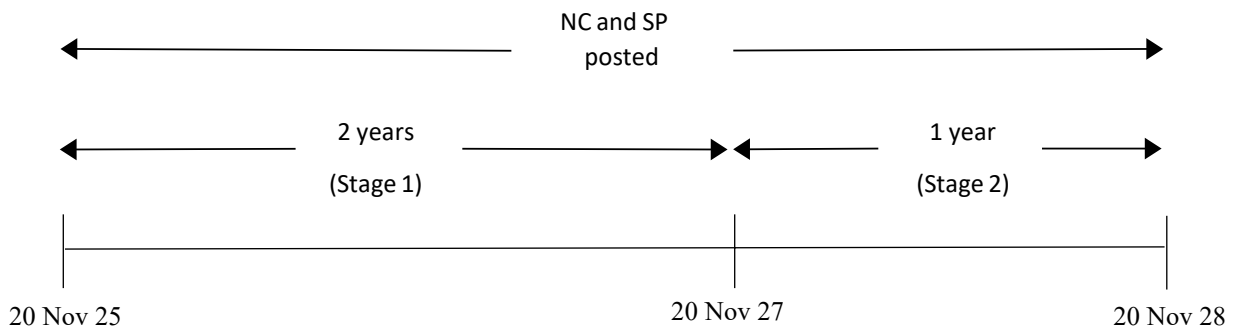
## **2. Disclosure of progress in the listed company's actions**

The listed company has the obligation to disclose the information with respect to the progress in the procedures under Stage 1 and Stage 2 to the Exchange every quarter upon the submission of its financial statements or no later than the quarterly financial statement submission due date. In addition, material progress in the procedures shall be disclosed by the listed company to the Exchange without delay.

### 3. Effectiveness

The procedures pursuant to Chapter 1 shall apply to listed companies subject to possible delisting of ordinary shares due to the failure to submit financial statements as prescribed from 1 January 2025 onwards.

#### Example of Procedure Flowchart



The Exchange announces possible delisting of the listed company's ordinary shares

- If the grounds for delisting have been eliminated, the Exchange will announce the listed company's entry into Stage 2.
- If the grounds for delisting persist, the Exchange will consider proceeding with the delisting procedure.

- If the listed company qualifies for trading resumption, the Exchange will announce the trading resumption of its listed securities.
- If the listed company does not qualify for trading resumption, the Exchange will consider proceeding with the delisting procedure.

## Chapter 2

### Procedures for action against listed companies subject to possible delisting due to business operation or financial position

In case the listed company's business operation or financial position possesses any of the following characteristics, such characteristics shall constitute grounds for possible delisting of the listed company's ordinary shares according to the regulations of the Exchange governing delisting of securities:

- There is a cessation of the business operation, whether entire or substantial, from any cause and regardless of whether that such cessation is due to an act of the listed company or any other third party.
- The auditor issues a disclaimer of opinion on the audited annual financial statements or the audited annual consolidated financial statements for 3 consecutive years.
- The financial position as disclosed in the audited annual financial statements or the audited annual consolidated financial statements (if any) shows that the shareholders' equity is less than zero<sup>1</sup>. (Guideline for the consideration of shareholders' equity is as shown in the Attachment to Chapter 2)
- The operating income as disclosed in the audited annual financial statements or the audited annual consolidated financial statements (if any) is as follows:
  - Less than Baht 100 million per year for 3 consecutive years in case the company has securities listed on the Stock Exchange of Thailand (SET).
  - Less than Baht 50 million per year for 3 consecutive years in case the company has securities listed on the Market for Alternative Investment (mai).

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

#### 1. Actions when listed companies' ordinary shares subject to possible delisting due to business operation or financial position

1.1. In case the listed company's business operation or financial position caused the company's ordinary shares to be subject to possible delisting, the Exchange will announce that the listed company's ordinary shares are subject to possible delisting and will post the NC (Non-Compliance) sign and the SP (Suspension) sign on the listed securities of such listed company within 7 business days from the date of such occurrence.

1.2. The listed company shall proceed to eliminate the grounds for delisting and ensure that its listed securities qualify for trading resumption on the Exchange within the period prescribed by the Exchange. Such process is divided into 2 stages, i.e., Stage 1: Elimination of the grounds for delisting, and Stage 2: Repossession of qualifications in order to resume trading on the Exchange. Details of each stage are as follows:

##### 1.2.1 Stage 1: Elimination of the grounds for delisting

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<sup>1</sup> In case of consolidated financial statements, the consideration will be based on the shareholders' equity of the parent company.



In eliminating the grounds for delisting, the listed company shall proceed as follows:

(1) The listed company shall disclose its option and implementation timeline as follows:

(1.1) The listed company shall disclose its delisting ground elimination option to the Exchange within 1 month from the date the Exchange announces that its ordinary shares are subject to possible delisting. The listed company may propose to proceed with one of the following options:

(a) To prepare an implementation plan for the delisting ground elimination.

