



Ground Rules for SET Index Series

The Stock Exchange of Thailand

May 2024

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1. Overview

1.1. Index created by The Stock Exchange of Thailand (SET)

The Stock Exchange of Thailand has created Index Series to correspond with capital market development that has been happening at various periods of time and respond to various investors' needs. The index series can be used for many purposes, i.e. to reflect the price movements of securities traded on SET, to be the benchmark for investment performance, or to use as underlying index of such financial instruments as derivatives, mutual funds and exchange-traded fund (ETF), etc. In any case, the Index Series created by SET is a proprietary SET's trademark, owned by SET.

1.2. Index Operation Framework

SET Index Operation Framework comprises of index calculation and dissemination, index information service, and selection of index constituents according to the pre-defined criteria. SET clearly specifies operational criteria and guidelines, with internal audit function to ensure accurate and continuous index dissemination.

In case of any major adjustment, amendment or addition of SET Index Series' Ground Rules which have significant impact on the SET's stakeholders such as listed companies, brokerage firms, asset management companies, etc., SET may consider their opinions by discussing with them, listening to their views or taking their views and/or opinions into consideration as deemed suitable to ensure that the Rules are in accordance with the situation and needs of the index users.

1.3. Groups of Index created by SET

The index created by SET can be divided into 4 main groups as follows:

1. SET Index Series, consisting of
 - 1.1 SET Index
 - 1.2 SET Industry Group Index and SET Sector Index
 - 1.3 SET50 Index
 - 1.4 SET50FF Index (SET50 Free Float Adjusted Market Capitalization Weight)
 - 1.5 SET100 Index
 - 1.6 SET100FF Index (SET100 Free Float Adjusted Market Capitalization Weight)
 - 1.7 sSET Index

2. SET Thematic Index Series, consisting of:
 - 2.1 SETCLMV Index (SET CLMV Exposure Index)
 - 2.2 SETHD Index (SET High Dividend 30 Index)
 - 2.3 SETESG Index (SET ESG Index)
 - 2.4 SETWB Index (SET Well-Being Index)

3. mai Index Series, consisting of:
 - 3.1 mai Index
 - 3.2 mai Industry Group Index

4. Total Return Index (TRI) is an index that measures all kinds of return on securities investment, consisting of:
 - 4.1 SET TRI
 - 4.2 SET50 TRI
 - 4.3 SET50FF TRI
 - 4.4 SET100 TRI
 - 4.5 SET100FF TRI
 - 4.6 sSET TRI
 - 4.7 SETCLMV TRI
 - 4.8 SETHD TRI
 - 4.9 SETESG TRI
 - 4.10 SETWB TRI
 - 4.11 mai TRI
 - 4.12 Industry TRI
 - 4.13 Sector TRI

2. SET Index Committee

SET has established the SET Index Committee to set policy on index development so as to respond to the need of users and make it comparable to the common practice used internationally. In addition, the SET Index Committee is responsible for approving the result of index constituent selection according to the set criteria, using its judgment as specified in the criteria, making any change to the criteria or taking other suitable measures to ensure that the Index effectively reflect the market condition. The SET Index

Committee's duty is also to give advice on various issues related to index operation. All these are carried out to ensure that the operations are in line with SET's objectives.

3. Index Calculation

3.1. Price Index

Price Index is an index that reflects price movement of securities which are constituents of the index.

3.1.1. The index is calculated using a market capitalization-weighted method. The price index consists of two series: the SET Index Series and the mai Index Series.

Price Index formula:

$$Index = \frac{Current\ Market\ Value}{Base\ Market\ Value} \times Base\ Value$$

Where:

Current Market Value (CMV) = The total market value of the constituents at the calculation date.

Base Market Value (BMV) = The total market value of the constituents at the base date.

Base Value = The base point of the index.

3.1.2. The index is calculated using a free float adjusted market capitalization weighted method.

Price Index formula:

$$Index = \frac{\sum_{i=1}^n (Price_{it} \times Listed\ Share_{it} \times Free\ Float_{it})}{Adjusted\ BMV} \times Base\ Value$$

Where:

Price_{it} = The market price of each constituent at the calculation date.

Listed Share_{it} = The number of listed shares of each constituent at the calculation date

Free Float _{it}	=	The free float value of each constituent at the calculation date. The calculation uses the publicly disclosed free float value adjusted by changes in the holdings of strategic shareholders. There may be additional adjustments based on information disclosed by listed companies to SET. This value is re-calculated for each Index review period. However, if there are significant changes in this value, e.g. more than or equal to 5% (of the total listed shares), this free float value may be adjusted at the end of each quarter.
Adjusted BMV	=	The total market value of the index at the base date, weighted by market capitalization and free float of each constituent.
Base Value	=	The base point of the index.

3.1.3. The index is calculated using a market capitalization weighted, adjusted with other variables.

Price Index formula:

$$Index = \frac{Adjusted\ CMV}{Adjusted\ BMV} \times Base\ Value$$

Where:

Adjusted CMV	=	The total market value of the constituents at the calculation date weighted with other variables.
Adjusted BMV	=	The total market value of the constituents at the base date is weighted with other variables.
Base Value	=	Base point of the index.

