

Distribution of Minority Shareholdings (Free Float)

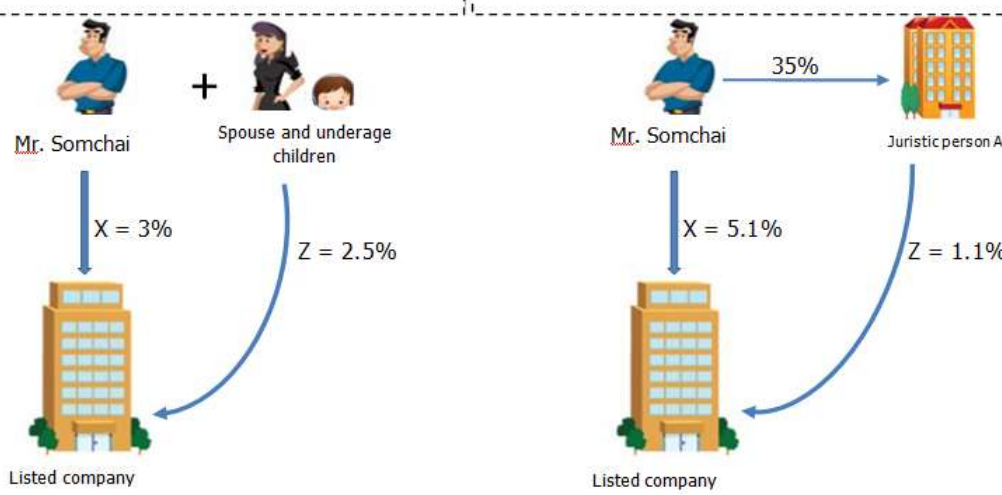
The shares distribution of minority shareholders or free float shares is important for company's trading liquidity. It helps to facilitate the company's shareholders and investors in trading securities with flexibility and appropriate price levels. Investing in the company's shares will thus be attractive. Therefore, the SET has the free float as one of listing requirements as well as maintaining the listing status.

Rules Summary

A listed company must have no less than 150 minority shareholders, who collectively hold no less than 15% of the company's paid-up capital. The SET will consider a report on the distribution of strategic shareholders, which the company prepares from the shareholders list as of book closing date (BC) or the record date (RD) for attending the annual general meeting of shareholders (AGM).

Nevertheless, the SET has laid out measures for listed company which does not meet the free float requirement by posting CF (Caution – Free Float) sign on the company's securities. Details as mentioned in the topic of what to do when the company does not meet the free float requirement.

Subject	Details
Definition	<p>Minority shareholders (Free Float) means the shareholders who <u>are not</u> the strategic shareholders playing roles in managing the company.</p> <p>Strategic Shareholders are:</p> <p>1) Managing director or the first four executives next to the managing director, and every person in the position equivalent to the 4th executive. The shareholding of related persons- parents, spouses, siblings, children and children-in-law – and any juristic persons defined as related under the law also must be included.</p> <div data-bbox="411 1406 1430 1944" data-label="Diagram"> <pre> graph TD Board[Board of Directors] --> MD[Managing Director] MD --> E1[Executive 1] MD --> E2[Executive 2] E1 --> E3[Executive 3] E1 --> E4[Executive 4] E2 --> E5["Executive 5 (Equivalent rank 4)"] E2 --> E6["Executive 6 (Equivalent rank 4)"] E3 --- RRP[Relevant and related persons] E4 --- RRP E5 --- RRP E6 --- RRP </pre> </div>