(b) To file a bankruptcy petition with a court for business rehabilitation in accordance with the law on bankruptcy.

(c) To file a voluntary delisting request in accordance with the regulations of the Exchange governing delisting of securities.

(d) To propose other options which are beneficial to the listed company.

(1.2) When the listed company has disclosed its delisting ground elimination option to the Exchange, the Exchange may consider allowing trading resumption of the listed company's listed securities.

After 1 month from the date the Exchange announced that the listed company's ordinary shares are subject to possible delisting, if the listed company has disclosed its delisting ground elimination option to the Exchange, the Exchange may consider allowing the listed company's listed securities to resume trading for 1 month. In this regard, the Exchange will remove the SP sign from the listed securities and allow such listed securities to be purchased by means of cash balance account pursuant to the notifications of the Exchange governing purchase of securities through cash balance account. However, the Exchange will still post the NC sign on the listed securities throughout the period of the trading of such listed securities.

During the trading period of the listed securities under paragraph one, the Exchange shall continue to permit trading of such listed securities until the end of such period, notwithstanding the existence any circumstances that would otherwise empower the Exchange to temporarily suspend the trading of the listed securities.

At the end of the period during which the Exchange allows the trading of the listed securities, the Exchange shall reinstate the SP sign on the listed securities of the listed company until the listed company is able to eliminate the grounds for delisting and resume trading on the Exchange. The period during which the trading of such listed company's listed securities has been permitted shall count towards the temporary trading suspension period, and the SP sign shall be deemed to have never been removed from such listed securities.

In this regard, the Exchange may prohibit the trading of the listed securities of the listed company under paragraph one in any of the following events:

(a) The Exchange has allowed the trading of the listed securities of the listed company during the period of the suspension of trading of the listed securities pursuant to the regulations of the Exchange governing temporary suspension of listed securities trading, and the listed company has not yet been able to eliminate the grounds for the

suspension of trading in accordance with the regulations of the Exchange governing temporary suspension of listed securities trading.

(b) The listed company fails to disclose its delisting ground elimination option to the Exchange.

(2) The listed company shall disclose the details of procedures for action for the elimination of the grounds for delisting and the delisting ground elimination timeline to the Exchange.

(2.1) Details of procedures for action for the elimination of the grounds for delisting

The listed company shall disclose the details of procedures for action for the elimination of the grounds for delisting according to its chosen option under Clause 1.2.1 (1) (1.1) to the Exchange.

In case the listed company decides to adopt the delisting ground elimination option specified under Clause 1.2.1 (1) (1.1) (a) or (b), the listed company shall disclose material information of the implementation plan and submit the following documents to the Exchange:

(a) In case the listed company proposes to proceed with the delisting ground elimination option specified under Clause 1.2.1 (1) (1.1) (a), the listed company shall submit to the Exchange the delisting ground elimination plan which shall at least contain information about corrective measures (*based on feasible hypotheses and with detailed and concrete implementation steps, outcome assessment method for each step, and clarification about the delisting grounds*), industry analysis (*including industry overview, growth outlook, and competition overview*), business operation and performance analysis covering manufacturing, marketing, and financial aspects (*including manufacturing, distribution, revenue, production costs, expenses, and net profit*), and business risk factors.

(b) In case the listed company proposes to proceed with the delisting ground elimination option specified under Clause 1.2.1 (1) (1.1) (b), a rehabilitation plan approved by the bankruptcy court shall be submitted by the listed company to the Exchange.

(2.2) Determining the delisting ground elimination timeline

The listed company shall determine the timeline for the delisting ground elimination pursuant to its chosen option under Clause 1.2.1 (1) (1.1).

(3) The listed company shall proceed to eliminate the grounds for delisting

(3.1) The listed company shall proceed in accordance with the following rules in order to eliminate the grounds for delisting within 3 years from the date the Exchange announces that its ordinary shares are subject to possible delisting:

(a) In case the ordinary shares of the listed company are subject to possible delisting due to cessation of business operation, whether entire or substantial, from any cause

The listed company shall ensure that it has a main business with demonstrable continuity in operation as indicated by, for example, commercial revenue, operating assets of the main business, or licenses or concessions for such business which is progressing toward commercial revenue generation.

(b) In case the ordinary shares of the listed company are subject to possible delisting due to the auditor's disclaimer of opinion on the audited annual financial statements or the audited annual consolidated financial statements (if any) for 3 consecutive years

The listed company shall submit to the Exchange the audited annual financial statements or the audited annual consolidated statements (if any) with an auditor's opinion that is neither a disclaimer of opinion nor an adverse opinion..

(c) In case the ordinary shares of the listed company are subject to possible delisting due to the fact that the financial position disclosed in the audited annual financial statements or the audited annual consolidated financial statements (if any) shows that the shareholders' equity is lower than zero.

