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Procedures for dealing with listed companies not meeting the Free Float requirement

The Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares in the Section on Maintaining the Status of Listed Companies on the Exchange requires that companies maintain the distribution of minority shareholding (Free Float) throughout the period of time they are listed companies. In case a listed company cannot maintain such qualifications, it shall comply with the procedures for dealing with listed companies not meeting the Free Float requirement.

1. Principles and rationale

Liquidity in securities is an important factor in enhancing attractiveness of a listed company in terms of investment, which will then allow the listed company to raise funds easily and successfully. In this regard, the Exchange has revised the procedures for dealing with listed companies not meeting the Free Float requirement by resorting to measures regarding the posting of the CF (+9-Caution – Free Float) sign pursuant to the Regulation of the Stock Exchange of Thailand Re: Procedure for Actions in case of Listed Companies with Events which may Impact the Financial Position and Business Operation and the SP (Suspension) sign pursuant to the Regulation of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures for Temporary Suspension of Listed Securities Trading in order to hasten the listed company to rectify such qualifications.

2. Definition of “minority shareholders”

“Minority Shareholders” means ordinary shareholders of a company who are not involved in management (Strategic Shareholders). In this regard, ‘Strategic Shareholders’ means persons with control including the shareholders in Attachment 1.

3. Criteria for meeting the Free Float requirement

A listed company will not meet the Free Float requirement if it has less than 150 minority ordinary shareholders or when such shareholders hold in total less than 15 percent of the paid-up capital as considered by the Exchange from the list of shareholders as of the book closing date or the date the board of directors determine the rights to attend the annual general meeting of shareholders of the listed company.

In case any listed company is granted an exemption on the Free Float requirement pursuant to the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares or the Regulation of the Stock Exchange of Thailand Re: Listing of Securities, Disclosure of Information and Delisting of Securities in the “Market for Alternative Investment (mai)”, the listed company must meet the Free Float requirement as stipulated by the Board of Governors of the Exchange, as the case may be.

4. Procedures

1. All listed companies must prepare and submit the report on the distribution of shareholding of Strategic Shareholders as of the book closing date or the date the board of directors determine the rights to attend the annual general meeting of shareholders in the form of the report showing the distribution of shareholding via electronic means (SETLink system) of the Exchange pursuant to Attachment 2 to the Exchange within 14 days from the last date required by law for listed companies to

hold the annual general meeting of shareholders (Report Submission Due Date) such as in case of a listed company with the accounting period ending on 31 December of each year, such company will be required by law to hold the annual general meeting of shareholders within 4 months from the end of the accounting period or within 30 April and thus such company must submit the report showing the distribution of shareholding within 14 May of each year. In case the listed company fails to hold the annual general meeting of shareholders at all or within the period of time required by law, the company still has the duty to submit the report showing the distribution of shareholding within 14 May of each year.

In case the listed company fails to submit the report on the distribution of minority shareholding within the prescribed period of time, the Exchange will deem the listed company to have insufficient Free Float pursuant to the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares in the Section on Maintaining the Status of Listed Companies on the Exchange.

2. The Exchange will announce the names of listed companies with insufficient Free Float and **post the CF sign** on the securities of such listed companies. Furthermore, the listed companies will be required to arrange a meeting to provide information and clarification on procedures for rectifying the qualifications to investors and relevant persons (Public Presentation) within 15 days from the date of the posting of the CF sign pursuant to the Regulation of the Stock Exchange of Thailand Re: Procedure for Actions in case of Listed Companies with Events which may Impact the Financial Position and Business Operation.

3. After the Exchange had posted the CF sign consecutively for 1 year and the listed companies are still unable to rectify the qualifications regarding the Free Float, the Exchange will **remove the CF sign** and **post the SP sign** pursuant to the Regulation of the Stock Exchange of Thailand Re: Temporary Suspension of Listed Securities Trading until the listed companies are able to fully achieve the distribution of minority shareholding.