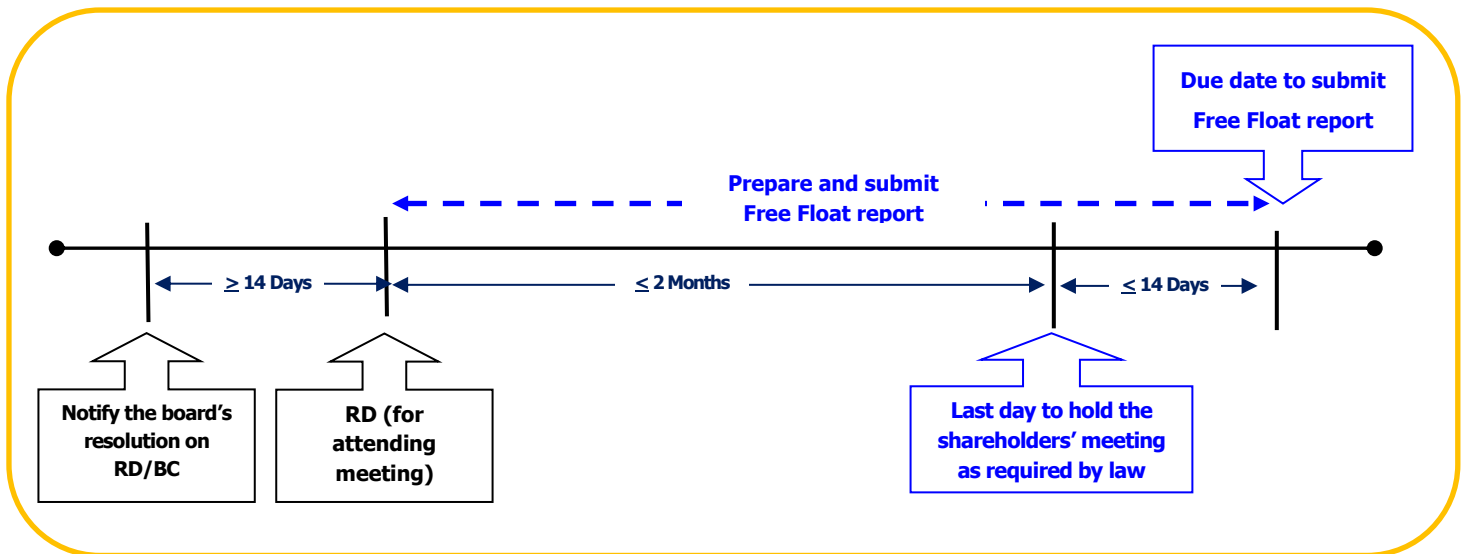
Subject	Details
	<p>2) Shareholder with more than 5% of paid-up capital The shareholding of persons related to the shareholder must also be included, <u>except</u> the securities companies, insurance companies, life insurance companies, mutual funds, provident funds, social security funds, retirement funds, or other funds approved by relevant law (in case there are representatives of these funds in the board of directors and/or management, it will not be counted as a free float)</p> <div style="border: 1px dashed black; padding: 5px; margin: 10px 0;"> <p>Combined X and Z equaling 5.5% is considered involving in management Combined X and Z equaling 6.2% is considered involving in management</p> </div>  <p>3) Controlling person refers to the person having an influence over policy-making, management, or the operation of the company significantly. Regardless of whether such an influence is acquired by shareholding or authorized by contract or any other means, the term includes with one of the following characteristics:</p> <ul style="list-style-type: none"> • Person with voting right, directly or indirectly, holding more than 25% of all eligible voting shares • Person whose actions can control an appointment or discharge of the company's director • Person whose actions can control the persons responsible for business policy making, managing, or operating the company, to follow suit in making the policy, management, or operation. • Person who is involved in a company's operation or exercises responsibility for its operation in a similar manner to an executive or any other senior company officer. <p>Relatives refer to the person having blood relation or registration under law:</p> <ol style="list-style-type: none"> (1) Spouse (2) Father, mother (3) Children <p>Related persons refer to individuals or partnerships under Section 258 (1)-(7) of the SEC Act B.E. 2535:</p> <ol style="list-style-type: none"> (1) Spouse (2) Minor children (3) Ordinary partnerships having the person, including (1) or (2) as partner (4) Limited partnerships having the person, including (1) or (2) as partner either by having unlimited liability, or by holding an aggregate of more than 30% of stock (5) Limited company or Public Company Limited in which the person, including (1) or (2) or (3) or (4) have a combined shareholding of more than 30% (6) Limited company or Public Company Limited in which the person, including (1) or (2) or (3) or (4) or (5) have a combined shareholding of more than 30% (7) Juristic persons where ordinary person under Section 246 and Section 247 (SEC Act) acting as representatives.