The listed company shall ensure that the shareholders' equity of the listed company disclosed in the audited annual financial statements or the audited annual consolidated financial statements (if any) is greater than zero.

(d) In case the listed company's ordinary shares are subject to possible delisting due to the fact that the operating income as disclosed in the audited annual financial statements or the audited annual consolidated financial statements (if any) being less than Baht 100 million per year for 3 consecutive years in case of SET-listed securities or less than Baht 50 million per year for 3 consecutive years in case of mai-listed securities.

The listed company shall procure for the operating income in the accumulated period or in the latest year as disclosed in the reviewed financial statements or the audited financial statements (as applicable), to not be less than Baht 100 million, in case of SET-listed securities or to not be less than Baht 50 million in case of mai-listed securities.

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

(3.2) In case the listed company is able to eliminate the grounds for delisting pursuant the rules prescribed in Clause 1.2.1 (3) (3.1) within the period prescribed, the listed company shall file an application with the Exchange at least 7 business days prior to the deadline of Stage 1 in order to request the transition into Stage 2. In this regard, the listed company shall provide clarification or evidence that the listed company is able to eliminate the grounds for delisting pursuant to the rules prescribed by the Exchange. If the Exchange concludes that the listed company has fully complied with the rules prescribed, the Exchange will then announce the transition of the listed company into Stage 2 while maintaining the NC sign and the SP sign on the listed securities of listed company.

(3.3) In case the listed company is unable to eliminate the grounds for delisting in accordance with the rules prescribed in Clause 1.2.1 (3) (3.1) within the period prescribed and the listed company is qualified to request the deadline extension as prescribed by the Exchange, the listed company may request the Exchange to consider extending the deadline of Stage 1 whereby the listed company shall proceed in accordance with the rules prescribed in 2.

(3.4) In case the listed company is unable to eliminate the grounds for delisting in accordance with the rules prescribed in Clause 1.2.1 (3) (3.1) within the period prescribed and the listed company is not qualified to request the deadline extension as prescribed by the Exchange, or the listed company is unable to eliminate the grounds for delisting in accordance with the rules prescribed in Clause 1.2.1 (3) (3.1) within the period extended pursuant

to Clause 1.2.1 (3) (3.3) (as applicable), the Exchange will propose to the Board to consider delisting the ordinary shares of the listed company.

If the Board orders that the ordinary shares of the listed company be delisted, the Exchange will allow the trading of such listed securities of the listed company prior to the effective date of the delisting of ordinary shares pursuant to the regulations of the Exchange governing delisting of securities.

### **1.2.2 Stage 2: Repossession of qualifications in order to resume trading**

(1) The listed company shall fully comply with the following rules within 2 years from the date the Exchange announced the transition of the listed company into Stage 2 in order for the listed securities of the listed company to resume trading on the Exchange.

#### (1.1) Trading resumption in general case

##### (a) Trading resumption rules

The listed company shall demonstrate that it possesses all of the following qualifications:

(a.1) The company possesses the qualifications as specified in the regulations of the Exchange governing listing of ordinary shares or preferred shares, or the regulations of the Exchange governing listing of securities, disclosure of information, and delisting of securities in the "Market for Alternative Investment (mai)" (as applicable), which are in effect at the time the listed company is subject to possible delisting.

(a.1.1) Shareholders' equity<sup>2</sup>

(a.1.2) Net profit in the most recent year

Net profit above shall mean net profit derived from ordinary operations of the main business to be continuously operated where such operations shall be continuously managed by substantially the same management team for not less than 1 year prior to the application for trading resumption. The Exchange will consider the net profit based on the audited annual financial statements or the audited financial statements of the last 4 quarters and consider the accumulated net profit for the period based on the reviewed financial statements or the audited financial statements (as applicable).

(a.2) Having consistently stable financial position and operating results consistent with the listed company's business condition whereby the Exchange will also take into consideration the cash flow, the operating income and the accumulated loss of the business.

(a.3) Having all required qualifications pursuant to the listing status maintenance rules. With respect to shareholding distribution, the listed company shall maintain at least 150 minority shareholders and such shareholders shall hold shares in aggregate not less than 15 percent of the listed company's paid-up capital.

(a.4) In case the listed company undergoes a debt restructuring<sup>3</sup>, the listed company must be able to restructure more than 75 percent of its total

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<sup>2</sup> Evaluation shall be in accordance with the guideline for the evaluation of shareholders' equity as shown in Attachment to Chapter 2.

<sup>3</sup> Debt restructuring is established when either a debt restructuring agreement has been signed with a creditor or the court has approved a rehabilitation plan where the listed company undergoes business rehabilitation in accordance with the law on bankruptcy.

debts. During the evaluation of the listed company's net profit in accordance with Clause 1.2.2 (1) (1.1) (a) (a.1) (a.1.2), the listed company must demonstrate that it has made punctual debt repayments to its institutional creditors. The debt restructuring plan of the listed company shall be based on the minority shareholders' rights and benefits and shall not cause the shareholding proportion of existing shareholders to be less than 10 percent of the paid-up capital after the implementation<sup>4</sup>.

