

## CB CS CC and CF signs of Funds

### Rule summary

The Stock Exchange of Thailand (SET) has issued guidelines on the supervision of real estate investment trusts (REITs), property funds, and infrastructure funds (collectively referred to as the “Funds”). Under these guidelines, caution signs will be designated to the Funds in order to alert investors about the Funds’ heightened risk profiles, events that may affect the financial positions, business operations, or liquidity status of the Funds, and the Funds’ violation of or non-compliance with SET’s regulations. In such circumstances, purchases of such funds can be made through cash balance accounts only.

The criteria for issuing caution signs which comprise of “CB” (Business), “CS” (Financial Statements), “CC” (Non-compliance), and “CF” (Free Float) are as summarized below.

### Caution sign issuance criteria

Sign	Sign issuance	Sign removal
<b>CB (Business)</b>	<ul style="list-style-type: none"> <li>The latest annual financial statements show a net investment <u>loss</u>.</li> <li>The latest quarterly financial statements show <u>no operating income</u>.<sup>1</sup></li> <li>The court has accepted the fund's business rehabilitation/bankruptcy petition.</li> <li>The fund has defaulted on debt payment/failed to fulfil its obligations.<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>The latest annual financial statements show a net investment <u>profit</u>.</li> <li>The most recent quarterly financial statements <u>show operating income</u>.<sup>1</sup></li> <li>The court has dismissed the fund's business rehabilitation/bankruptcy petition.</li> <li>Default issue has been fully resolved.</li> </ul>
<b>CS (Financial Statements)</b>	<ul style="list-style-type: none"> <li>SEC has ordered the fund to revise its financial statements or to conduct a special audit.</li> <li>The auditor has either disclaimed an opinion or provided no conclusion on the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>The revised financial statements or special audit reports have been submitted.</li> <li>The financial statements with the auditor's opinion have been submitted.</li> </ul>
<b>CC (Non-compliance)</b>	<p>The fund is in the process of rectifying fund dissolution causes as specified by the SEC, such as:</p> <ul style="list-style-type: none"> <li>The value of principal assets, after asset disposal, falls below the threshold set by the SEC.</li> <li>The number of unitholders falls below 35.</li> </ul>	<p>The fund has rectified the dissolution causes, such as:</p> <ul style="list-style-type: none"> <li>The value of principal assets meets the SEC's minimum requirement.</li> <li>The number of unitholders is greater than 35.</li> </ul>
<b>CF (Free Float)</b>	<p><b>Applicable only to trusts and infrastructure funds (IFFs):</b></p> <ul style="list-style-type: none"> <li>The free float is less than 15% of the total investment units.</li> <li>The fund fails to submit the free-float report within 120 days from the end of its accounting period.</li> </ul>	<ul style="list-style-type: none"> <li>The free float exceeds 15% of the total investment units.</li> <li>The delayed free-float report has been completely submitted.</li> </ul>

<sup>1</sup>Operating income refers to recurring income generated on a consistent basis that reflects the fund's ability to sustain its core business operations. This is assessed on a quarterly basis.

<sup>2/</sup> This refers to any of the following events:

Default on debt payment / failure to fulfill obligations	
<b>Case 1:</b> Financial institution debts	Upon receipt of a notice of debt repayment demand from a financial institution
<b>Case 2:</b> Debt instruments	Based on the signs issued by the bond information center (currently the Thai Bond Market Association or ThaiBMA), such as DP (Default Payment), DNP (Default Not Related to Payment), FP (Fail to Pay), FPG (Failed to Pay with Guarantee).
<b>Case 3:</b> Non-financial institution debt or failure to comply with legal obligations related to financial assistance	Where the defaulted amount is at 5% of the fund's total asset value or higher.

