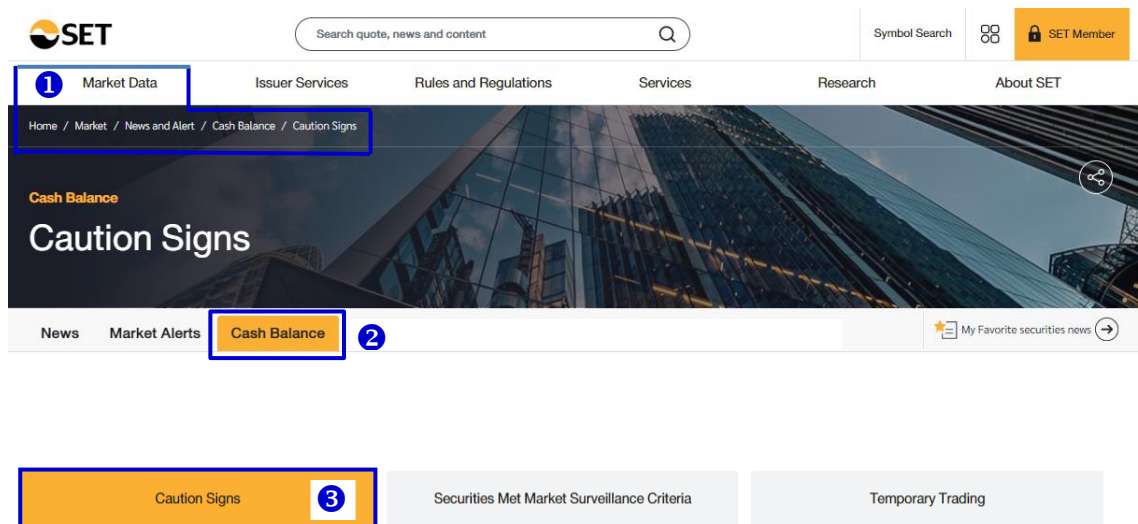


## Question & Answer

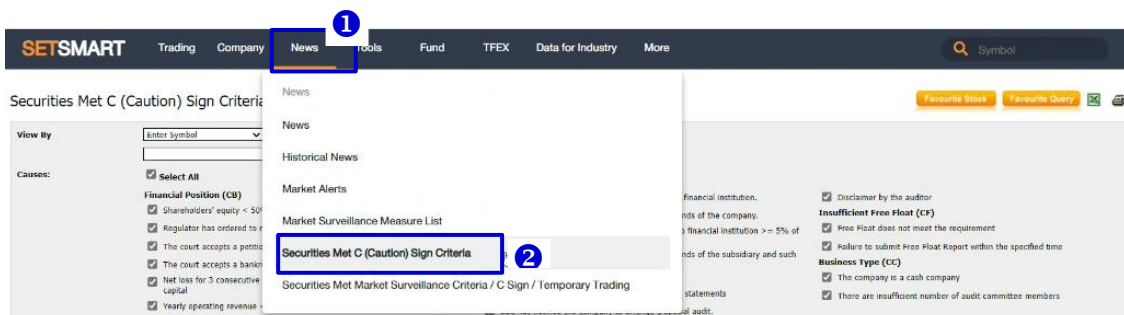
1. Via which channels may shareholders and investors search the names of listed companies which are subject to the Caution sign?

Answer Shareholders and investors may search the lists of listed companies that have been posting the Caution sign via the information dissemination SET's system as follows:

- 1) [www.set.or.th](http://www.set.or.th) under Market Data >> News and Alerts >> Cash Balance >> Caution Signs ([click here](#))



