

Market Consultation Conclusion

Regulatory Enhancement of Trusts, Property Funds, and Infrastructure Funds and Revision to the Rules for Listed Companies Subject to Possible Delisting



The Stock Exchange of Thailand (“SET”) would like to take this opportunity to thank all comments on the market consultation paper, published from July 26 – August 14, 2024. This consultation conclusion summarizes the feedback received from 20 respondents, consisting of Investment Banking Club (IB Club), 7 financial advisors, 6 listed issuers, 4 individual investors, 1 institutional investor, and 1 law firm. In addition, SET held a focus group meeting with issuers of trusts, property funds, and infrastructure funds, with 55 participants attending and providing feedback.

Question 1: Introduce ‘Caution’ signs in case trusts, property funds, and infrastructure funds (collectively referred as “funds”) have risks or circumstances that might affect their financial position, operating results, liquidity in trading, or where there is any non-compliance with the rules

Proposed Amendments

To ensure that investors receive sufficient information and warn them to be more cautious in investment, SET proposes adding the warning signs (e.g., CB, CS, CC, CF) on funds which might have difficulties in their financial position, operating results, trading liquidity, or where there is any non-compliance with the rules. The signs are similar to those applied to listed companies with some modifications to be suitable for the nature of funds.

However, SET proposes not to add grounds for delisting funds¹ in relation to their financial position or business results. This is because funds have to be dissolved after delisting and this might affect the interests of investors. It is unlike the case of delisting companies, where they can continue to operate their business without listing status.

Summary of Responses

95% of respondents agreed (19 out of 20 respondents), with some additional suggestions that a clear guidance on the signs posting should be in place. In addition, funds should be given an appropriate grace period, aligning with the economic conditions. For those who disagreed, they believed that the current economy is in a recession, which might hinder an operation of the funds.

Question 2: Revision to the qualifications to resume trading and request for an extension of the rehabilitation for the companies subject to possible delisting, in line with the amended new listing requirements effective on January 1, 2025

Proposed Amendments

In order to resume trading, companies subject to possible delisting due to their financial position and operational performance should have a strong financial position and performance similar to the new listing companies. SET proposes to amend the requirements for the companies to resume trading to align with the amended new listing criteria². [\(The proposals are marked in blue letters.\)](#)

¹ Current grounds of delisting funds include, but are not limited to, the auditor issues a disclaimer of opinion for 3 consecutive years, or a cause for the dissolution as stipulated by the Securities and Exchange Commission (SEC), or being suspended from trading for more than 2 consecutive years

² The amended new listing requirements effective on January 1, 2025

Resume Trading		
(Unit: Million Baht)	SET	May
Net Profit 1 Year / 4 Quarters latest	30 75	40 25
Shareholders' Equity	300 800	50 100

SET also proposes to amend the requirements for companies requesting an extension of the rehabilitation period³. Under the current regulations, a company is required to have a net profit of at least 10 million baht for the latest year or 4 quarters, or a shareholders' equity of at least 50 million baht. This will be adjusted to [a net profit of at least 25 million baht or a shareholders' equity of at least 100 million baht.](#)

To minimize impact on the listed companies currently in the rehabilitation period of possible delisting, these revisions shall be applied to the listed companies subject to possible delisting and enter the rehabilitation period after these amendments become effective.

Summary of Responses

85% of respondents agreed (17 out of 20 respondents) with no further suggestions. Those who disagreed believed that the proposed figures are too high and might pose obstacles for companies to resume trading or request for an extension of the rehabilitation period.

³ In case of the following grounds of possible delisting (1) Financial conditions or operational performance not meeting requirements (2) Cash Company