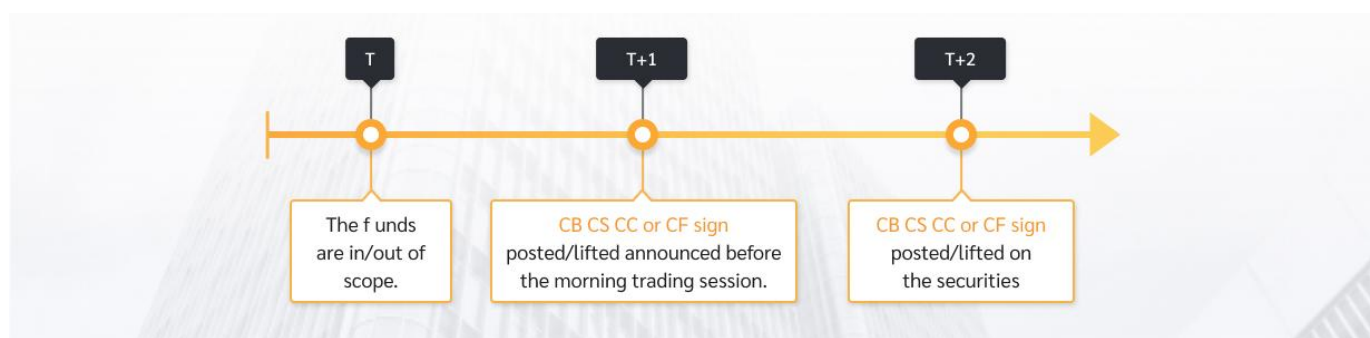
### Procedures to be undertaken by funds marked with CB, CS, CC, and CF

Such funds are required to hold a public presentation within 15 days from the date they are designated the CB, CS, CC, or CF signs by the Stock Exchange of Thailand (SET) to provide their remedial plans and progress updates on the resolution of the issues. Following this initial public presentation, the funds must hold public presentations on a quarterly basis to report progress updates. The determination of each quarterly public presentation date shall be based on the funds' submission of their financial statements or the deadline for the submission of financial statements, whichever is earlier.

### Procedures for caution sign designation

Upon the availability of information confirming that the funds meet CB, CS, CC, or CF designation criteria, SET will announce the designation of such caution signs on the next trading day before the commencement of the morning session. Effective from the business day following such announcement, all purchases of such funds must be executed through cash balance accounts only.

Once the funds have successfully resolved such issues or the funds are announced as being subject to possible delisting, their CB, CS, CC, or CF signs will be lifted and the announcement of the sign removal will be announced by SET one business day in advance.



## Related Regulations

- [Measures for Funds Experiencing Events that May Affect their Financial Position and Business Operation B.E. 2567 \(2024\)](#)
- [Bor.Jor. \(Wor\) 7/2024 Revisions of Stock Exchange of Thailand's Regulations on Supervision of Trusts, Property Funds, and Infrastructure Funds and on Qualification Criteria for Listed Companies Subject to Possible Delisting](#)

## FAQ: Caution Signs for Fund Supervision

1. How can unitholders and investors track the list of funds that have been assigned a Caution sign?

Answer All users can track the list of such funds through the SET's information disclosure system as follows:

- 1) <https://www.set.or.th/th/home> under the topic "Market Data" >> "News and Market Alerts" >> "Cash Balance" >> "Caution Signs" ([click here](#))

**Overview of Securities under Cash Balance Measure** As of 13 Jun 2025

Cash Balance	SET (Company)	mai (Company)
Caution Signs	48	23
CB (Caution - Business)	41	21
CS (Caution - Financial Statement)	9	4
CF (Caution - Free Float)	5	2
CC (Caution - Non-Compliance)	1	1
Securities Met Market Surveillance Criteria	-	2
Temporary Trading	2	-

Remark  
• Caution Signs Explanation (Click)

Caution Signs 3 Securities Met Market Surveillance Criteria Temporary Trading

- 2) <https://www.setsmart.com> under the topic "News" >> "Securities Met C (Caution) Sign Criteria

