

REGULATIONS OF THE STOCK EXCHANGE OF THAILAND

Re: Delisting of Securities, 1999

By virtue of the second paragraph (1) of Section 170 of the Securities and Exchange Act B.E.2535 (A.D.1992), the Board of Governors of the Stock Exchange of Thailand, with the approval of the Securities and Exchange Commission, hereby issues the following regulations:

1. These Regulations shall come into force on December 16, 1999.

2. In these Regulations:

“Exchange” means the Stock Exchange of Thailand;

“Board” means the Board of Governors of the Exchange;

“shares” means ordinary shares and preferred shares which are listed securities;

“listed securities” means securities listed or authorized to trade on the Exchange;

“convertible securities” means securities convertible into shares;

“listed company” means a company of which ordinary shares are listed on the Exchange;

“subsidiary company” means

(1) a company in which the listed company holds shares in an amount exceeding 50 per cent of the total voting shares of that company,

(2) a company in which the company under (1) holds shares in an amount exceeding 50 per cent of the total voting shares of that company,

(3) a company of which the shares are held in respective orders starting from the shareholding of the company under (2) in the company of which the shares are held, provided that the shareholding of that company in each order is in an amount exceeding 50 per cent of the total voting shares of the company of which the shares are held by it,

(4) a company of which the shares are held by either the listed company or the company under (1), (2) or (3) in the aggregate more than 50 per cent of the total voting shares of the company of which the shares are held by it,

(5) a company in which either the applicant or the company under (1), (2), (3) or (4) is a person who has controlling power over the formulation of its financial or operating policies with a view to acquiring benefits from the activities of such company,

Provided that, the shareholding of the listed company or the company under (1), (2), (3) or (4) shall be inclusive of the shares held by related persons;

*“related persons” or persons or partnerships under Section 258 (1) to (7) of the Securities and Exchange Act B.E.2535 (A.D.1992) before the amendment;
(*Amendment February 25, 2009)

“associated company” means

(1) a company in which the listed company or a subsidiary company holds shares in the aggregate of 20 per cent or more but not exceeding 50 per cent of the total voting shares of the company of which the shares are held by it,

(2) a company in which the listed company or a subsidiary company has the power to take part in the decision making concerning its financial or operating policies but not to such degree as to control the said policies or to constitute that such company is a subsidiary company or a joint venture,

Provided that, the shareholding of the listed company or subsidiary company shall be inclusive of the shares held by related persons;

“management” means directors, executive directors, managers or the first 4 persons in the management level next below to the manager, all persons who hold positions equivalent to the fourth person in the management level, and shall mean to include persons who hold management position in accounting or financial field at the level of department manager or higher or equivalent;

*“independent directors” means independent directors according to the regulations of the Exchange governing Maintaining the Status of the Listed Companies in the Exchange, 2001;
(*Amendment February 25, 2009)

“delisting rehabilitation plan” means a plan for eliminating the grounds for delisting;

*“small ordinary shareholders” -

(*Repealed November 23, 2001)

3. Delisting of securities shall be classified into 2 cases as follows:

(1) Delisting of shares which shall be in accordance with the rules, conditions and procedures provided in Chapters 1 and 2.

(2) Delisting of listed securities other than shares in the case where the listed company requests or the Board deems it expedient to delist the same. The Board shall be empowered to consider the delisting of securities in each case whereby the Board may impose any conditions as it deems appropriate.

When the Board issues an order to delist ordinary shares of any listed company, the preferred shares and convertible securities of that listed company shall lost their status of listed securities on the date the delisting of ordinary shares takes effect.

CHAPTER 1

Delisting of Shares Upon Request by the Listed Company

4. A listed company wishing to delist its shares shall proceed as follows:

(1) *Appoint a financial advisor, with the approval of the independent directors, to act as an advisor and to give recommendation to the general shareholders who are not concerned with the offeror for supporting their consideration of the request for delisting of shares.

(*Amendment February 25, 2009)

The financial advisor under the first paragraph shall perform its function as an independent professional and act fairly for the interest of the shareholders, and shall meet the qualifications as prescribed by the Exchange.