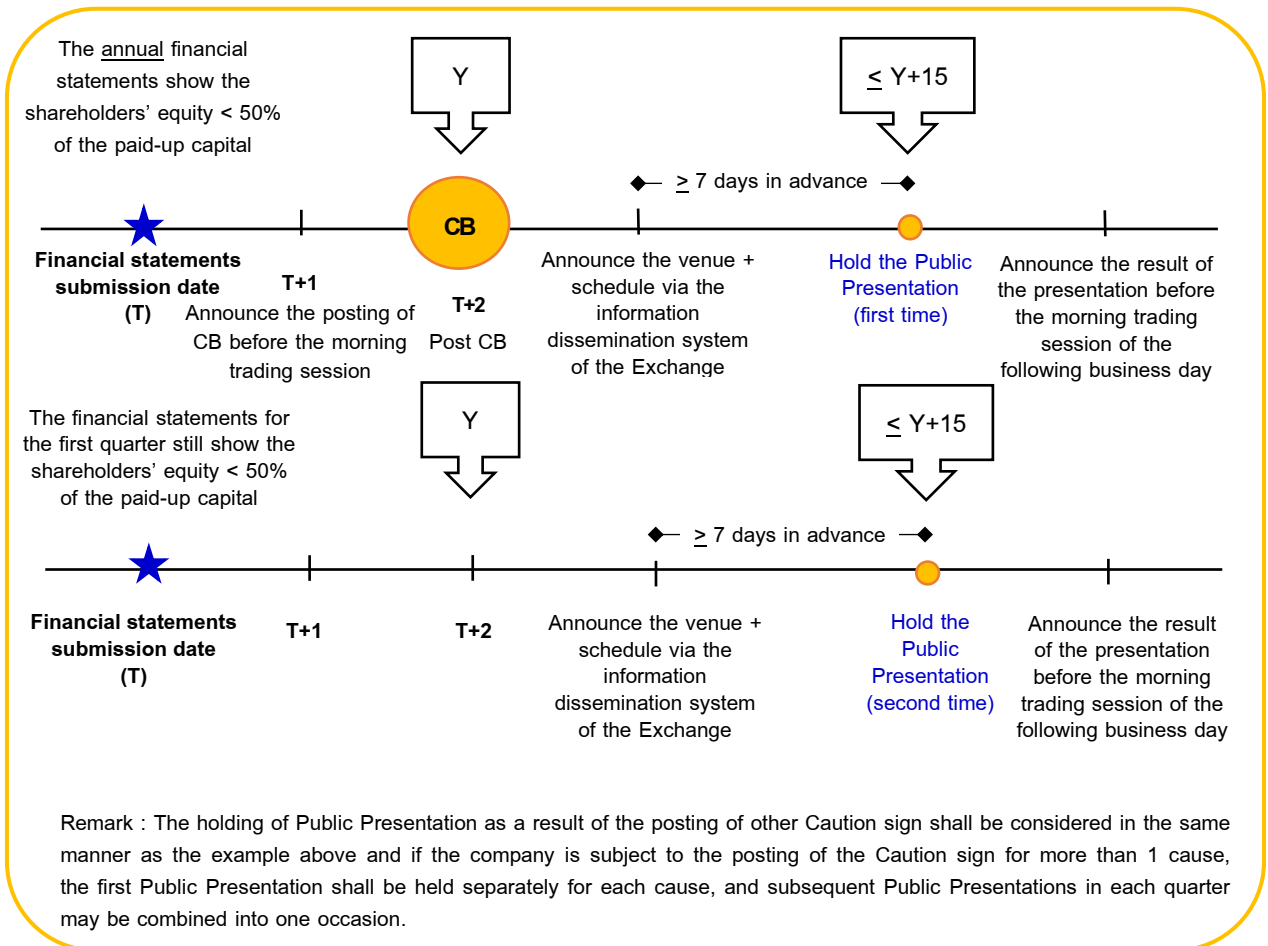
- 2) [www.setsmart.com](http://www.setsmart.com) under News >> Securities Met C (Caution) Sign Criteria



2. When SET announces the posting of the Caution sign, how is the company required to hold a public presentation?

Answer The company shall hold a Public Presentation within 15 days from the date that SET posts the Caution sign and shall hold the public presentation in every quarter to report the progress on the elimination of each event. In holding the presentation in each quarter, the date of the company submitting their financial statements or the due date for the submission of the financial statements, whichever is earlier, shall be considered as if it were the cause for the posting of the Caution sign.

### Example



- When the SET enforces CB CS CC or CF sign measure, what types of securities will be subject to this?

Answer The SET will post a CB CS CC or CF sign on listed securities, which are common shares, preferred shares, warrants, TSR (Transferable Subscription Rights), and DW (Derivative Warrants). However, the debentures, convertible debentures, debenture warrants are exempted from this measure.