**Securities Met C (Caution) Sign Criteria**

View By: Enter Symbol

Causes:

- ☒ Select All
- ☒ Financial Position (CB)
- ☒ Shareholders' equity < 50%
- ☒ Regulator has ordered to
- ☒ The court accepts a petition
- ☒ Net loss for 3 consecutive
- ☒ Yearly operating revenue
- ☒ The company/subsidiary/fund has defaulted on debt according to the specified criteria
- ☒ Free Float does not meet the requirement

Period: 1D 5D 1M 3M 6M 1Y 3Y 5Y YTD  
From: 15/06/2025 To: 15/06/2025

Business Type (CC)

- ☒ Failure to submit Free Float Report within the specified time
- ☒ The company is a cash company
- ☒ There are insufficient number of audit committee members
- ☒ The company is an investment company
- ☒ The distribution of core assets has resulted in a value lower than the threshold set by the SEC.
- ☒ The number of unitholders is less than 35.

Business Type (CS)

- ☒ The company or fund to rectify financial statements.
- ☒ The company or fund to arrange a special audit.
- ☒ The company or fund to issue a disclaimer of opinion / conclusion.
- ☒ The company or fund to issue a disclaimer of opinion / conclusion.

2. When does the regulation come into effect, and from which financial statement will it be considered?

Answer It comes into effect on January 1, 2025. If the reason refers to information in the financial statements, the SET will start considering financial statements that are due after the effective date of the regulation.

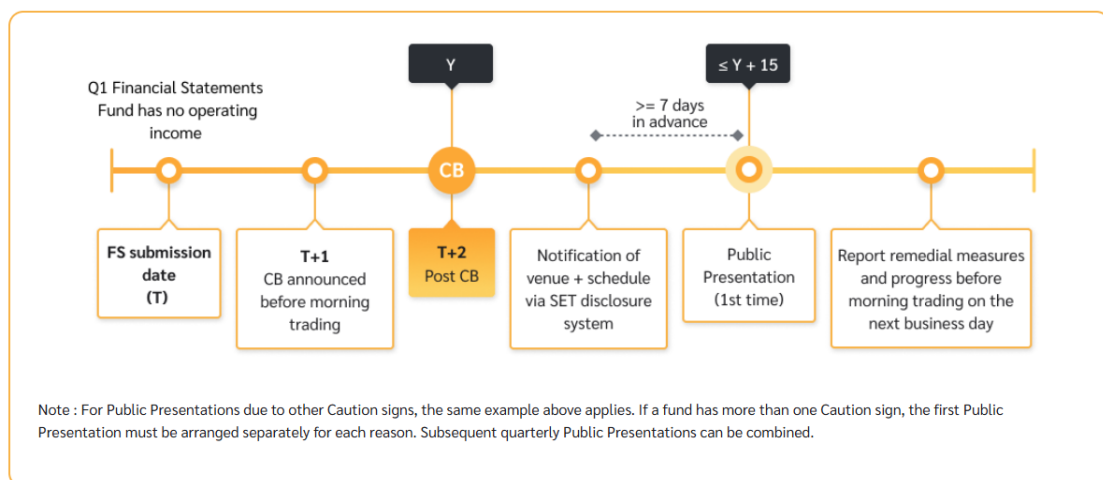
Once the SET assigns a Caution sign (CB, CF, CS, and CC), investors must buy trust units or investment units with full cash in a cash balance account.

3. When the SET announces the assignment of a Caution sign (CB, CF, CS, and CC), what actions must the fund take?

Answer The fund must organize a meeting to provide information and explain the remedial measures for the situation to unitholders, investors, and other relevant parties. This meeting must also provide an opportunity for them to ask questions of the fund (Public Presentation) within 15 days from the date the sign is assigned. Such a meeting must also be held every quarter to report progress. Additionally, the fund must report the action plan and progress through the SET's information disclosure system.