4. After Exchange had posted the SP sign consecutively for 1 year, such event will cause the listed companies' ordinary shares to be possibly delisted pursuant to the Regulation of the Stock Exchange of Thailand Re: Delisting of Securities. In this regard, the Exchange will announce that the listed companies' ordinary shares may possibly be delisted, **post the NC (Non-Compliance) sign** on the listed companies' securities and **maintain the SP sign** on the securities. Additionally, the Exchange may consider taking actions in relation to the issuance of orders for the delisting of the listed companies' ordinary shares.

In case the Board of Governors orders for the delisting of the listed companies' ordinary shares, the Exchange will allow such securities of the listed company to be traded for a period of 7 business days before the date the delisting of the ordinary shares takes effect.

5. Report on progress

The listed companies shall report on the progress on the rectification as follows:

- While the CF sign is posted, the Public Presentation shall be held in every quarter pursuant to the Regulation of the Stock Exchange of Thailand Re: Procedure for Actions in case of Listed Companies with Events which may Impact the Financial Position and Business Operation.
- After the SP sign is posted, the listed companies shall report on the progress on the rectification of the qualifications regarding the Free Float to the Exchange in every quarter together with the submission of the financial statements or within the same date

as the due date for the submission of the financial statements for each quarter. On this basis, any material progress shall be disclosed by the listed companies to the Exchange without delay.

6. Rectification of insufficient Free Float

When listed companies with insufficient Free Float pursuant to the rules of the Exchange are able to rectify these qualifications pursuant to the rules stipulated by the Exchange, such companies may request the Exchange to consider the qualifications regarding the Free Float of the companies by submitting the latest report showing the distribution of shareholding as of the book closing date or the date determined by the board of directors pursuant to the form in Attachment 2 to support the consideration of the Exchange. Once the Exchange deems the companies to have fully met the Free Float requirement in accordance with the rules stipulated, the Exchange will announce to the public that the companies are able to rectify such issues within 7 business days from the date the Exchange receives the correct and complete information and will proceed to remove the CF, SP or NC sign, as the case may be.

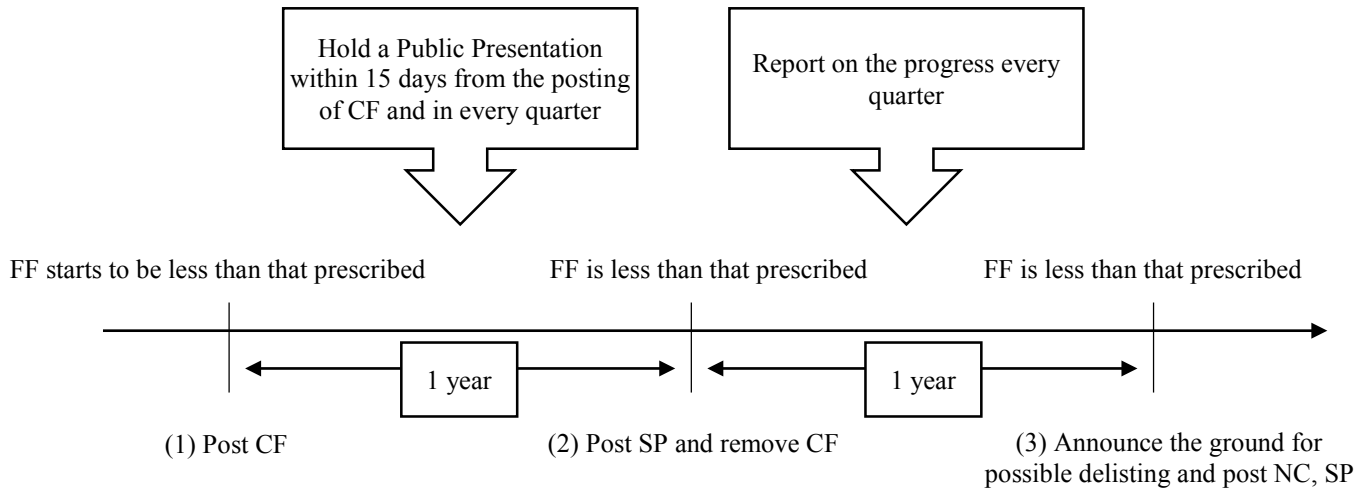
7. Exemption of the Free Float requirement