(a.5) In case the listed company undergoes business rehabilitation in accordance with the law on bankruptcy, the listed company must have accomplished the business rehabilitation and the court has ordered that the rehabilitation be terminated.

**(b) Determination of conditions with respect to the prohibition on the sale of shares and securities held by persons taking part in the management during the specified period (silent period)**

In case the Exchange concludes that the listed company possesses all qualifications pursuant to the trading resumption rules under Clause 1.2.2 (1) (1.1) (a), before the Exchange allows the listed company's listed securities to resume trading on the Exchange, the listed company shall prohibit the person taking part in the management (strategic shareholders) from selling shares and securities of the listed company for a period of 1 year<sup>5</sup>. Following 6 months from the first day of the trading resumption of the listed company's ordinary shares, such persons shall be allowed to sell the listed company's listed securities in an amount of 25 percent of the total listed securities being prohibited from being sold. In this regard, the regulations of the Exchange governing listing of ordinary shares or preferred shares with regard to the restriction on the sale of shares and securities by management or shareholders and related persons during the specified period shall apply to the listed company in this case mutatis mutandis.

**(1.2) Trading resumption in case of backdoor listing**

In case the listed company's financial position and operating results have improved through a partnership with new joint investors or the incorporation of new businesses or new assets into its existing business which may be regarded as a backdoor listing pursuant to the regulations of the Exchange regarding disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets, the Exchange may waive the new listing filing requirements for such company. Nonetheless, if the listed company is able to apply for trading resumption with the Exchange within 1 year from the date of the joint venture or the acquisition of new businesses or assets, the listed company shall comply with the following rules:

**(a) Trading resumption rules**

The listed company shall demonstrate that it possesses all qualifications outlined in Clause 1.2.2 (1) (1.1) (a).

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<sup>4</sup> In case of debt restructuring through capital decrease or increase, or issuance of convertible securities to creditors, major shareholders, related persons, or any other action which causes the shareholding proportion of the existing shareholders to be less than 10 percent of the paid-up capital after the implementation, the Exchange will consider such implementation as a debt restructuring that is not based on the minority shareholders' rights and benefits.

<sup>5</sup> In case of a foreign listed company, the period for prohibition of strategic shareholders from selling shares and securities of the Listed Company shall be 1 year and 6 months.

**(b) Determination of conditions with respect to the prohibition on the sale of shares and securities held by persons taking part in the management during the specified period (silent period)**

In case the Exchange concludes that the listed company possesses all qualifications pursuant to the trading resumption rules under Clause 1.2.2 (1) (1.2) (a), before the Exchange allows the listed company's listed securities to resume trading on the Exchange, the listed company shall prohibit the persons taking part in the management (strategic shareholders) from selling shares and securities of the listed company for a period of 2 years. Every 6 months following the first day of the trading resumption of the listed company's ordinary shares, such persons shall be allowed to sell the listed company's listed securities in an amount of 25 percent of the total listed securities being prohibited from being sold. In this regard, the regulations of the Exchange governing listing of ordinary shares or preferred shares with regard to the restriction on the sale of shares and securities by management or shareholders and related persons during the specified period shall apply to the listed company in this case mutatis mutandis.

Nevertheless, if the listed company is able to demonstrate that, at the time the listed company files a trading resumption application with the Exchange for the listed securities of the listed company to resume trading on the Exchange, the new joint investors of the listed company possess all qualifications pursuant to profit test criteria as outlined in the regulations of the Exchange governing listing of ordinary shares or preferred shares or the regulations of the Exchange governing listing of securities, disclosure of information and delisting of securities in the "Market for Alternative Investment (mai)" (as applicable), the Exchange will not apply the net profit criteria under Clause 1.2.2 (1) (1.1) (a) (a.1) (a.1.2) to the listed company in this case, and the listed company shall proceed in accordance with the conditions with respect to the prohibition on the sale of shares and securities by the persons taking part in the management during the specified period (silent period) as outlined in Clause 1.2.2 (1) (1.1) (b) instead.

**(1.3) Determination of additional conditions for the listed company**

The Exchange may additionally require the listed company to comply with any one or more of the following:

- (a) Requiring the listed company to sign a new listing agreement.
- (b) Prescribing conditions with respect to additional required actions or disclosures to eliminate the conflicts of interest between the listed company and its major shareholders or management.

(2) In case the listed company is able to ensure that its listed securities are qualified for trading resumption on the Exchange in accordance with the rules set forth in Clause Clause 1.2.2 (1) within the period prescribed, the listed company shall proceed with the following:

(2.1) Filing an application with the Exchange at least 7 business days prior to the deadline of Stage 2 in order to request the trading resumption of its listed securities on the Exchange. In this regard, the listed company shall provide clarification or evidence that the listed company is able to ensure that its listed securities are qualified for trading resumption on the Exchange pursuant to the rules prescribed by the Exchange.