- What should be included in the public presentation?

Answer The company should explain about the cause of the problem, ways on how to fix the problems as approved by the board of directors and audit committee. The company needs to elaborate details on process and time frame, as well as risks or obstacles that may prevent the company to follow that plan.

5. How is the public presentation different from the shareholders' meeting?

Answer There are differences as follows:

Differences	Public Presentation	Shareholders' Meeting
Eligibility criteria to attend the meeting	X	/
Participants	Shareholders/General Investors	Shareholders whose names appear on the record date
Meeting announcement via information dissemination system	/	/
Sending the meeting invitation	X	/
Meeting quorum count	X	/
Notification of meeting resolution	Summary of key Q&As	Resolution of shareholders' meeting

6. What should be included in the public presentation?

Answer The company should explain about the cause of the problem, ways on how to fix the problems as approved by the board of directors and audit committee. The company needs to elaborate details on process and time frame, as well as risks or obstacles that may prevent the company to follow that plan.

7. Can the company host a public presentation via application (Live broadcast) such as Facebook Live?

Answer The company must host a public presentation where two-way communication can take place, so as to allow participants to ask questions to the management, and management can answer in the meeting. By the way, the company may provide addition live broadcast along with physical meeting.

### **CB (Business) sign**

8. How is income from operation considered?

Answer Income from operation means income from the normal business operation of the company which reflects the ability to operate the business on a continuous basis and is directly derived from business operation in accordance with the objective of the company's business operation i.e. income from the sale of goods, income from the production and distribution of goods, income from the provision of services etc., but excludes income not derived from the

normal operation such as other income, profit from the sale of investment etc. In this regard, income from operation may differ depending on the type of business.

### Example

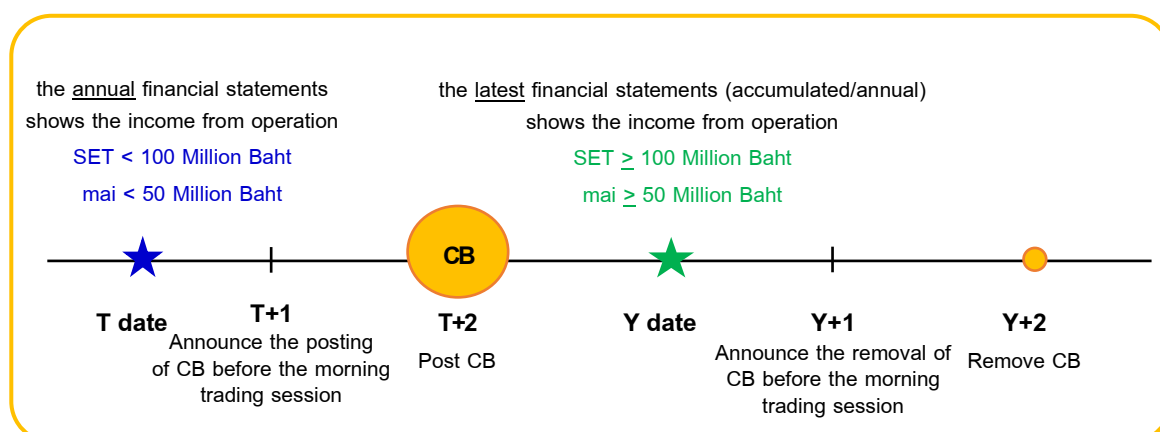
Type of Business	Example of Income from Operation*
1. General case	<ul style="list-style-type: none"> <li>Income from business operation**</li> <li>Income from the sale and provision of services</li> </ul>
2. Banking or other financial business	<ul style="list-style-type: none"> <li>Income from interest</li> <li>Income from fees and services</li> </ul>
3. Insurance business	<ul style="list-style-type: none"> <li>Written premium</li> <li>Income from investment</li> <li>Remuneration and commission from reinsurance</li> </ul>
4. Holding company	<ul style="list-style-type: none"> <li>Income from business operation**</li> <li>Sharing in profit (loss) in the investment pursuant to the equity method</li> </ul>

\* To be considered from the consolidated financial statements (if any)

\*\* For companies operating export business, profit (loss) from exchange will also be included

In this regard, the posting of the CB sign in case of income from operation above will be considered based on the annual financial statements of the company, while the removal of the CB sign will be considered based on the latest financial statements of the company.