(2) Notify the Exchange of the resolution of the board of directors of the listed company in respect of the delisting of its shares in the form prescribed by the Exchange within the date the board of directors of the listed company adopts such resolution or at least 1 hour before the beginning of the first session of the trading time of securities in the Exchange of the following business day.

(3) Co-operate with the financial advisor under (1) in providing sufficient information, or take any other action as requested by the financial advisor for the purpose of preparing the recommendation to the general shareholders who are not concerned with the offeror.

(4) For the information of the general investors and not less than 7 days prior to the date of the shareholders' meeting, the listed company and the financial advisor under (1) shall hold a presentation to make recommendation concerning the request for delisting of shares and the offer proposed by the offeror who offers to purchase shares and convertible securities. The financial advisor of the offeror who offers to purchase shares and convertible securities may attend the presentation to give explanations.

(5) Find an offeror to make a general offer to purchase shares and convertible securities from the shareholders and holders of such securities.

(6) Hold a shareholders' meeting to seek a resolution for delisting shares whereby the listed company shall send a notice of the meeting together with a written explanation to the shareholders not less than 14 days prior to the date of the meeting. The written explanation shall contain at least the following information:

(a) Facts and reasons concerning the request for delisting of shares;

* (b) Opinion of the independent directors;

(*Amendment February 25, 2009)

(c) Opinion of the financial advisor under (1);

(d) The offered price of the general offer to purchase shares and convertible securities from the shareholders and convertible securities holders;

(e) Updated information concerning the business of the listed company in the form of report on disclosure of additional information of a share issuing company (Form 56-1).

5. A resolution of the shareholders' meeting for the delisting of shares shall be passed by the votes of the shareholders or proxies (if any) who are present at the meeting and have the right to vote of not less than three-fourths of the total issued shares of the listed company, and the shares held by the shareholders who object to the delisting shall not exceed 10 per cent of the total issued shares of the listed company.

6. The listed company shall submit an application to delist its shares in accordance with the form prescribed by the Exchange.

The Board shall consider the application and notify the listed company of the result of consideration within 30 days from the date of receipt by the Exchange of the accurate and complete documents and evidence from the listed company. The Board may impose any conditions as it deems appropriate.

***7.** After the Board notifies the result of its consideration of the delisting of shares, the listed company shall cause the offer to purchase shares and convertible securities to be prepared in accordance with the rules prescribed by the Securities and Exchange Commission or the Capital Market Supervisory Board.

The period for the offer to purchase shares and convertibles securities shall be equal to the maximum period prescribed by the Securities and Exchange Commission or the Capital Market Supervisory Board, except that in the following cases the period for such offer shall be as prescribed by the Securities and Exchange Commission or the Capital Market Supervisory Board:

(1) in case that a listed company has established a new company to undertake business by shareholding for supporting the adjustment of shareholding structure of the listed company, whereby the newly established company will make a tender offer to purchase all the shares and convertible securities of the listed company and list its shares on the Exchange;

(2) in case that a listed company makes a tender offer to purchase all the shares and convertible securities of the listed company that requests to delist its shares in exchange of its listed securities that are newly issued.

*(*Amended February 25, 2009)*

8. In ordering the delisting of shares of the listed company, the Board shall order and designate the date on which the delisting shall take effect.

After the shares of the listed company are delisted, such shares shall lose their status of listed securities.

CHAPTER 2

Delisting of Ordinary Shares in the case Where There Is a Ground for Delisting

9. Ordinary shares may be delisted upon occurrence of any of the following events:

(1) The ordinary shares do not meet all the qualifications pursuant to the part of qualifications of listed securities in the regulations of the Exchange governing listing of securities.

* (2) The listed company has paid-up capital specifically for the ordinary shares in an amount not less than 60 million baht.

*(*Amended November 23, 2001)*

(3) The listed company violates or fails to comply with the laws governing securities and exchange, regulations of the Exchange, listing agreement executed with the Exchange as well as any circulars required by the Exchange for compliance, which may seriously and adversely affect the rights, interests or decision of the investors or the change of price of the securities.