(2.2) Engaging a financial advisor pursuant to the listing criteria in the preparation of the application whereby such financial advisor shall remain engaged for a consecutive period of 1 year from the date of the application submission.

(3) After receiving the application together with clarification or evidence from the listed company under Clause 1.2.2(2), the Exchange may submit the application together with such clarification or evidence to the Office for joint consideration. In this regard, the listed company shall submit information for consideration of the Exchange and the Office, as additionally requested by the Exchange and/or the Office.

(4) After the Exchange has been notified of the consideration results by the Office and if the Exchange concludes that the listed company has successfully eliminated the grounds for possible delisting of the listed company's ordinary shares and the listed company has remained fully qualified until the trading resumption date determined by the Exchange, the Exchange will announce the release of the listed company's ordinary shares from delisting review and will remove the NC sign and the SP sign from the listed securities of such listed company. The listed company shall hold a meeting to provide information and clarification on its business and operating results to the shareholders, investors and related persons pursuant to the guideline prescribed by the Exchange at least once within 1 year from the date the listed company's ordinary shares resume trading on the Exchange.

The Exchange will disclose the information with regard to the trading resumption under paragraph one to the general investors at least 7 business days prior to the first day of trading resumption of the listed company's listed securities on the Exchange.

(5) In case the listed company is unable to meet the trading resumption requirements according to the rules prescribed in Clause 1.2.2 (1) within the period prescribed and the listed company is qualified to request the deadline extension as prescribed by the Exchange, the listed company may request the Exchange to consider extending the deadline of Stage 2 whereby the listed company shall proceed in accordance with the rules prescribed in Clause 2.

(6) In case the listed company is unable to meet the trading resumption requirements according to the prescribed rules and the listed company is not qualified to request the deadline extension as prescribed by the Exchange, or the listed company is unable to meet the trading resumption requirements according to the rules prescribed in Clause 1.2.2 (1) within the extended period pursuant to Clause 1.2.2 (5) (as applicable), the Exchange will propose to the Board to consider delisting the ordinary shares of the listed company.

If the Board orders that the ordinary shares of the listed company be delisted, the Exchange will allow the trading of the listed securities of the listed company prior to the effective date of the delisting of ordinary shares pursuant to the regulations of the Exchange governing delisting of securities.

## **2. Request for period extension for the procedures under Stage 1 and Stage 2**

In case the listed company is unable to eliminate the grounds for delisting in order to transition into Stage 2 or is unable to meet the trading resumption requirements within the period prescribed and the listed company is qualified to request the deadline extension as prescribed by the Exchange, the listed company may request to extend the period for the procedures under Stage 1 and/or Stage 2 once per stage for maximum of 1 year. The deadline extension request shall be submitted by the listed company to the Exchange at least 7 business days prior to the deadline of

each stage together with supporting reasons and information. The listed company shall also demonstrate that it possesses all of the following qualifications as prescribed by the Exchange:

2.1 Having shareholders' equity (after the adjustment according to the auditor's opinion) or net profit for the most recent 1-year operation of the main business that meets the requirements under the regulations of the Exchange governing listing of securities, disclosure of information, and delisting of securities in the "Market for Alternative Investment (mai)" which are in effect as of the date the listed company becomes subject to possible delisting.

The Exchange will consider the shareholders' equity or net profit mentioned above based on, as applicable, the audited annual financial statements or the audited or reviewed financial statements of the last 4 quarters of the financial year during which the deadline extension request is submitted.

2.2 Having a main business which could be continuously operated as indicated by, for example, operating income, operating assets of the main business, or licenses or concessions for the main business operation.

2.3 Having procedures for action to eliminate the delisting grounds and demonstrating evident progress in implementing the procedures such as a court-approved business rehabilitation plan or a debt restructuring agreement, and the execution of such business rehabilitation plan or debt restructuring agreement.

2.4 Having directors, management, and controlling persons who do not possess prohibited characteristics pursuant to the notifications of the Office and fully complying with the rules of the Exchange in relation to the disclosure of information.

In this regard, the Exchange will consider the period extension for each Stage based on the rationale and justification provided by the listed company.