### Example



9. In case of the operating results show the net loss consecutively for 3 years that make the shareholders' equity < 100% of the paid-up capital, how will consideration be undertaken?

Answer SET will commence by considering the annual financial statements ending on or after March 25, 2024 (the effective date) onwards, which is the financial statements showing net loss in the operating results\* for the third year.

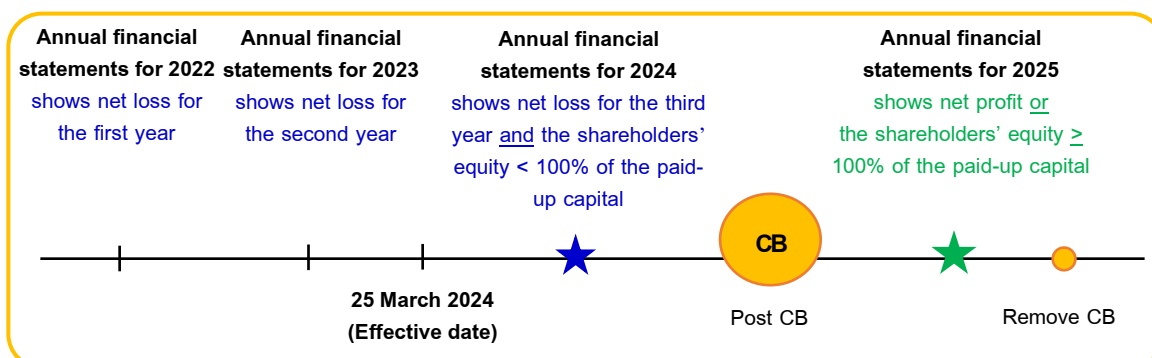
In this regard, the positing and removal of the CB sign will be considered based on the annual financial statements of the company. Moreover, the removal of the CB sign will be

considered after the company rectifies any one of the qualifications i.e. the net profit from operation or the shareholders' equity  $\geq$  100% of the paid-up capital.

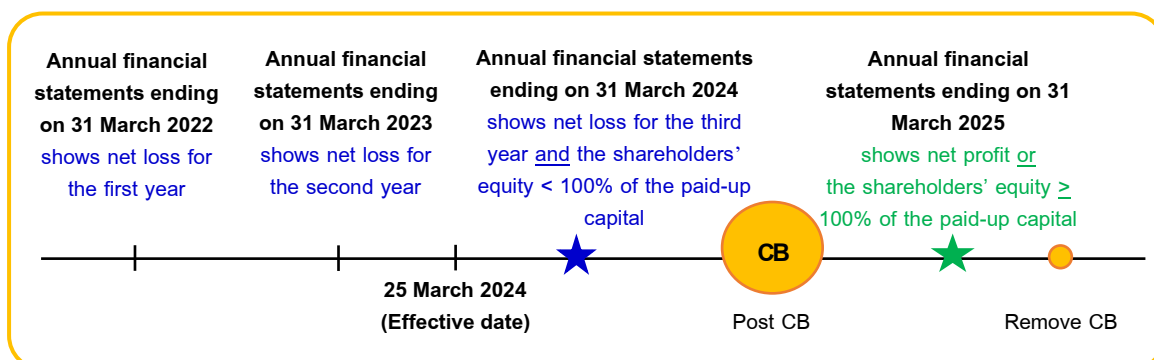
\* The consolidated financial statements are considered based on the net loss in the operating results of the parent company

### Example

The company with the accounting period ending on 31 December of each year



The company with other accounting period such as an accounting period ending on 31 March of each year.