The Exchange will exempt the Free Float requirement for the following listed companies:

1. Listed companies that are undergoing business rehabilitation, has commenced proceedings in the bankruptcy court and has not been required to hold the annual general meeting of shareholders. However, this shall only apply to listed companies whose securities may possibly be delisted and are temporarily suspended from trading whereby such listed companies have no duty to submit the report on the distribution of shareholding. However, listed companies that are undergoing business rehabilitation via the bankruptcy court and whose securities are still traded on the Exchange still have the duty to submit the report on the distribution of shareholding so that investors can have information to support their investment decision.
2. Apart from listed companies exempted under 1, listed companies whose securities may possibly be delisted and are temporarily suspended from trading still have the duty to submit the report on the distribution of shareholding in the form and within the period of time stipulated.

8. Effectiveness

The Exchange will implement the procedures in relation to the distribution of minority shareholding as stipulated in these procedures commencing from the annual general meetings of shareholders of listed companies with the accounting period ending on 31 December 2023 onwards.

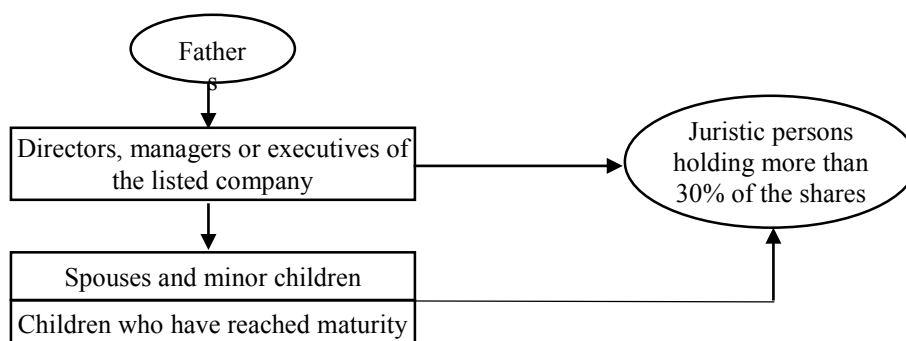


Listing and Disclosure Department

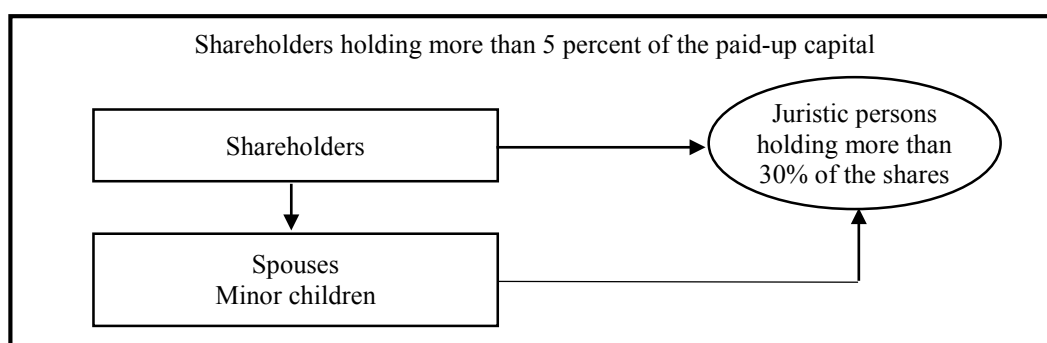
19 February 2024

Strategic Shareholders: Persons involved in management

1. **Directors, managers and top 4 executives** subordinate to the managers or all persons in positions equivalent to the fourth-ranking executive together with related persons and persons related by blood, through marriage or through legal registration with the foregoing persons i.e. parents, spouses and children of such persons.



2. **Shareholders holding more than 5 percent of the paid-up capital together with the shares held by related persons** except where the shareholder is a securities company, life insurance company, insurance company, mutual fund, provident fund, social security fund, pension fund or investment project approved in accordance with the law (in case a representative is sent to conduct management, such will not be considered as Free Float).