Subject	Details
Reporting and submission	<ul style="list-style-type: none"> • Prepare the report on the distribution of strategic shareholders on SETLink system based on the shareholder list on the record date (RD)/book closing date (BC) for attending AGM. • In order to provide information to the SET, please submit the report signed by authorized directors via SETLink system within 14 days from the last day of shareholders' meeting as required by law e.g. For accounting period ended on December 31, the due date for report submission will be May 14 of every year. • In case the listed company does not hold the annual general meeting of shareholders or hold the meeting later than required by the law, the company is still subjected to submit the report on the distribution of strategic shareholders via SETLink within due date. If the company does not submit the report, SET will consider that the company does not meet the free float requirement.
What to do when the company does not meet the free float requirement	<ul style="list-style-type: none"> • Listed company with insufficient free float for 1st year: SET will publicly announce and post CF sign and the company is required to set up a meeting in order to provide information to the investors and concerned persons (Public Presentation) within 15 days since the day that CF sign is posted. • Listed company with insufficient free float for 2nd year: In case CF sign is posted for 1 year and the company still does not meet the free float requirement, SET will lift the CF sign and post SP (Suspension) sign. • Listed company with insufficient free float for 3rd year: In case SP sign is posted for 1 year, SET will announce that the company is subjected to possible delisting and NC (Non-Compliance) sign will be posted. In addition, SP sign is still posted and SET may consider delisting. <p>(Details as shown in the process for the case of the company does not meet free float requirement)</p>

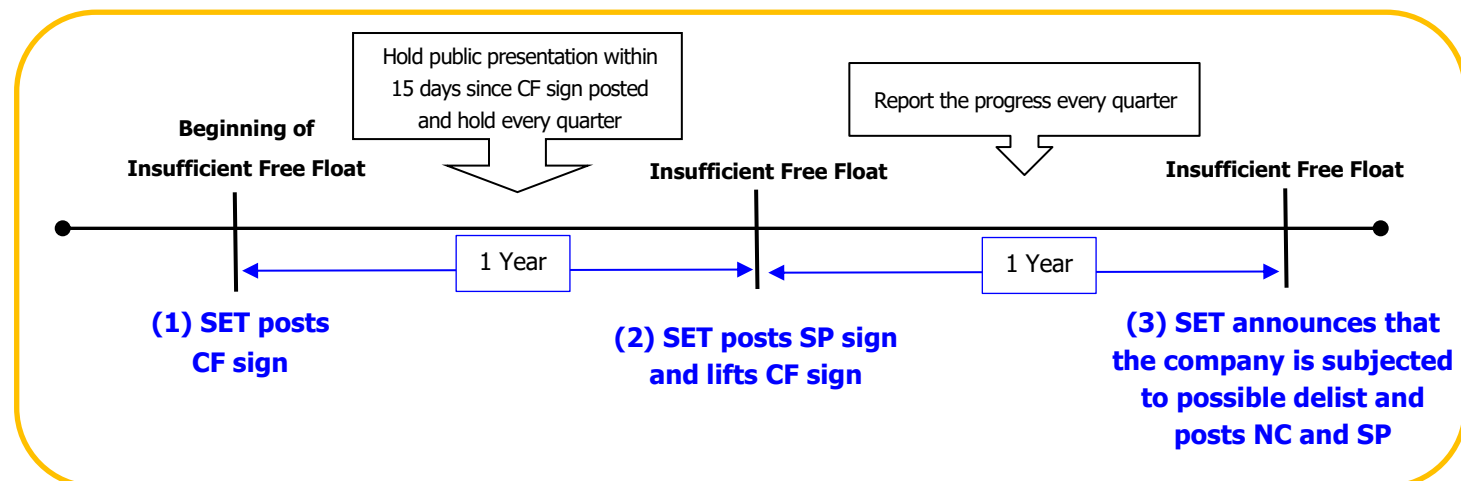
Subject	Details
Report of the progress	<ul style="list-style-type: none"> • While CF sign is posted, the company is required to arrange the public presentation every quarter. • After SP sign is posted, the company must report the progress on the distribution of strategic shareholders in order to meet free float requirement together with financial statements submission or within the day that the company must submit the financial statements in each quarter. In case the company has significant progress, the company must disclose via SET's disclosure system immediately.
What to do when the company's free float condition has been met	<ul style="list-style-type: none"> • The company must determine the latest RD/BC to prepare the report on the distribution of strategic shareholders and submit via SETLink for SET's consideration process. • SET will consider the company's qualifications within seven business days from the day SET has received completed information. • Once SET has considered that the company has met the requirements, <ol style="list-style-type: none"> 1. The company has to announce to investors about successful free float requirement. 2. The SET will announce to investors that the company has met the free float requirement and lift CF, SP or NC sign, depending on circumstances.