10. How is the default in the repayment of debts considered?

Answer The consideration is as per the summary in the table as follows:

	<b>Case 1</b> <b>Debts to Financial Institution</b>	<b>Case 2 Debt Instruments</b> <b>(In case of default on the repayment of debts or inability to comply with the obligations pursuant to the transactions)</b>
<b>Listed Companies</b>	No minimum value	No minimum value is stipulated and reference will be based on the posting of signs by authority acting as a debt instrument information center (currently the Thai Bond Market Association (ThaiBMA)) i.g. the DP (Default Payment) sign, DNP (Default not related to Payment) sign, FP (Fail to Pay) sign, FPG (Failed to Pay with Guarantee) etc.
<b>Subsidiaries</b>	Value $\geq$ 5% of the total assets*	The value > 5% of the total assets* and reference will be based on the posting of signs by authority acting as a debt instrument information center (currently the Thai Bond Market Association (ThaiBMA)) i.g. the DP (Default Payment) sign, DNP (Default not related to Payment) sign, FP (Fail to Pay) sign, FPG (Failed to Pay with Guarantee) etc.

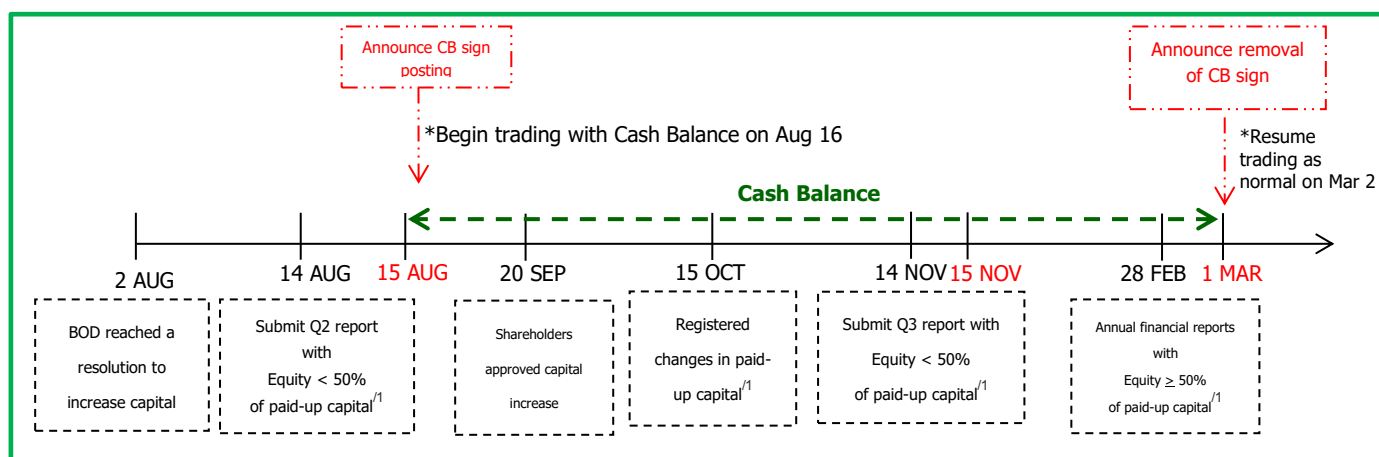
\* To be considered from the consolidated financial statements (if any)

11. In case the company's securities are posted with CB sign due to its shareholders' equity falls < 50% of paid-up capital, then the company has increased capital, when will the SET remove the CB sign off?

Answer When the company has submitted the financial statements showing the shareholders' equity become  $\geq$  50% of paid-up capital.

Example

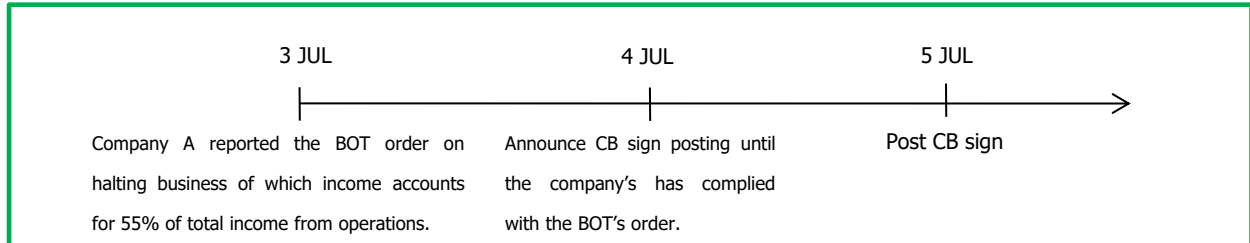
- 2 Aug Board of directors of Company A reached a resolution to increase capital.
- 15 Aug The SET announced CB sign posting on Securities A as the company's Q2 financial statements showed the shareholders' equity fell < 50 of paid-up capital.
- 20 Sep The shareholders approved the capital increase.
- 4-8 Oct The company offered capital increase shares.
- 15 Oct Company A registered a change in paid-up capital when it finished selling capital increase shares
- 14 Nov Company A disclosed its Q3 financial statements, of which the shareholders' equity has not included the fund from capital increase. The company's shareholder's equity is thus still < 50% of paid-up capital.
- 28 Feb Company A disclosed its Q3 financial statements, of which the shareholders' equity became  $\geq$  50% of paid-up capital.
- 1 Mar The SET announced removal of the CB sign effective from Mar 2 onwards.