### **3. Disclosure of progress in the listed company's actions**

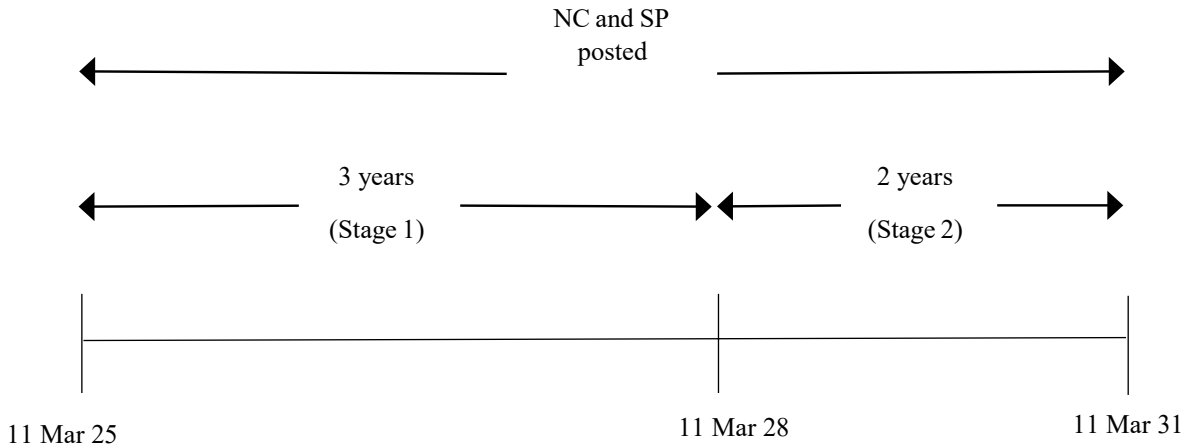
The listed company has the obligation to disclose the information with respect to the progress in the procedures under Stage 1 and Stage 2 to the Exchange every quarter upon the submission of its financial statements or no later than the quarterly financial statement submission due date. In addition, material progress in the procedures shall be disclosed by the listed company to the Exchange without delay.

### **4. Effectiveness**

The procedures pursuant to Chapter 2 shall apply to listed companies subject to possible delisting of ordinary shares due to business operation or financial position from 1 January 2025 onwards.



**Example of Procedure Flowchart**



The Exchange announces possible delisting of the listed company's ordinary shares on grounds that the annual financial statements submitted by the listed company show that the shareholders' equity is less than 0, or the auditor issued a disclaimer of opinion for 3 consecutive years, or the listed company has declared the cessation of its entire business.

- If the grounds for delisting have been eliminated, the Exchange will announce the listed company's entry into Stage 2.
- If the grounds for delisting persist, the Exchange will consider proceeding with the delisting procedure.

- If the listed company qualifies for trading resumption, the Exchange will announce the trading resumption of its listed securities.
- If the listed company does not qualify for trading resumption, the Exchange will consider proceeding with the delisting procedure.

### Shareholders' Equity Consideration Guideline

1. The shareholders' equity of the listed company as shown in the financial statements is less than zero.

2. The shareholders' equity of the listed company as shown in the financial statements is greater than zero, but the auditor has issued a qualified opinion or a disclaimer of opinion, and the adjustment according to the auditor's opinion will result in the shareholders' equity being less than zero.

In adjusting according to the auditor's opinion, the Exchange will use the figures shown as conditions in the auditor's report that affect the shareholders' equity to revise the shareholders' equity in the financial statements when considering the grounds for possible delisting as follows:

2.1 In case the auditor specifies a precise figure as a condition in the auditor's report, the figure specified shall be deducted from the shareholders' equity.

2.2 In case the auditor expresses an opinion that the listed company has not accounted for the allowance for impairment losses on assets such as debtor, inventory, or investments without specifying the amount of the allowance for impairment losses, adjustment shall be made by deducting the full amount of doubtful assets from the shareholders' equity.

2.3 In case the listed company fails to record its investments in associate and subsidiary companies using to the equity method, the potential loss adjusted based on the full investment amount shall be deducted from the shareholders' equity.

2.4 In case there are conditions with regard to legal disputes which may create obligations (off-balance sheet), the impact amount specified in the auditor's opinion shall be deducted from the shareholders' equity.

The Exchange will consider the adjustment of the shareholders' equity according to the auditor's opinion pursuant to the above-mentioned rules within 7 business days from the date of the financial statement submission by the listed company to the Exchange.

3. The Exchange will not announce that listed company's ordinary shares are subject to possible delisting if the listed company is able to eliminate the grounds for delisting, i.e., raising its shareholders' equity to above zero. In eliminating such grounds, the listed company shall not rely solely on capital decrease unless capital increase will also be implemented in conjunction therewith, or new and capable joint venture investors will be engaged and inject additional capital into the business, which would provide the listed company with sufficient working capital liquidity and reasonably enable smooth operation of the listed company's main business. On this basis, the listed company shall disclose relevant information to and obtain approval from shareholders before proceeding with such undertakings. In addition, the listed company shall submit its reviewed or audited financial statements as of the delisting ground elimination date or a report showing that the listed company has successfully eliminated such grounds to the Exchange, together with its annual financial statements pursuant to the regulations of the Exchange governing preparation and submission of financial statements and reports on financial and non-financial information of listed companies.