(4) The listed company discloses false information in the application, financial statements or report submitted to the Exchange or revealed to the general public, which may seriously and adversely affect the rights, interests or decision of the investors or the change of price of the securities.

(5) The listed company fails to disclose material information or makes a mistake in disclosing material information, which may seriously and adversely affect the rights, interests or decision of the investors or the change of price of the securities.

(6) The listed company's operation or financial condition falls within any of the following cases:

(a) The assets used in the operation of the listed company has significantly lessened or are going to significantly lessen as a result of the sale, disposition, letting, separation, operation suspension, abandonment, destruction, deterioration, seizure, expropriation or any other case resulting in the same effect;

(b) The operation is halted entirely or almost entirely for any reason whatsoever, regardless of whether such halting of operation is due to the act of the listed company or any other person;

(c) The auditor issues a disclaimer or an adverse opinion on the financial statements of the listed company for 3 consecutive years;

(d) The financial condition disclosed in the latest audited financial statements or consolidated financial statements shows that the shareholders' equity is lower than zero.

In case that the financial condition under the first paragraph does not show that the shareholders' equity of the listed company is lower than zero, but the auditor has issued a qualified opinion, or a disclaimer, or an adverse opinion on the financial statements or consolidated financial statements, and the Exchange is of the opinion that it may substantially affect the financial condition of the listed company, the Exchange may consider the financial condition of the listed company by adjusting the condition from the report issued by the auditor and apply the rules prescribed in the first paragraph as it deems appropriate.

Consideration of the financial statements or consolidated financial statements under the first paragraph and the second paragraph shall be made from the audited financial statements for the period ended June 30, 1998 onwards.

(7) The listed company enters into liquidation to dissolve its business.

(8) The listed company is under receivership by a court order or under any similar circumstance.

(9) The listed company does any act which may seriously damage the interests of the shareholders.

(10) The nature of business operation of the listed company is not suitable for it to remain a listed company.

(11) There is a change in the listed company's shareholding in its subsidiary companies or associated companies and such change in shareholding seriously and adversely affects the results of operations, financial condition and liquidity of the listed company.

10. Upon the occurrence of any event under Clause 9, the Exchange shall notify the listed company of such event in writing without delay and give an opportunity for the listed company to make explanations.

11. When the Exchange considers that the listed company is able to eliminate the grounds for delisting, the Exchange may designate a period of time for the listed company to eliminate the grounds for delisting.

When the Exchange considers that it is not possible to eliminate the grounds for delisting the ordinary shares of the listed company, the Exchange shall propose to the Board for an order to delist the ordinary shares of the listed company.

When the Exchange considers that the grounds for delisting the ordinary shares of the listed company result from the operation or financial condition of the listed company, the Exchange may require the listed company to prepare a delisting rehabilitation plan in accordance with the guidelines as prescribed by the Exchange.

12. In case that the listed company is required to prepare a delisting rehabilitation plan, the listed company shall proceed in accordance with the following procedure without delay:

(1) To appoint a financial advisor to participate in the preparation of the delisting rehabilitation plan and to submit such delisting rehabilitation plan to the Exchange.

The financial advisor under the first paragraph shall perform the function as an independent professional who acts fairly for the interest of the shareholders and shall have the qualifications as prescribed by the Exchange.

(2) The listed company and the financial advisor under (1) shall hold a presentation concerning the delisting rehabilitation plan to the securities analysts in advance not less than 7 days prior to the date of the shareholders' meeting.

*(3) To hold a shareholders' meeting to seek approval of the delisting rehabilitation whereby it shall require affirmative votes of not less than three-fourths of the total votes of the shareholders or their proxies (if any) who are present at the meeting and have the right to vote.

*(*Amended June 9, 2000)*

(4) To co-operate with the financial advisor under (1) in making a report on the progress of the implementation under the delisting rehabilitation plan to the Exchange every 3 months.