12. When an authority orders the company to partially halt operation or not to expand business temporarily, what should the company do?

Answer The company has to report the details of that order via SET Portal, by including the level of significance probably by considering asset ratio, income from operations, or profit from operations in the latest financial statements, where the number are > 50 % of total amount of each item.

- Example
- 2 Jul BOT publicly ordered the listed company A, which is a financial institution, to partially halt operation.
  - 3 Jul Company A reported the BOT order and clarified that income ratio from that business was 55% of total income from operations.
  - 4 Jul SET announced CB sign posting effective from July 5.
  - 5 Jul Posted the CB sign.



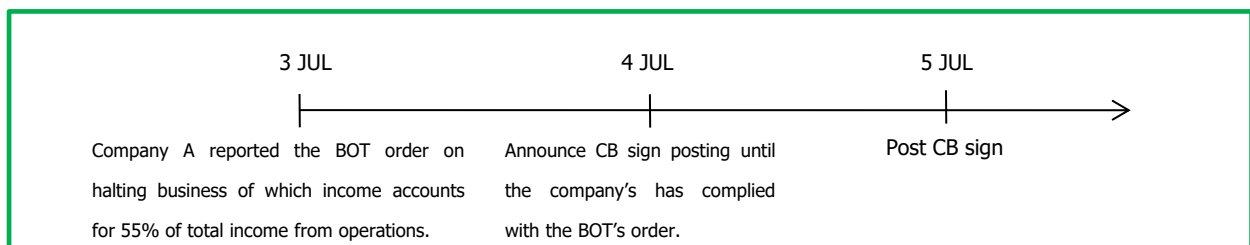
13. What is an example case where the company was halted to take actions or temporarily expand its business by the authority's order?

Answer For instance, the case where the Office of Insurance Commission (OIC) has ordered an insurance company to temporarily halt offering general insurance policies, or where the SEC ordered a temporary suspension of financial advisory service by the securities company, or where the Bank of Thailand (BOT) publicly announced that the financial institutions could not expand business temporarily.

14. When an authority orders the company to partially halt operation or not to expand business temporarily, what should the company do?

Answer The company has to report the details of that order via SET Portal, by including the level of significance probably by considering asset ratio, income from operations, or profit from operations in the latest financial statements, where the number are  $> 50\%$  of total amount of each item.

- Example
- 2 Jul BOT publicly ordered the listed company A, which is a financial institution, to partially halt operation.
  - 3 Jul Company A reported the BOT order and clarified that income ratio from that business was 55% of total income from operations.
  - 4 Jul SET announced CB sign posting effective from July 5.
  - 5 Jul Posted the CB sign.