SETCLMV Index formula:

$$Index = \frac{\sum_{i=1}^n (Price_{it} \times Listed\ Share_{it} \times CLMV\ Exposure\ Factor_{it} \times Adjustment\ Factor_{it})}{Adjusted\ BMV} \times Base\ Value$$

Where:

Price _{it}	=	The market price of each constituent at the calculation date.
Listed Share _{it}	=	The number of listed shares of each constituent at the calculation date.
CLMV Exposure Factor _{it}	=	The CLMV Exposure Factor at the calculated date.
Adjustment Factor _{it}	=	The cap-weight rate for each constituent at the calculation date, used for distributing the excess constituent weight (higher than 5% of the index) to the constituent with weights less than 5% of the index. This is re-calculated quarterly.
Adjusted BMV	=	The total market value of the index at the base date is weighted by the CLMV Exposure and the adjustment factor.
Base Value	=	The base point of the index.

The CLMV Exposure Factors for each security are calculated by

$$CLMV\ Exposure\ Factor_i = \frac{CLMV\ Revenue_i}{\sum_{i=1}^n (CLMV\ Revenue_i)} + \frac{CLMV\ Revenue_i}{Total\ Revenue_i}$$

Where

CLMV Revenue _i	=	The revenue generated by each constituent from CLMV countries (Cambodia, Laos, Myanmar and Vietnam).
Total Revenue _i	=	Total revenue of each constituent.
$\sum_{i=1}^n (CLMV\ Revenue_i)$	=	The total CLMV revenue of all constituents on SET.

SETHD Index formula:

$$Index = \frac{\sum_{i=1}^n (Price_{it} \times Listed\ Share_{it} \times Dividend\ Yield_{it} \times Adjustment\ Factor_{it})}{Adjusted\ BMV} \times Base\ Value$$

Where:

Price _{it}	=	The market price of each constituent at the calculation date.
Listed Share _{it}	=	The number of listed shares of each constituent at the calculation date.
Dividend Yield _{it}	=	The dividend yield of each constituent of the index, at the calculation date, capped at 15%.
Adjustment Factor _{it}	=	The cap-weight rate for each constituent at the calculation date, used for distributing the excess constituent weight (higher than 10% of the index) to the constituent with weights less than 10% of the index. This is re-calculated quarterly.
Adjusted BMV	=	The total market value of the index at the base date is weighted by the dividend yield and the adjustment factor.
Base Value	=	The base point of the index.

SETESG Index formula:

$$Index = \frac{\sum_{i=1}^n (Price_{it} \times Listed\ Share_{it} \times Adjustment\ Factor_{it})}{Adjusted\ BMV} \times Base\ Value$$

Where

Price _{it}	=	The market price of each constituent at the calculation date.
Listed Share _{it}	=	The number of listed shares of each constituent at the calculation date.
Adjustment Factor _{it}	=	The cap-weight rate for each constituent at the calculation date, used for distributing the excess constituent weight (higher than 5% of the index) to the constituent with weights less than 5% of the index. This is re-calculated quarterly.
Adjusted BMV	=	The total market value of the index at the base date is weighted by the adjustment factor.
Base Value	=	The base point of the index.

SETWB Index formula:

$$Index = \frac{\sum_{i=1}^n (Price_{it} \times Listed Share_{it} \times Adjustment Factor_{it})}{Adjusted BMV} \times Base Value$$

Where

Price_{it} = The market price of each constituent at the calculation date.

Listed Share_{it} = The number of listed shares of each constituent at the calculation date

Adjustment Factor_{it} = The cap-weight rate for each constituent at the calculation date, used for distributing the excess constituent weight (higher than 10% of the index) to the constituent with weights less than 10% of the index. This is re-calculated quarterly.

Adjusted BMV = The total market value of the index at the base date is weighted by the adjustment factor.

Base Value = The base point of the index.

Summary of base date and base point of Price Index is as follows:

Name of Price Index	Base Date	Base Points	Base Value
SET Index	April 30, 1975	100 points	100 points
mai Index	September 2, 2002	100 points	100 points
SET Industry Group	December 31, 2003*	100 points	100 points
SET Sector Index	April 30, 1975*	100 points	100 points
mai Industry Group	December 30, 2014*	100 points	100 points
SET50 Index	August 16, 1995	1,000 points	1,000 points
SET50FF Index	Last business day of December 2023	The close price of SET50 Index on the last business day of December 2023	1,000 points
SET100 Index	April 30, 2005	1,000 points	1,000 points

SET100FF Index	Last business day of December 2023	The close price of SET100 Index on the last business day of December 2023	1,000 points
sSET Index	December 30, 2016	1,000 points	1,000 points
SETCLMV Index	June 29, 2018	1,000 points	1,000 points
SETHD Index	June 30, 2011	1,000 points	1,000 points
SETESG Index	June 29, 2018	1,000 points	1,000 points
SETWB Index	March 29, 2019	1,000 points	1,000 points

*Please see details via [SET's Industry Group and Sector classification](#).

3.2 Total Return Index (TRI)

The Total Return Index (TRI) is an index that measures all kinds of return on securities investment including capital gain/loss and dividends. It is based on the additional assumption that dividends are reinvested in securities.

TRI formula:

$$TRI_t = TRI_{t-1} * (1 + \text{Daily Total Return}_t)$$

Where:

TRI_t = The total return index at the calculation date.

TRI_{t-1} = The total return index at the previous date.

$\text{Daily Total Return}_t$ = The daily total return at the calculation date.