Process

Period for preparing and submitting Free Float report

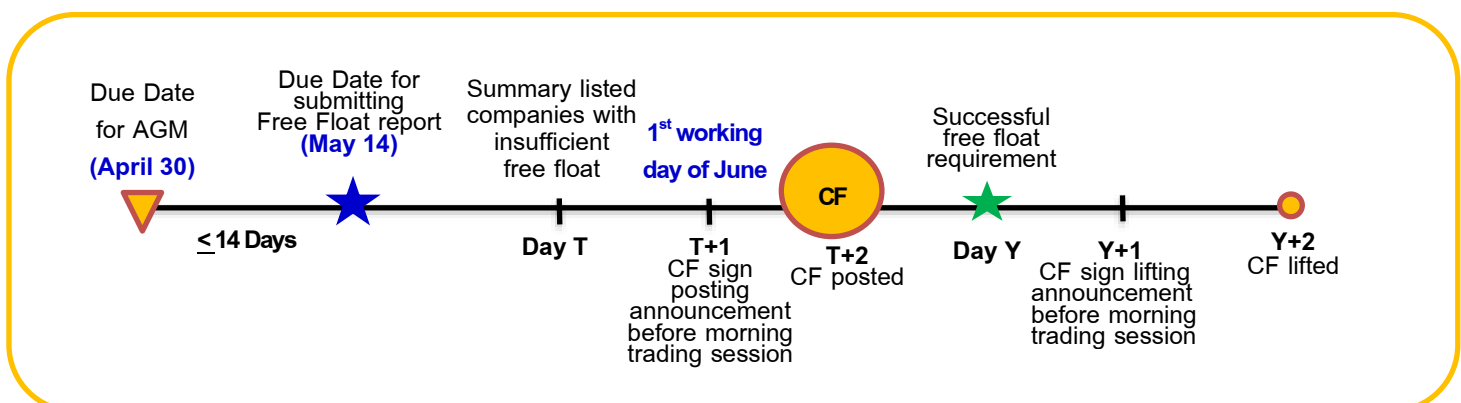


Process for the case of the company does not meet Free Float requirement

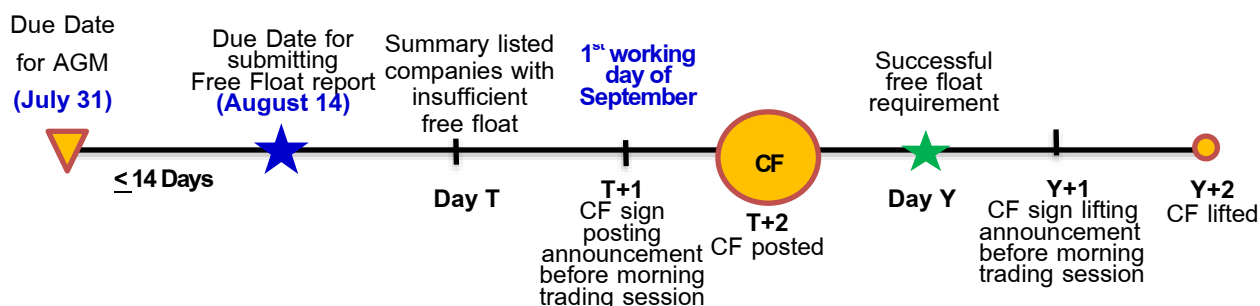


SET's CF sign posting

Example for listed company with fiscal year end at December 31, every year



Example for listed company with other fiscal year end, for example March 31, every year



Q&As

Question	Answer
In case there is the director change during the AGM, on what date the company should be using the new director list?	Listed company should use a list of directors currently in the position on the day the company is submitting a free float report. In case there is the director change during the AGM, the company should prepare and submit the report with the name of newly appointed directors because they are currently involved in managing the company.
If the listed company has not submitted a free float report, how will the SET take actions?	SET will notify the company to submit the report. In case the company does not submit, SET will consider that the company does not meet free float requirement.
Is a person who holds 5% of paid-up capital considered as free float?	According to SET's definition, any shareholders holding <u>more than</u> 5% of paid-up capital (including shares hold by related persons) are considered as strategic shareholders. Therefore, the shareholders holding less than or equal to 5% of paid-up capital will be counted as free float.
Thailand Securities Depository Co., Ltd. or Thai NVDR Co., Ltd., or the Stock Exchange of Thailand hold more than 5% of shares. Are they considered as free float?	They can be categorized as free float when there is no strategic shareholder holding shares. However, if the company notices that there is a strategic shareholder holding shares, those shares must be included in the strategic shareholder portion.

Related Regulations

- Regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015)
- Procedures for action in case of a listed company does not meet the free-float requirement
- Principles of preparing the report on the distribution of strategic shareholders

Forms

The Distribution of Ordinary Shares Report Form

..... PUBLIC COMPANY LIMITED

As of

The company's Paid-up capital (ordinary shares only)Baht
divided into ordinary sharesshares at a par value of Baht

No. of Shareholders	No. of Shares	% of paid-up capital (Ordinary shares only)