13. In case that the listed company is subject to reorganization under the bankruptcy law, it shall be deemed that the planner appointed by the court is a planner for the delisting rehabilitation plan instead of the listed company and the financial advisor, and the reorganization plan accepted by the creditors and approved by the court is the delisting rehabilitation plan approved by the shareholders' meeting. In addition, the plan administrator approved by the court under the reorganization plan shall prepare a report on the progress of the implementation under the delisting rehabilitation plan in lieu of the listed company and the financial advisor.

*In considering qualifications of the listed company which is in the process of reorganization under the bankruptcy law pursuant to the regulations of the Exchange governing maintaining status of listed company, the Exchange may grant exemption of the qualifications concerning requirement of independent directors, audit committee and number of small ordinary shareholders.

*(*Amended February 25, 2009)*

14. During consideration of delisting by the Exchange or during the process of eliminating the grounds for delisting by the listed company, the Exchange may order a temporary suspension of the trading of securities of the listed company by posting the SP (suspension) sign on the board of such securities, until the listed company is able to eliminate the grounds for delisting or until the Board orders a delisting of such ordinary shares.

*The Exchange may post the NC (Non-compliance) sign on the board of the listed securities in order to make known to the investors in general that the listed company is under the process of eliminating the grounds for delisting, until the listed company is able to eliminate the grounds for delisting or until the Board orders a delisting of such ordinary shares.

(Amended May 25, 2006)

15. When the listed company has already eliminated the grounds for delisting, the listed company shall submit an application together with explanation on the reasons or any other necessary information to request the Exchange to cancel the temporary suspension of the trading of the listed securities and removed the SP (suspension) sign from the board of the securities.

Upon receipt by the Exchange of the application under the first paragraph and having considered that the listed company has already eliminated the grounds for delisting, the Exchange shall cancel the temporary suspension of the trading of the listed securities and shall remove the SP (suspension) sign from the board of such securities.

In canceling the temporary suspension of the trading of the listed securities under the second paragraph, if it is deemed appropriate, the Board may impose any conditions for the listed company to fulfill.

16. The rules under the regulations of the Exchange governing temporary suspension of the trading of listed securities shall apply to the issuance and the cancellation of order for temporary suspension of the trading of listed securities of the listed company.

17. The Board may order the delisting of ordinary shares of a listed company upon the occurrence of any of the following events:

(1) The management of the listed company acts in bad faith or does any act giving rise to the possibility that the ordinary shares of the listed company may be delisted;

(2) The listed company fails to explain or ignores to prepare or neglects to take action according to the delisting rehabilitation plan or is unable to eliminate the grounds for delisting; or

(3) It is not possible to eliminate the grounds for delisting of the ordinary shares of the listed company.

In ordering the delisting of ordinary shares, the Board may order that the buying or selling of securities of that listed company be continued for a period of time prior to the effective date of delisting of ordinary shares of the listed company.

18. In ordering the delisting of ordinary shares, the Board shall order and designate the date on which the delisting takes effect.

After the ordinary shares are delisted pursuant to the first paragraph, those ordinary shares shall lose their status of listed securities.

After the Board orders the delisting of ordinary shares of the listed company, the Exchange shall give a written notification of such delisting to the listed company.

CHAPTER 3

Miscellaneous

19. The Exchange shall announce the delisting of securities so as to make them known to general public before the date on which the delisting takes effect.

20. The Board shall have the power to prescribe guidelines for the purpose of accomplishing the objects of these Regulations.

CHAPTER 4

Transitional Provisions

21. A company of which securities are listed securities in accordance with Section 334 and Section 335 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) and paid-up capital, specifically the ordinary shares, is less than 60 million baht shall cause its paid-up capital to be not less than 60 million baht by April 1, 1996.

If it is not possible to proceed in accordance with the first paragraph, such company must pay listing fees to the Exchange at the rate which is twice the rate specified by the Exchange as from April 1, 1996, and twice the fees the company paid in the preceding year until it meets all the qualifications as prescribed.

Notified on this 9th day of December 1999.

(Signed) Amaret Sila-on

(Mr. Amaret Sila-on)
Chairman of the Board
The Stock Exchange of Thailand