Daily total return is calculated by using the following formula:

3.2.1 The Daily Total Return is calculated using the Market Capitalization Weighted Index at the calculation date, and is used for both the SET Index Series and the mai Index Series.

$$\text{Daily Total Return}_t = \frac{\text{Index Value}_t + \left(\frac{\text{Total Dividend Payment}_t}{BMV_t} \right)}{\text{Index Value}_{t-1}} - 1$$

Where:

Index Value_t = The price index value at the calculation date.

Index Value_{t-1} = The price index value at the previous date.

BMV_t = The base market value of the total securities at the base date.

Total Dividend Payment_t = The total dividend payment of all constituents of the index at the calculation date.

3.2.2 The Daily Total Return is calculated by the Market Capitalization Adjusted-Weighted Index at base date, and is used for SET50FF, SET100FF, SETCLMV, SETHD, SETESG and SETWB Index Series.

$$\text{Daily Total Return}_t = \frac{\text{Index Value}_t + \left(\frac{\text{Adjusted Total Dividend Payment}_t}{\text{Adjusted BMV}_t} \right)}{\text{Index Value}_{t-1}} - 1$$

Where:

Index Value_t = The price index value at the calculation date.

Index Value_{t-1} = The price index value at the previous date.

Adjusted BMV_t = The base market value of total securities is weighted by other variables at the calculation date.

Adjusted Total Dividend Payment_t = The total dividend payment of all constituents of the index is weighted by the other variables at the calculation date.

The Adjusted Total Dividend Payment_t formula:

$$\text{Adjusted Total Dividend Payment}_t = \sum_{i=1}^n (\text{Total Dividend Payment}_{it} \times \text{other variable}_{it})$$

Where

Total Dividend Payment_{it} = The total dividend payment of all constituents of the index at the calculation date.

Others Variables_{it} = Other variables for the weighted calculation of each securities at the calculation date.

Other variables used for the calculation in the Adjusted Total Dividend Payment_t for each security in the TRI index can be summarized as shown in the table below.

Name of Total Return Index	Adjusted Total Dividend Payment
SET50FF TRI	Free Float
SET100FF TRI	Free Float
SETCLMV TRI	CLMV Exposure Factor \times Adjustment Factor
SETHD TRI	Dividend Yield \times Adjustment Factor
SETESG TRI	Adjustment Factor
SETWB TRI	Adjustment Factor

The dividend figure used here is the amount that the company announced to pay. The types of dividends used are as follows:

- Normal Cash Dividend is paid from net profit of a firm's current performance or from retained earnings.
- Special / Extra Dividend is paid apart from normal cash dividend. Extra dividend occurs when a firm has income from special events.

Remark: Stock Dividend is not included because it is not in the form of cash that can be reinvested.

Timing of reinvestment is based on the assumption that the dividends will be reinvested on the day the constituent is posted the signs. If a constituent has no trading on that date, SET will take dividends into TRI calculation on the first day that the constituent is traded.

Summary of base date and base point of Total Return Index is as follows:

Name of Total Return Index	Base Date	Base Point
SET TRI	January 2, 2002	1,000 points
mai TRI	September 2, 2002	1,000 points
SET Industry Group TRI	December 31, 2003*	1,000 points
SET Sector TRI	January 5, 2004*	1,000 points
mai Industry Group TRI	December 30, 2014*	1,000 points
SET50 TRI	January 2, 2003	1,000 points
SET50FF TRI	Last business day of December 2023	The close price of SET50 TRI Index on the last business day of December 2023
SET100 TRI	April 29, 2005	1,000 points
SET100FF TRI	Last business day of December 2023	The close price of SET100 TRI Index on the last business day of December 2023
sSET TRI	December 30, 2016	1,000 points
SETCLMV TRI	June 29, 2018	1,000 points
SETHD TRI	July 4, 2011	1,000 points
SETESG TRI	June 29, 2018	1,000 points
SETWB TRI	March 29, 2019	1,000 points

* Please see details via [SET's Industry Group and Sector classification](#) .

3.3 Adjustment of Index Base Value

In order to make the index truly reflect the price movement of the Index constituents, SET will adjust index base value based on the following principle:

Index after adjustment = Index before adjustment

$$\frac{CMV_n}{BMV_n} = \frac{CMV_0}{BMV_0}$$

$$BMV_n = BMV_0 \times \frac{CMV_n}{CMV_0}$$

Where:

CMV_n = Current market value after adjustment

BMV_n = Base market value after adjustment

CMV_0 = Current market value before adjustment

BMV_0 = Base market value before adjustment

SET will make adjustments in index calculation according to the following events:

- 1) When a new index constituent is added as a result of:
 - New Issue
 - Resumed trading of suspended securities by solving the causes of such suspension
 - Change of market
 - New constituent at periodic review or between periodic review
 - Change of Industry group or Sector for only Industry group Index or Sector Index, etc.
- 2) When an existing index constituent is removed as a result of:
 - Delisting
 - Securities which are suspended for a period of 3 months
 - Change of market
 - Constituent removed at periodic review or between periodic review
 - Change of Industry group or sector for only Industry group Index or Sector Index, etc.

- 3) When there are changes in number of shares of index constituents due to capital increase, capital decrease, conversion of debentures to common stocks, exercise of warrants, etc. Exceptional cases are as follows:
- Split: no adjustment is made to the base market value, due to the fact that the stock split increases number of listed shares and makes stock price decrease in the same proportion. Thus, market value of such security is unchanged.
 - Stock dividend: no adjustment is made to the base market value since it is just a transfer of retained earnings to paid-up capital.
- 4) When a security announces the capital repayment to holders for example
- Distribution of surplus from capital reduction of registered and paid-up capital
 - Distribution from capital reduction, or principal repayment for termination of a fund or a real estate investment trust (REIT)

Examples of index calculation are in Appendix A.