The remedial measures and progress reports must be approved by the management company and the trustee (for real estate investment trusts and infrastructure funds) or the trust manager and trustee (for trusts).

*Example*

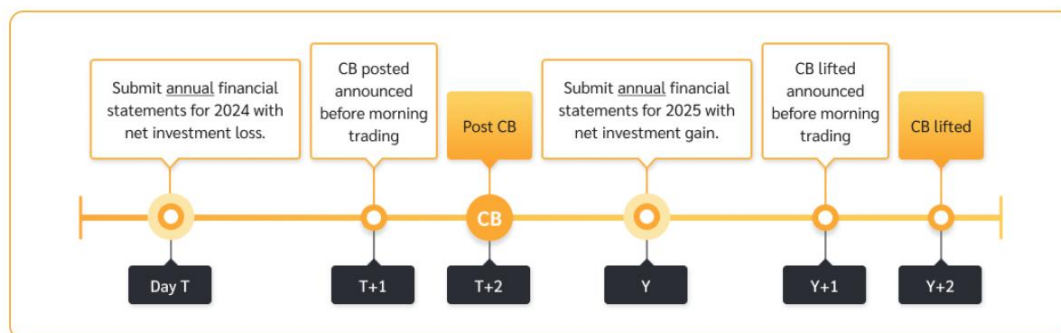


4. How is the annual net investment loss assessed?

Answer It is assessed based on the net investment gain/loss appearing in the income statement. The SET will assign a CB sign when the fund has a net investment loss, which appears in the annual financial statements.

The SET will lift the CB sign only when the fund has a net investment gain, which appears in the annual financial statements submitted after the CB sign was assigned.

### Example



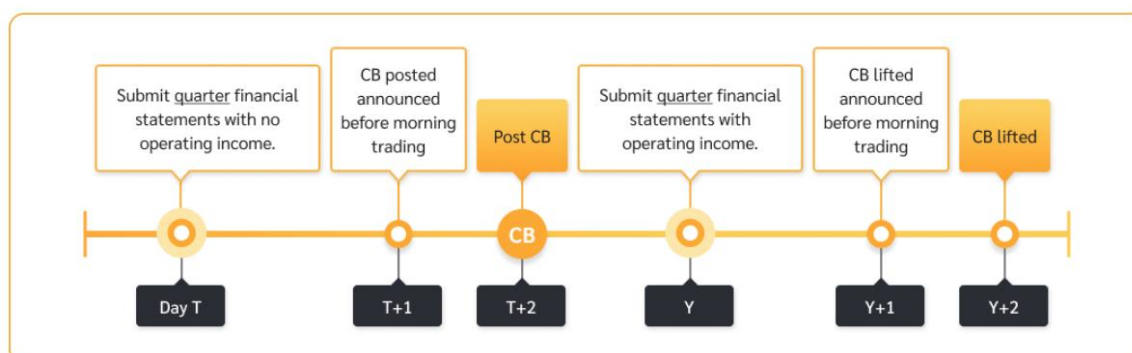
### CB Sign (Business)

5. How is "no operating income" assessed?

Answer Operating income refers to income that is regular, continuous, and reflects the fund's ability to operate its core business consistently. The assessment of operating income may vary depending on the type of assets the fund invests in. The SET assigns and lifts the sign based on the latest financial statements.

### Example

Asset Type Invested In	Example of Operating Income
1. Ownership and/or Leasehold Rights	<ul style="list-style-type: none"> <li>- Rental income</li> <li>- Rental and service income</li> </ul>
2. Right to receive future benefits or contractual rights to future income of infrastructure businesses	<ul style="list-style-type: none"> <li>- Income from investments in asset transfer and income rights agreements</li> <li>- Interest income</li> <li>- Income from investments in net income right transfer agreements</li> </ul>



## **CS Sign (Financial Statements)**

6. In what circumstances would an auditor's disclaimer of opinion or refusal to express an opinion on the financial statements qualify for a CS sign?