## CF (Free Float) sign

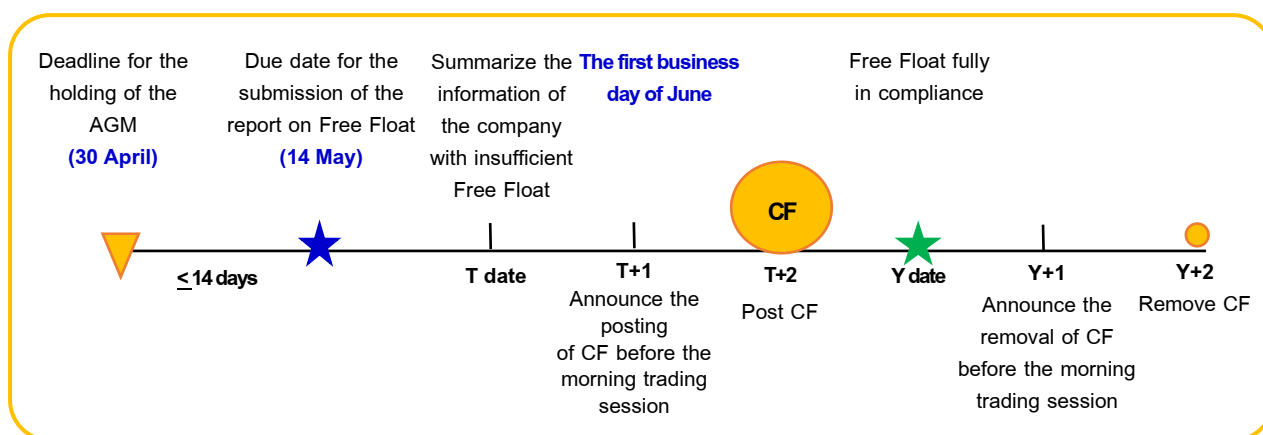
15. In case of a company's distribution of shareholding (Free Float) does not conform to the rules, how will the posting of CF sign be considered?

**Answer** The company has the duty to submit the report on Free Float within 14 days from the last date stipulated by law to be the date for the holding of the annual general meeting of shareholders (AGM). If the company's minority shareholders < 150 shareholders or < 15% of the paid-up capital, the Exchange will announce the posting of the CF sign on the first business day of the month following the due date for the submission of the report.

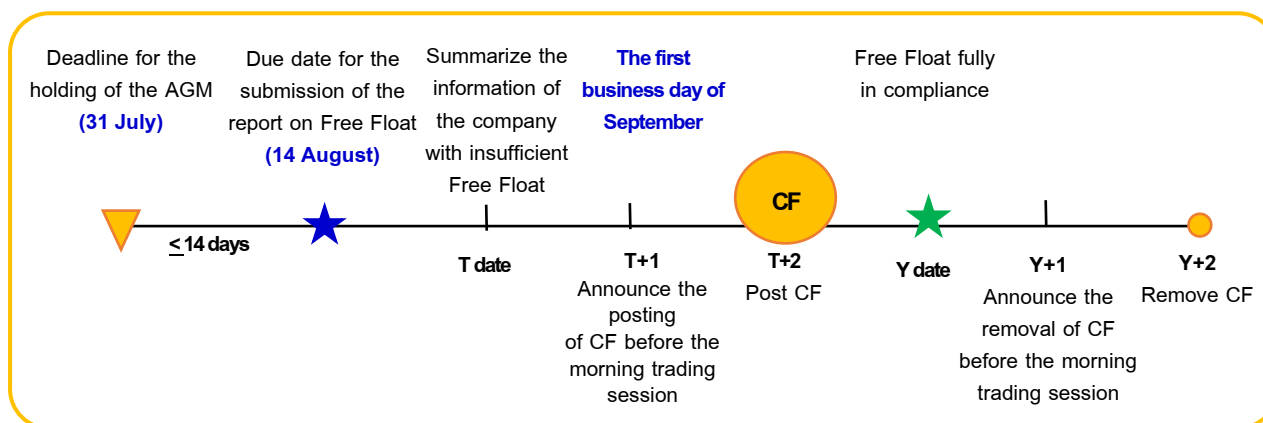
Once the company has rectified the Free Float such that the minority shareholders  $\geq 150$  shareholders and  $\geq 15\%$  of the paid-up capital, the company may close the register or stipulate any rights to prepare and submit the report on the distribution of shareholding to the Exchange and request for the removal of the CF sign without waiting for the time for the submission of such report in the following year.

### Example

A company with the accounting period ending on 31 December of each year



A company with other accounting period such as an accounting period ending on 31 March of each year



16. In case a company submits the report on Free Float before 25 March 2024 (effective date) and the information reveals insufficient Free Float, will the CF sign be posted and how?

**Answer** Such rules will apply to companies that designate the date for the conferral of rights to the attend the annual general meeting of shareholders for 2024. Even if the company submits the report on Free Float before 25 March 2024, in case it is found that there is



insufficient Free Float, the posting of the CF sign will be announced on the first business day of June 2024.