3.4 Capped weight adjustment of the Index

SET will operate the capped weight adjustment of the Index at the first day of each quarter (day T) by using the previous 3 business days' data (T-3) to calculate the Adjustment Factor for distributing the excess constituent weight.

In the case, where the capped weight is not met the criteria, SET Index Committee will consider such event and the decision of SET Index Committee is final.

The capped weight Index can summarize as following

Name of Index	Maximum weighted capped per securities
SETCLMV	5% maximum
SETHD	10% maximum
SETESG	5% maximum
SETWB	10% maximum

4. Criterion for Constituents Selection for SET, SET industry group, SET Sector, mai and mai Industry group Index

4.1. Basic qualifications for securities in the Index

The eligible securities must be the common stocks that have been listed for incorporating in Thailand (Thai stocks) or listed for incorporating in other countries (foreign stocks). In the case of consideration for the foreign stocks, foreign stocks can either be listed only on SET (primary listed) or listed on SET and other stock exchanges (Dual listed). In addition, the eligible stocks also include the Property Fund & Real Estate Investment Trust (PFUND & REITs) and Infrastructure Fund.

4.2 Trading Suspension Rule

The security that has been suspended from trading and flagged as “SP” sign for a period of 3 months will be removed from the indices calculations. If the company is able to solve the problems that lead to such trading suspension, SET will include such security in the indices calculations at the end of that resumption date

5. Criteria for Constituents Selection for SET50, SET50FF, SET100, SET100FF, sSET, SETCLMV, SETHD, SETESG Index and SETWB

5.1. Index Review Period

The index review is conducted every 6 months: in June (for index calculation during the second half of each year) by using data from June 1 of the previous year until May 31 of the year in review, and in December (for index calculation during the first half of the following year) by using data from December 1 of previous year until November 30 of the year in review.

5.2. Basic qualifications for securities in the Index

5.2.1. The eligible securities must be stocks that have been listed for incorporating in Thailand (Thai stocks), or listed for incorporating in other countries (foreign stocks) which has been listed on SET only (primary listed) and has been listed on SET for a minimum of 6 months except stocks being selected according to the SET criteria between periodic reviews.

5.2.2. The eligible stocks must not be any of the followings:

5.2.2.1. Likely to be delisted according to SET regulations

5.2.2.2. Undergoing delisting process

5.2.2.3. Being currently suspended (SP) from trading for a long period

- 5.2.2.4. Having tendency to be suspended for an extended period of time (such as 3 months due to not being able to submit financial statement, etc.)
- 5.2.2.5. Being stocks of companies that defaulted and/or fail to pay debt yet which may significantly have impact on the financial position of the companies.
- 5.2.2.6. Being stocks of companies that are bankrupt, in the rehabilitation process, or liquidated.
- 5.2.2.7. Being stocks of companies with auditors' opinion on the latest financial statement indicating "disclaimer of opinion" or "adverse opinion" which include the comments for amending and special auditing on the latest or non-specific period of financial statement, from other related regulators.

5.3. Constituents of SET50 Index, SET50FF Index, SET100 Index, and SET100FF Index in each periodic review

- 5.3.1. The eligible stocks must be in the top 200 stocks in terms of average daily market capitalization for the past 3 months. For the stocks selected according to Criteria for Changing of Constituent between the Periodic Review and traded for less than 3 months, the average daily market capitalization from the first trading day will be considered.
- 5.3.2. The eligible stocks must maintain their free-float of no less than 20% of the listed company's paid-up capital, by considering the latest data in the index review period.
- 5.3.3. The eligible stocks must have an average monthly trading value of at least 25% of the average monthly trading value of all common stocks in the same month for at least 9 out of the 12 months or at least three-fourths of the securities being traded for less than 12 months but more than 6 months. In the case of the security that has been selected in accordance with the set criteria during the periodic review, the trading value must have also passed such criteria for at least three-fourths of its trading period. However, the trading value will exclude the months that such security was included in the Market surveillance measure list.
- 5.3.4. The eligible stocks must have a monthly turnover ratio of at least 1% of its total listed shares in the same month that the trading value complies with the condition in section 5.3.3.,

5.3.5. If the number of eligible stocks is less than 100, SET will reduce the number of months by 1 month at a time, but not less than 6 months. There is an exception for the new stock being added between the periodic review.

However, the SET Index Committee may consider reducing the percentage of trading value, or the percentage of trading shares or the number of months in order to get a total of 100 stocks and to ensure that the Index reflects current market condition appropriately

The top 50 stocks ranked by average daily market capitalization will be chosen for the calculation of the SET50 Index and SET50FF Index. The top 100 stocks, which include all those in the SET50 Index together with the next 50 stocks, will be used in calculating the SET100 Index and SET100FF Index.

Reserve List

- Securities ranked # 51 - 100 will be the group of reserve stocks for the SET 50 Index and SET50FF Index.
- Securities that have passed the aforementioned criteria and ranked #101 onwards will be the reserve stocks for the SET100 Index and SET100FF Index.