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1. Strategic Shareholder

1.1 Directors, managers, and executive management including related persons and associated persons ¹

1.2 Shareholders who have a holding of 5% or above including related persons ²

1.3 Others controlling persons

2. Share Repurchase

3. Minor shareholders (Non-Strategic shareholders)

4. Shareholders who hold less than 1 board lot

Total

Remark

1. The number of shares holding by directors, managers or the first four persons in the management level must include the shares held by related persons and persons related by blood, marriage or registration under laws of the said persons, including the shares that those people held via others such as custodians, private funds.

2. The shareholders > 5% of the paid-up capital, which meet the following criteria, are not the strategic shareholders: (1) The shareholders which are securities companies, life-insurance companies, insurance companies, mutual funds, provident funds, social security funds, pension funds, investment projects approved under law and (2) The said shareholders do not have representative taking part as directors and management of the listed company. *(If having representative taking part as directors and management of the listed company, the said shareholders are strategic shareholders and must report the holding shares as the shareholders >5% according to 1.2)*

The Company hereby certifies that the information reported in this Distribution of Ordinary Shares Report is correct and prepared in accordance with the regulation of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities.

Signature

Authorized directors signed on behalf of the company
with the company's seal affixed**

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(.....)
Position

Attachment : List of Strategic Shareholders Name

**The company can submit the report to SET via SETLink system (no need to submit the signed hard copy)

List of Strategic Shareholders Name

	No. of Shareholders	No. of Shares	% of paid-up capital (Ordinary shares only)
1. Directors, managers, and executive management including related persons and associated persons			
1.			
2.			
3.			
4.			
Total			
2. Shareholders holding of 5% or above including related persons			
1.			
2.			
3.			
4.			
Total			
3. Other controlling persons			
1.			
2.			
3.			
4.			
Total			
Grand Total			