## **Chapter 3**

### **Procedures for action against listed companies subject to possible delisting due to status as cash company where assets of listed companies and/or their subsidiaries are entirely or predominantly in the form of cash or short-term securities**

In case the listed company and/or its subsidiary has characteristics of a cash company for more than 6 months from the date the Exchange receives the financial position report that has been reviewed by the auditor following the disposition of all or most of the listed company and/or its subsidiary's assets, such characteristics shall constitute grounds for possible delisting of the listed company's ordinary shares according to the regulations of the Exchange governing delisting of securities.

#### **1. Action when listed company's ordinary shares are subject to possible delisting due to status as cash company where assets of listed company and/or its subsidiary are entirely or predominantly in the form of cash or short-term securities**

1.1 In case the listed company and/or its subsidiary has characteristics of a cash company for more than 6 months from the date the Exchange receives the financial position report that has been reviewed by the auditor following the disposition of all or most of the listed company and/or its subsidiary's assets, the Exchange will announce that the listed company's ordinary shares are subject to possible delisting and will post the NC (Non-Compliance) sign and the SP (Suspension) sign on the listed securities of such listed company.

1.2 The listed company shall proceed to eliminate the grounds for delisting and ensure that its listed securities qualify for trading resumption on the Exchange within the period prescribed by the Exchange. Such process is divided into 2 stages, i.e., Stage 1: Elimination of the ground for delisting, and Stage 2: Repossession of qualifications in order to resume trading on the Exchange. Details of each stage are as follows:

##### **1.2.1. Stage 1: Elimination of the grounds for delisting**

(1) The listed company shall proceed to eliminate the grounds for delisting within 1 year from the date the Exchange announces the possible delisting of the listed company's ordinary shares. On this basis, the listed company shall ensure that it has with demonstrable continuity in operation as indicated by, for example, operating income, operating assets of the main business, or licenses or concessions for such business which progressing toward operating income generation.

(2) In case the listed company is able to eliminate the grounds for delisting pursuant to the rules prescribed in Clause 1.2.1 (1) within the period prescribed, the listed company shall file an application with the Exchange at least 7 business days prior to the deadline of Stage 1 in order to request the transition into Stage 2. In this regard, the listed company shall provide clarification or evidence that the listed company has complied with the rules prescribed by the Exchange. If the Exchange concludes that the listed company has fully complied with the rules prescribed, the Exchange will then announce the transition of the listed company into Stage 2 while maintaining the NC sign and the SP sign on the listed securities of the listed company.

(3) In case the listed company is unable to eliminate the grounds for delisting in accordance with the rules prescribed in Clause 1.2.1 (1) within the period prescribed,

the Exchange will propose to the Board to consider delisting the ordinary shares of the listed company.

If the Board orders that the ordinary shares of the listed company be delisted, the Exchange will allow the trading of such listed securities prior to the effective date of the delisting of ordinary shares pursuant to the regulations of the Exchange governing delisting of securities.

### **1.2.2. Stage 2: Repossession of qualifications in order to resume trading**

(1) The listed company shall undertake actions to repossess all qualifications required for trading resumption of its listed securities on the Exchange pursuant to, as applicable, the regulations of the Exchange governing listing of ordinary shares or preferred shares or the regulations of the Exchange governing listing of securities, disclosure of information and delisting of listed securities in the Market for Alternative Investment (mai), except with regard to the distribution of shareholding which the listed company shall maintain at least 150 minority shareholders and such shareholders shall hold shares in aggregate not less than 15 percent of the listed company's paid-up capital.

The listed company shall fully comply with paragraph one within 1 year from the date the Exchange announces the transition of the listed company into Stage 2.

(2) In case the listed company is able to ensure that its listed securities are qualified for trading resumption on the Exchange in accordance with the rules set forth in Clause 1.2.2(1) within the period prescribed, the listed company shall file an application with the Exchange at least 7 business days prior to the deadline of Stage 2 in order to request the trading resumption of its listed securities on the Exchange. In this regard, the listed company shall provide clarification or evidence that the listed company is able to ensure that its listed securities are qualified for trading resumption on the Exchange pursuant to the rules prescribed by the Exchange.

(3) After receiving the application together with clarification or evidence from the listed company under Clause 1.2.2(2), the Exchange may submit the application together with such clarification or evidence to the Office for joint consideration. In this regard, the listed company shall submit information for consideration of the Exchange and the Office, as additionally requested by the Exchange and/or the Office.

(4) After the Exchange has been notified of the consideration results by the Office and if the Exchange concludes that the listed company has successfully eliminated the grounds for possible delisting of the listed company's ordinary shares and the listed company has remained fully qualified until the trading resumption date determined by the Exchange, the Exchange will announce the release of the listed company's ordinary shares from the delisting review and will remove the NC sign and the SP sign from the listed securities of such listed company. The listed company shall hold a meeting to provide information and clarification on its business and operating results to the shareholders, investors and the related persons pursuant to the guideline prescribed by the Exchange at least once within 1 year from the date the listed company's ordinary shares resume trading on the Exchange.

The Exchange will disclose the information with regard to the trading resumption under paragraph one to the general investors at least 7 business days prior to the first day of trading resumption of the listed company's listed securities.