5.4. Constituents of sSET Index in each periodic review

5.4.1. The eligible stocks must have cumulative market capitalization coverage between 90%-98% of those of all common stocks on SET that are sorted in descending order by average daily market capitalization for the past 3 months. For the stocks selected according to Criteria for Changing of Constituent between the Periodic Review and traded for less than 3 months, the average daily market capitalization from the first trading day will be considered.

5.4.2. The eligible stocks must not be the constituents of the SET100 Index or SET100FF Index in the same period.

5.4.3. The eligible stocks must maintain their free-float of no less than 20% of the listed company's paid-up capital, by considering the latest data in the index review period.

5.4.4. The eligible stocks must have a monthly turnover ratio of at least 0.5% of its total listed shares for at least 9 out of the 12 months, or at least three-fourths of the trading period for stocks traded less than 12 months. However, the turnover ratio will exclude the months that such security was included in the Market surveillance measure list.

All stocks that have passed the above criteria will become sSET Index constituents.

5.5. Constituents of SETCLMV Exposure Index in each periodic review

- 5.5.1. The eligible stocks must have the revenue from CLMV countries (Cambodia, Laos, Myanmar, and Vietnam) at least 10% of the company's total revenue, or must have the revenue from CLMV countries of at least THB 100 million, taking into consideration published data in the appendix of the latest financial statement, the latest 56-1 One Report form and the data of SET surveys showing revenue of Thai listed companies operating in CLMV.
- 5.5.2. The eligible stocks must have the minimum average daily market capitalization at 5,000 million Baht for the past 3 months. For the stocks selected according to Criteria for Changing of Constituent between the Periodic Review and traded for less than 3 months, the average daily market capitalization from the first trading day will be considered.
- 5.5.3. The eligible stocks must maintain their free-float of no less than 20% of the listed company's paid-up capital, by considering the latest data in the index review period.
- 5.5.4. The eligible stocks must have a monthly turnover ratio of at least 0.5% of its total listed shares for at least 9 out of the 12 months, or at least three-fourths of the trading period but not less than 6 months for stocks traded less than 12 months. However, the turnover ratio will exclude the months that such security was included in the Market Surveillance measure list.

All stocks that have passed the above criteria will become SET CLMV Exposure Index constituents.

5.6. Constituents of SET High Dividend 30 Index in each periodic review

- 5.6.1. The eligible securities must be the constituents of the SET100 Index or SET100FF Index in the same period.
- 5.6.2. The eligible securities must be stocks that have paid dividends continuously, by taking into consideration their financial data of 3 accounting periods, as follows:
 - 5.6.2.1. As a listed company, cash dividends (excluding special dividends) are paid continuously for the last three years.
 - 5.6.2.2. Average 3-year dividend payout ratio is no more than 100%.
- 5.6.3. If the number of eligible stocks is less than 35, SET will decrease the number of years from 3 years by 1 year at a time. However, the minimum year must not be less than 1 year.

In order to get a total of 35 stocks, SET may implement any other criteria that the SET Index Committee deems appropriate.

The stocks that have passed the above criteria will be ranked in descending order by the average daily dividend yield for the past 3 months during the periodic review. The top 20 constituents will be included in the calculation of the SET High Dividend 30 Index. The next 10 constituents are then selected from rankings # 21-40. The existing constituents of SET High Dividend 30 Index will get the first priority. After that the rest in ranking will be considered until there are 30 constituents.

Reserve lists are securities ranked # 31 – 35.

5.7. Constituents of SETESG Index in each periodic review

5.7.1. The eligible stocks must be in the latest SET ESG Ratings.

5.7.2. The eligible stocks must have the minimum average daily market capitalization at 5,000 million Baht for the past 3 months. For the stocks selected according to Criteria for Changing of Constituent between the Periodic Review and traded for less than 3 months, the average daily market capitalization from the first trading day will be considered.

5.7.3. The eligible stocks must maintain their free-float of no less than 20% of the listed company's paid-up capital, by considering the latest data in the index review period.

5.7.4. The eligible stocks must have a monthly turnover ratio of at least 0.5% of its total listed shares for at least 9 out of the 12 months, or at least three-fourths of the trading period but not less than 6 months for stocks traded less than 12 months. However, the turnover ratio will exclude the months that such security was included in the Market Surveillance measure list.

All stocks that have passed the above criteria will become SETESG Index constituents.

5.8. Constituents of SET Well-Being Index (SETWB) in each periodic review

5.8.1. The eligible stocks must be in these 7 sectors; Agribusiness, Commerce, Fashion, Food and Beverage, Health Care Service, Tourism & Leisure and Transportation & Logistics.

5.8.2. The eligible stocks must maintain their free-float of no less than 20% of the listed company's paid-up capital, by considering the latest data in the index review period.

5.8.3. The eligible stocks must have a monthly turnover ratio of at least 0.5% of its total listed shares for at least 9 out of the 12 months during the evaluation period, or at least three-fourths of the trading period but not less than 6 months for stocks traded less than 12 months.

However, the turnover ratio will exclude the months that such security was included in the Market Surveillance measure list.

5.8.4. If the number of eligible stocks is less than 35, SET will decrease the number of the trading months by 1 month at a time, but not less than 6 months.

In order to get a total of 35 stocks, SET may implement any other criteria that the SET Index Committee deems appropriate.

The top 30 stocks ranked by the daily average market capitalization for 1 – 30 will be selected as constituents for the calculation of the SETWB Index.

Reserve List

- Securities ranked # 31 - 35 will be the reserve stocks for the SET WB Index.