3. Controlling persons and related persons

Controlling persons means shareholders or any other persons who, by manner or conduct, exert material influence on the determination of policy, management or operation of the company whether such influence stems from their position as shareholders or authorized via an agreement or otherwise, especially persons who possess any one of the following characteristics:

- (1) Persons with the rights to vote, whether directly or indirectly, exceeding 25 percent of all the shares in the company with the rights to vote;
- (2) Persons who, by manner or conduct, are able to control the appointment or removal of directors of the company;
- (3) Persons who, by manner or conduct, are able to control persons responsible for the determination of policy on the management or operation of the company to comply with their instructions in determining policy on the management or operation of the company; and
- (4) Persons who, by manner or conduct, perform their roles within the company or possess responsibility in the performance of their roles in a manner akin to management including persons in the positions and with the power akin to such persons.

Related persons means persons or partnerships under Section 258(1) to (7) of the Securities and Exchange Act i.e.:

- (1) Spouses;
- (2) Minor children;
- (3) Ordinary partnerships in which such persons including the persons in (1) or (2) are partners;
- (4) Ordinary partnerships in which such persons including the persons in (1) or (2) are partners with unlimited liabilities or limited liabilities holding a total of more than 30% of the shares;
- (5) Limited companies or public limited companies in which such persons including the persons in (1) or (2) or the partners in (3) or (4) hold a total of more than 30% of the shares;
- (6) Limited companies or public limited companies in which such persons including the persons in (1) or (2), the partners in (3) or (4) or the companies in (5) hold a total of more than 30% of the shares; and
- (7) Juristic persons in which the persons under Sections 246 and 247 of the Securities and Exchange Act have management power as representatives of the juristic persons.

Report on the Distribution of Shareholding

.....**Public Company Limited**

As of.....

Paid-up capital (ordinary shares only).....Baht

Divided into.....ordinary shares with the par value of.....Baht

	<u>Number</u> <u>shareholders</u>	<u>Number</u> <u>of shares</u>	<u>Percentage of the</u> <u>paid-up capital</u> <u>(ordinary shares only)</u>
1. Other ordinary shareholders who are Strategic Shareholders			
1.1 Directors, managers, executives, related persons and persons with relationships ¹			
1.2 Shareholders holding > 5% of the shares including related persons ²			
1.3 Other shareholders with control			
2. Repurchased shares			
3. Ordinary shareholders holding less than 1 trading units			
4. Non-strategic shareholders			
Total ordinary shareholders			100

Remark

1. The shareholding of directors, managers and top 4 executives subordinate to the managers shall be considered including the shareholding of related persons and persons related by blood, through marriage or through legal registration with the foregoing persons as well as shares held by representatives such as a custodian or private fund.

2. Shareholders holding more than 5 percent of the paid-up capital with the following characteristics are not Strategic Shareholders i.e. (1) the shareholder is a life insurance company, insurance company, mutual fund, provident fund, social security fund, pension fund or investment project approved in accordance with the law, and (2) the shareholder does not send a representative to act as a director and management of the listed company (in case a representative is sent to act as a director and management of the listed company, the shareholder will be a Strategic Shareholder and must report on the shareholding as a shareholder holding > 5% of the shares under 1.2.

The company confirms that the information reported in this report on the distribution of shareholding is correct and conforms to the rules stipulated in the Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares.

Signature of authorized director
with company seal affixed

Sign

(.....)

Position

Attachment: List of Strategic Shareholders

List of Strategic Shareholders

Name	<u>Number</u>	<u>Number of</u>	<u>Percentage of the</u>
	<u>shareholders</u>	<u>shares</u>	<u>paid-up capital</u>
			<u>(ordinary shares only)</u>
1. Directors, managers, executives, related persons and persons with relationships			
1			
2			
3			
4			
Total			
2. Shareholders holding > 5% of the shares including related persons			
1			
2			
3			
4			
Total			
3. Other shareholders with control			
1			
2			
3			
4			
Total			
Final total			