### **CS sign (Financial Statements)**

17. What characteristics of the auditor's non-provision of conclusion or provision of a disclaimer of opinion on the financial statements may lead to the posting of the CS sign?

Answer **In all cases** where the auditor does not provide conclusion on the quarterly financial statements or provides a disclaimer of opinion on the annual financial statements (both where the scope has been limited by circumstances and where the audit scope has been limited by the company, directors or management of the company).

18. How must the auditor's opinion be expressed in a company's financial statements for the CS sign to be removed?

Answer The auditor must express an unqualified or a qualified opinion in the following financial statements.

19. If the auditor does not provide conclusion or provides a disclaimer of opinion on the financial statements for such period of time or if the SEC notifies the listed company to revise financial statements or conduct a special audit, what signs will be posted on a company's securities?

Answer The SP (Suspension) sign will be posted on the company's securities for 1 day to give investors sufficient time to study the information to support their investment decision. In this regard, the CS sign will be posted on the company's securities until the company submits the financial statements in which the auditor expresses an unqualified or a qualified opinion.

20. How does the Exchange consider taking actions against a company, in whose financial statements the auditor does not provide conclusion or provides a disclaimer of opinion?

Answer In case the NP (Notice Pending) sign has never been posted against the company on such ground : the Exchange will post the CS sign pursuant to item 17.

In case the NP (Notice Pending) sign remain posted against the company on such ground : the Exchange does not consider taking retrospective actions and the NP sign will be posted on such securities until the Exchange receives notification on the result of the consideration of such financial statements from the Office of the SEC, after which the NP sign will be removed.

In case of financial statements submitted after the rules take effect and the auditor does not provide conclusion or provides a disclaimer of opinion on such financial statements, the CS sign will also be posted.

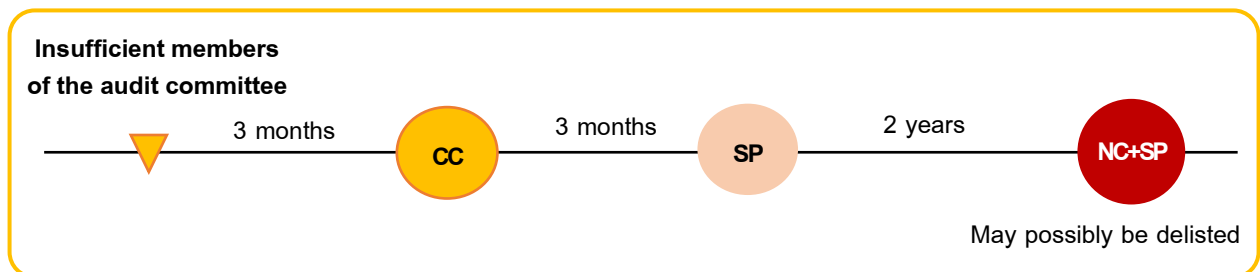
21. In case the auditor does not provide conclusion or provides a disclaimer of opinion on the financial statements for several consecutive periods of time, what signs will be posted on the company's securities?

Answer In case the auditor provides a disclaimer of opinion on the company's annual financial statements consecutively for 3 years, the Exchange will announce that the company's ordinary shares may possibly be delisted and will post the NC and SP signs.

### **CC (Non-Compliance) Sign**

22. Actions to be taken in case the company has insufficient number of members of the audit committee.

Answer In case a company has insufficient number of members of the audit committee for 3 months, the Exchange will post the CC sign for 3 months. If the company remains unable to appoint members of the audit committee to meet the prescribed number, the Exchange will post the SP sign for 2 years and will announce that the company's ordinary shares may possibly be delisted and will post the NC sign.



23. When the company becomes a cash company, when will the CC sign be posted and removed?

Answer If the SET receives a report on financial positions, reviewed by the auditor, after all or nearly all assets have been disposed, SET will announce the company a cash company and post the CC sign.

Regarding the CC sign, the SET will post a CC sign while announcing the company has become a cash company. The CC sign will be posted on the next business day after announcement through the period of six months, or until the company no longer has the cash company status, then the SET will announce the company is subject to delisting, and post NP as well as SP signs, while removing the C sign.