5.9. Criteria for Changing of Constituents between the Periodic Review

5.9.1. New Issue

5.9.1.1. The New Issue will be considered only for the SET50 Index, SET50FF Index, SET 100 Index and SET100FF Index.

5.9.1.2. A new listed company will be included in SET50 Index, SET50FF Index, SET 100 Index and SET100FF Index calculation between the periodic review, if the new listed company is large in size, for example, its market capitalization is expected to be greater than 1% of SET Index's total market capitalization, or it is expected to be as large as one of the top 20 of the SET50 , SET50FF, SET100, and SET100FF constituents.

5.9.1.3. The New Issue does not include the new listed company which results from restructuring, merger & acquisition with the existing listed company as shown in section 5.9.2.

5.9.1.4. The new company will be included in the index effective on its third business day (T+3) after the first trading day (T). In this process, the stock with lowest ranking by market capitalization will be removed to the reserve list.

5.9.2. Mergers & Acquisitions, Takeovers, and Complex Corporate Restructurings

5.9.2.1. If the above corporate events are carried out between the stocks in the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index the company resulting from the events will remain in the same index. The reserve list will be selected to

maintain the number of constituents in the SET50 Index, SET50FF Index, SET100 Index, SET100FF Index, SETHD Index and SETWB Index.

5.9.2.2. In case the above corporate events are carried out between the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index and non-constituents:

5.9.2.2.1. If the existing constituent of the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index is still a listed stock, it can still be in the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index as before.

5.9.2.2.2. If the existing constituent of the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index is not a listed stock anymore, the resulting company that applies for listing will replace such constituent in the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index at the end of its first trading day.

5.9.2.3. If the restructuring of the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index constituent has caused split or spin off into two or more companies and the constituent of the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index is still a listed stock, it can still be in the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index as before.

5.9.2.4. If any constituent resulting from 5.9.2 has free float less than 20%, it will be removed from the index calculations and be replaced by the reserve list so as to maintain the number of constituents in the SET50 Index, SET50FF Index, SET100 Index, SET100FF Index, SETHD Index and SETWB Index.

5.9.2.5. Any other cases will be considered by the SET Index Committee.

5.9.3. Trading Suspension for Long Period

If a constituent of the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index is

suspended from trading (SP sign) for 20 business days or more, SET will review monthly and remove that constituent from the index calculation.

- 5.9.4. Constituents that will be removed from the index calculation of SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index.

If a constituent of the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index is one of the followings, SET will remove the constituent by notifying the date of change in advance.

5.9.4.1. Being stocks of companies that defaulted and/or fail to pay debt yet which may significantly have impact on the financial position of the companies.

5.9.4.2. Being stocks of companies that are bankrupt, in the rehabilitation process, or liquidated.

5.9.4.3. Being stocks of companies with auditors' opinion on the latest financial statement indicating "disclaimer of opinion" or "adverse opinion" which include the comments for amending and special auditing on the latest or non-specific period of financial statement, from other related regulators.

5.10. Undertaking due to Changing of Constituent between the Periodic Review

5.10.1. When the stock is added as a constituent in SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index, causing the removal of constituent from such index to the reserve list, SET will take out the constituent with the smallest market capitalization at closing price of the third business day before the day of removing the constituent from the calculations. The removed SET100 Index or SET100FF Index stock will not be added in the sSET Index calculation.

5.10.2. Selection from the reserve list to replace the removed constituent to maintain the number of constituents in the index.

5.10.2.1. SET will choose the reserve stock of SET50 index or SET50FF Index or SET100 index or SET100FF Index or SETWB Index with highest market capitalization at the closing date 3 business days before removing the constituent from the calculations.

5.10.2.2. SET will choose the reserve stock of SETHD Index with highest dividend yield calculated at the latest periodic review.

5.10.2.3. If reserve stocks are not enough, it will be under the consideration of the SET Index Committee in order to maintain the number of constituents in the index.

5.10.2.4. If the reserve list of SET100 Index or SET100FF Index becomes the constituent of such Index, the stock will be removed from the sSET Index calculation.

5.10.3. SET will announce the change in the constituents of the SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index in advance of implementation.

In any event that the selection of SET50 Index or SET50FF Index or SET100 Index or SET100FF Index or sSET Index or SETCLMV Index or SETHD Index or SETESG Index or SETWB Index needs interpretation of the pre-defined criteria; or that the criteria is not completely specified or do not cover, SET Index Committee will consider such event and the decision of SET Index Committee is final.

Definition of Key Terms

SET defines important definition in Key Statistics and Financial Ratio Manual Guideline so that investors can use for making investment decision.

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Appendix A – Examples of Index Calculation

Day 1. Base date

Assumption: There are 3 listed companies.