Answer The auditor's disclaimer of opinion on quarterly financial statements or refusal to express an opinion on annual financial statements in all cases (both due to scope limitation by circumstances and scope limitation by the fund or parties involved in the fund's management).

7. How must the fund's financial statements be audited to have the CS sign lifted?

Answer The auditor must express an unqualified or qualified opinion on the next period's financial statements.

8. If the auditor disclaims or refuses to express an opinion on the fund's financial statements for that period, or if the SEC informs the fund to amend its financial statements or conduct a Special Audit, what signs will be assigned to the fund?

Answer The fund will be assigned an SP (Suspension) sign for 1 day to allow investors sufficient time to study the information for investment decisions, and a CS sign will be assigned until the fund submits financial statements with an unqualified or qualified opinion from the auditor.

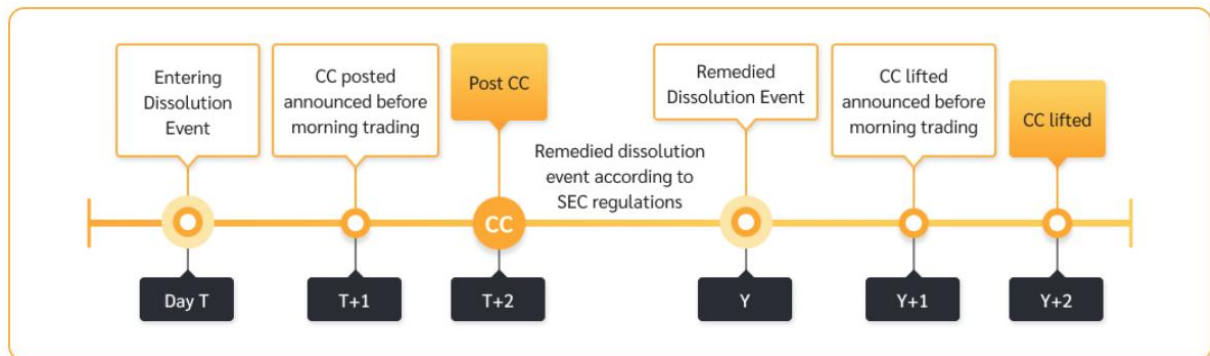
9. If the auditor disclaims or refuses to express an opinion on the fund's financial statements for multiple consecutive periods, what signs will be assigned to the fund?

Answer If the auditor disclaims an opinion on the fund's annual financial statements for 3 consecutive years, the SET will announce that the fund's securities may be delisted and will assign NC, SP signs, and lift the CS sign.

## CC Sign (Non-Compliance)

10. How does the SET assign or lift the CC sign?

Answer If a fund meets the criteria for dissolution according to SEC regulations , such as when the fund disposes of core assets to a value below the SEC's specified threshold, or if the fund has fewer than 35 unitholders, etc., the fund must disclose information through the SET's information disclosure system. The SET will assign a CC sign on the next business day following the news announcement and will lift the sign only when the fund discloses news that it has remedied the dissolution event according to SEC regulations.



## CF Sign (Free Float)

11. If a fund's unit distribution (Free Float) is incomplete according to the criteria, how will the CF sign be assessed?

Answer Trusts and Infrastructure Funds are required to submit a Free Float report within 120 days from the end of the fund's accounting period.

If a Trust or Infrastructure Fund has less than 15% retail unitholders of the total units, or if it fails to submit the retail unitholder distribution report within the specified time, the SET will announce the assignment of a CF sign on the first business day of the month following the report submission deadline.

When the fund resolves the Free Float issue, resulting in retail unitholders being  $\geq 15\%$  of the total units, the fund can close its register to prepare and submit the retail unitholder distribution report to the SET and request the SET to lift the CF sign, without having to wait for the next annual report submission cycle.

### Example