(5) In case the listed company is unable to meet the trading resumption requirements according to the rules prescribed in Clause 1.2.2 (1) within the period prescribed

and the listed company is qualified to request the deadline extension as prescribed by the Exchange, the listed company may request the Exchange to consider extending the deadline of Stage 2 whereby the listed company shall proceed in accordance with the rules prescribed in Clause 2.

(6) In case the listed company is unable to meet the trading resumption requirements according to the rules prescribed in Clause 1.2.2 (1) within the period prescribed and the listed company is not qualified to request the deadline extension as prescribed by the Exchange, or the listed company is unable to meet the trading resumption requirements according to the rules prescribed in Clause 1.2.2 (1) within the extended period pursuant to Clause 1.2.2 (3) (as applicable), the Exchange will propose to the Board to consider delisting the ordinary shares of the listed company.

If the Board orders that the ordinary shares of the listed company be delisted, the Exchange will allow the trading of the listed securities of the listed company prior to the effective date of the delisting of ordinary shares pursuant to the regulations of the Exchange governing delisting of securities.

## **2. Request for period extension for procedures under Stage 2**

In case the listed company is unable to meet the trading resumption requirements within the period prescribed and the listed company is qualified to request the deadline extension as prescribed by the Exchange, the listed company may request to extend the period for the procedures under Stage 2 once for a maximum of 1 year. The deadline extension request shall be submitted by the listed company to the Exchange at least 7 business days prior to the deadline of Stage 2 together with supporting reasons and information. The listed company shall also demonstrate that it possesses all of the following qualifications as prescribed by the Exchange:

2.1 Having shareholders' equity (after the adjustments according to the auditor's opinion) or net profit for the most recent 1-year operation of the main business that meets the requirements under the regulations of the Exchange governing listing of securities, disclosure of information, and delisting of securities in the "Market for Alternative Investment (mai)" which are in effect as of the date the listed company becomes subject to possible delisting.

The Exchange will consider the shareholders' equity or net profit mentioned above based on, as applicable, the audited annual financial statements or the audited or reviewed financial statements of the last 4 quarters of the financial year during which the deadline extension request is submitted.

2.2 Having procedures for action for repossession of qualifications for trading resumption and demonstrating evident progress in implementing such procedures.

2.3 Having directors, management, and controlling persons who do not possess prohibited characteristics pursuant to the notifications of the Office and fully complying with the rules of the Exchange in relation to the disclosure of information.

In this regard, the Exchange will consider the period extension based on the rationale and justification provided by the listed company.

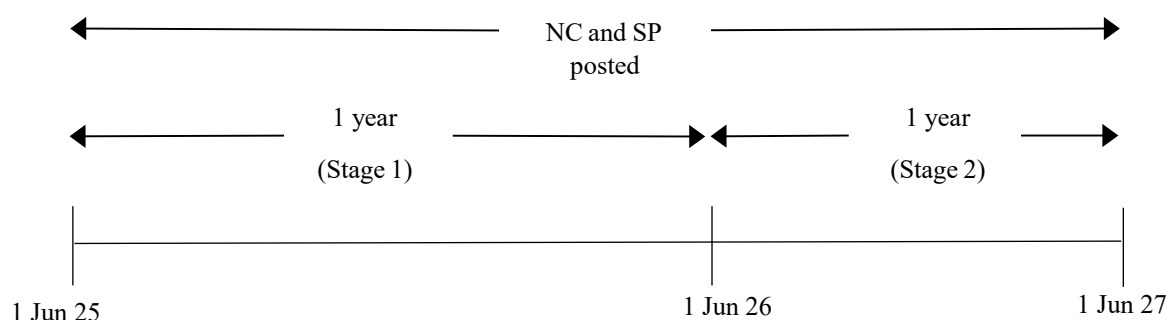
### 3. Disclosure of progress in the listed company's actions

The listed company has the obligation to disclose the information with respect to the progress in the procedures under Stage 1 and Stage 2 to the Exchange every quarter upon the submission of its financial statements or no later than the quarterly financial statement submission due date. In addition, material progress in the procedures shall be disclosed by the listed company to the Exchange without delay.

### 4. Effectiveness

The procedures pursuant to Chapter 3 shall apply to listed companies subject to possible delisting of ordinary shares due to status as cash company of listed companies and/or their subsidiaries from 1 January 2025 onwards.

#### Example of Procedure Flowchart



The Exchange announces possible delisting of the listed company's ordinary shares after 6 months of declared status as cash company

- If the grounds for delisting have been eliminated, the Exchange will announce for the listed company's entry into Stage 2.
- If the grounds for delisting persist, the Exchange will consider proceeding with the delisting procedure.

If the listed company qualifies for trading resumption, the Exchange will announce the trading resumption of its listed securities.

If the listed company does not qualify for trading resumption, the Exchange will consider proceeding with the delisting procedure.