Stock A: 100,000 shares, par value = THB100, market price = THB110

Stock B: 300,000 shares, par value = THB100, market price = THB160

Stock C: 200,000 shares, par value = THB100, market price = THB120

$$\begin{aligned}\text{Base Index} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\ &= \frac{\sum_{i=1}^n P_{it}Q_{it}}{\sum P_{io}Q_{io}} \times 100 \\ &= \frac{(110 \times 100,000) + (160 \times 300,000) + (120 \times 200,000)}{(110 \times 100,000) + (160 \times 300,000) + (120 \times 200,000)} \times 100 \\ &= \frac{83,000,000}{83,000,000} \times 100 \\ &= 100\end{aligned}$$

Day 2. Change in market prices

The market prices of A, B and C change to THB 120, THB 170 and THB 110, respectively. The Index then becomes:

$$\begin{aligned}\text{Index (2)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\ &= \frac{(120 \times 100,000) + (170 \times 300,000) + (110 \times 200,000)}{83,000,000} \times 100 \\ &= \frac{85,000,000}{83,000,000} \times 100 \\ &= 102.41\end{aligned}$$

Day 3. New listing of stock D

The market prices of A, B and C change to THB 110, THB 170 and THB 120, respectively. In addition, stock D is a newly listed stock today, with 150,000 shares and closing price of THB 140. When a new stock is listed or any stock is added in the Index, the number of listed stocks and the market value will be affected. SET will adjust the Base Market Value (BMV) by using the closing price of that stock on the first trading day. However, the price movement of stock D is not included in the index during the first trading day. At the end of Day 3, the Index then becomes:

$$\begin{aligned}\text{Index (3)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\ &= \frac{(110 \times 100,000) + (170 \times 300,000) + (120 \times 200,000)}{83,000,000} \times 100 \\ &= \frac{86,000,000}{83,000,000} \times 100 \\ &= 103.61\end{aligned}$$

Then, the BMV for Index on Day 4 will be:

$$\begin{aligned}\text{BMV}_n &= \text{BMV}_0 \times \frac{\text{CMV}_n}{\text{CMV}_0} \\ &= 83,000,000 \frac{(110 \times 100,000) + (170 \times 300,000) + (120 \times 200,000) + (140 \times 150,000)}{(110 \times 100,000) + (170 \times 300,000) + (120 \times 200,000)} \\ &= 83,000,000 \times \frac{107,000,000}{86,000,000} \\ &= 103,267,441.86\end{aligned}$$

Day 4. Change in market prices

The market prices of A, B, C and D change to THB120, THB180, THB120 and THB130, respectively. The Index then becomes:

$$\begin{aligned}
\text{Index (4)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\
&= \frac{(120 \times 100,000) + (180 \times 300,000) + (120 \times 200,000) + (130 \times 150,000)}{103,267,441.86} \times 100 \\
&= \frac{109,500,000}{103,267,441.86} \times 100 \\
&= 106.04
\end{aligned}$$

Effective on Day 5, company C will be delisted. When any stock is delisted or listed shares of a stock decreases, the number of listed shares and the market value will be affected. SET will adjust the Base Market Value (BMV) on the day prior to the effective date by using the closing price of the stock on that day.

The BMV for Index on Day 5 will then be:

$$\begin{aligned}
\text{BMV}_n &= \text{BMV}_0 \times \frac{\text{CMV}_n}{\text{CMV}_0} \\
&= 103,267,441.86 \times \frac{(120 \times 100,000) + (180 \times 300,000) + (130 \times 150,000)}{(120 \times 100,000) + (180 \times 300,000) + (120 \times 200,000) + (130 \times 150,000)} \\
&= 103,267,441.86 \times \frac{85,500,000}{109,500,000} \\
&= 80,633,482
\end{aligned}$$

Day 5. Delisting of Stock C

The market prices of A, B and D change to THB130, THB180 and THB140, respectively.

So, the Index value in Day 5 is:

$$\begin{aligned}
\text{Index (5)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\
&= \frac{(130 \times 100,000) + (180 \times 300,000) + (140 \times 150,000)}{80,633,482} \times 100 \\
&= \frac{88,000,000}{80,633,482} \times 100 \\
&= 109.14
\end{aligned}$$

Day 6. Par splitting

Stock A will split its par value from THB100 to THB 50. Such event increases the number of shares but the price decreases in the same proportion. Therefore, the base value of index will not be adjusted.

The market prices of A, B and D change to THB75, THB180 and THB150, respectively. The Index on Day 6 is:

$$\begin{aligned}\text{Index (6)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\ &= \frac{(75 \times 200,000) + (180 \times 300,000) + (150 \times 150,000)}{80,633,482} \times 100 \\ &= \frac{91,500,000}{80,633,482} \times 100 \\ &= 113.48\end{aligned}$$

On day7, company D will raise its capital by 150,000 shares through the rights offering to the existing shareholders, where the Ex-right day is set on Day 7. Shareholders are offered the rights to buy a new share at an exercise price of THB100 for each share they hold. (XR 1:1 @ THB100)

When any stock increases its capital through a rights offering, the BMV adjustment will depend on the value of rights. In case where the rights is in-the-money (subscription price is lower than prior closing price), shareholders will exercise the rights. Then, SET will adjust the Base Market Value (BMV) at end of day (EOD) before the ex-rights date by using the theoretical Price and the new issued shares.

The BMV for Index on Day 7 will then be:

$$\begin{aligned}\text{BMV}_n &= \text{BMV}_0 \times \frac{\text{CMV}_n}{\text{CMV}_0} \\ &= 80,663,482 \times \frac{(75 \times 200,000) + (180 \times 300,000) + (125 \times 300,000)}{(75 \times 200,000) + (180 \times 300,000) + (150 \times 150,000)} \\ &= 80,663,482 \times \frac{106,500,000}{91,500,000} \\ &= 93,852,085.61\end{aligned}$$

Day 7.

Closing prices of A, B and D change to THB80, THB170 and THB130, respectively.

$$\begin{aligned}\text{Index (7)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\ &= \frac{(80 \times 200,000) + (170 \times 300,000) + (130 \times 300,000)}{93,852,085.61} \times 100 \\ &= \frac{106,000,000}{93,852,085.61} \times 100 \\ &= 112.94\end{aligned}$$

On day 8, company B raises its capital by 100,000 shares through Private Placement (PP). The share allotment is carried out as follows: 50,000 shares for company's customers and at THB150 and other 50,000 shares for directors and employees at THB100.

When company increases its shares through the public offering or private placement, SET will adjust the Base Market Value (BMV) at end of day (EOD) prior to the first trading day of additional shares by using the last closing price and applying the following formula.

Then, the BMV for Index on Day 8 will be:

$$\begin{aligned}\text{BMV}_n &= \text{BMV}_0 \times \frac{\text{CMV}_n}{\text{CMV}_0} \\ &= 93,852,085.61 \times \frac{(80 \times 200,000) + (170 \times 400,000) + (130 \times 300,000)}{(80 \times 200,000) + (170 \times 300,000) + (130 \times 300,000)} \\ &= 93,852,085.61 \times \frac{123,000,000}{106,000,000} \\ &= 108,903,835.19\end{aligned}$$

Day 8.

Closing prices of A, B and D change to THB80, THB160 and THB140, respectively.

The Index value in Day 8 is:

$$\begin{aligned}\text{Index (8)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\ &= \frac{(80 \times 200,000) + (160 \times 400,000) + (140 \times 300,000)}{108,903,835.19} \times 100 \\ &= \frac{122,000,000}{108,903,835.19} \times 100 \\ &= 112.03\end{aligned}$$

Day 9. Change in market prices

Closing prices of A, B and D change to THB 85, THB 150 and THB 135, respectively. The Index value then becomes:

$$\begin{aligned}\text{Index (9)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\ &= \frac{(85 \times 200,000) + (150 \times 400,000) + (135 \times 300,000)}{108,903,835.19} \times 100 \\ &= \frac{117,500,000}{108,903,835.19} \times 100 \\ &= 107.89\end{aligned}$$

Effective on Day 10, Company D will reduce its capital by decreasing its number of listed shares by 100,000 shares. In this case, SET will adjust the Base Market Value (BMV) on the day prior to the effective date by using the closing price of that stock on that day (the last day of trading such listed shares).

In case of rights offering, when the newly enlarged capitalization of the company is not fully paid, it is necessary to adjust the Base Market Value (BMV) by reducing the number of shares which is not subscribed. Such case has the same practice as the case of reducing capital. The Base Market Value (BMV) will be adjusted at the end of the day prior to the first trading day of additional shares by using the last closing price.

BMV for index calculation on Day10:

$$\text{BMV}_n = \text{BMV}_0 \times \frac{\text{CMV}_n}{\text{CMV}_0}$$

$$\begin{aligned}
&= 108,903,835.19 \times \frac{(85 \times 200,000) + (150 \times 400,000) + (135 \times 200,000)}{(85 \times 200,000) + (150 \times 400,000) + (135 \times 300,000)} \\
&= 108,903,835.19 \times \frac{104,000,000}{117,500,000} \\
&= 96,391,479.65
\end{aligned}$$

Day 10.

Market prices of A, B and D change to THB 80, THB 160 and THB 100, respectively. Company D reduces its capital by decreasing its number of listed shares by 100,000 shares. The Index value then becomes:

$$\begin{aligned}
\text{Index (10)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\
&= \frac{(80 \times 200,000) + (160 \times 400,000) + (100 \times 200,000)}{96,391,479.65} \times 100 \\
&= \frac{100,000,000}{96,391,479.65} \times 100 \\
&= 103.74
\end{aligned}$$

Effective on Day 11, Company M will upgrade its listing status from mai to SET. Stock M is traded on mai on Day 10 for the last day with 150,000 listed shares at a closing price of THB 50.

When a stock moves from mai to SET on Day 11, SET will instantly include that stock into the SET Index from its first trading day on SET onward. Accordingly, SET will adjust the Base Market Value (BMV) for the SET Index at end of day (EOD) on the last day it traded on mai by using the closing price as adjusted price. For mai Index, that stock will be treated as delisted stock.

Likewise, the change of stock from one industry group or sector to another also uses the same method but the adjustment will be taken to the relevant industry group or sector only.

BMV for index calculation on Day11:

$$\text{BMV}_n = \text{BMV}_0 \times \frac{\text{CMV}_n}{\text{CMV}_0}$$

$$\begin{aligned}
&= 96,391,479.65 \times \frac{(80 \times 200,000) + (160 \times 400,000) + (100 \times 200,000) + (50 \times 150,000)}{(80 \times 200,000) + (160 \times 400,000) + (100 \times 200,000)} \\
&= 108,903,835.19 \times \frac{107,500,000}{100,000,000} \\
&= 103,620,840.63
\end{aligned}$$

Day 11. Change market

Market prices of A, B and D change to THB 85, THB 150 and THB 120, respectively.

Market price of M which moves from mai to SET changes to THB 65.

The Index value then becomes:

$$\begin{aligned}
\text{Index (11)} &= \frac{\text{CMV}_n}{\text{BMV}_n} \times 100 \\
&= \frac{(85 \times 200,000) + (150 \times 400,000) + (120 \times 200,000) + (65 \times 150,000)}{103,620,840.63} \times 100 \\
&= \frac{110,750,000}{103,620,840.63} \times 100 \\
&= 106.88
\end{aligned}$$
