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Regulation of the Stock Exchange of Thailand

Re: Listing, Disclosure of Information and Delisting of Derivative Warrants B.E. 2562 (2019)

By virtue of the second paragraph (1), (7), (10) and (17) of Section 170 of the Securities and Exchange Act B.E. 2535 (1992), the Board of Governors of the Stock Exchange of Thailand, with the approval of the Securities and Exchange Commission, hereby issues the following provisions.

1. This Regulation shall come into force from 4 June 2019 onwards. **Effective Date**
2. In this Regulation: **Definitions**
 - “Exchange” means the Stock Exchange of Thailand;
 - “Board” means the Board of Governors of the Exchange;
 - “Office” means the Office of the Securities and Exchange Commission;
 - “SEC notifications” means the notifications of the Securities and Exchange Commission, the notifications of the Capital Market Supervisory Board or the notifications of the Office of the Securities and Exchange Commission relating to the issuance and offering of derivative warrants;
 - “listed securities” means the listed securities traded on the Exchange or the listed securities traded on the Market for Alternative Investment (mai), as the case may be;
 - “applicant” means a person who files an application for the listing of the derivative warrants issued by itself to the Exchange;
 - “derivative warrants issuer” means a company who issues the derivative warrants and files an application for the listing of such derivative warrants as listed securities;
 - “derivative warrant” means:
 - (1) an instrument in which the issuer gives the holder the right to buy (Call Warrant) the underlying asset at the predetermined time or period of time, under this conditions provided therein;
 - (2) an instrument in which the issuer gives the holder the right to sell (Put Warrant) the underlying asset at the predetermined time or period of time, under this conditions provided therein;
 - (3) an instrument in which the issuer gives the holder of the call option (Call Warrant) the right to receive payment at the predetermined time or period of time, in the amount calculated on the difference between the price or the value of the underlying asset and the price or the value of the underlying asset specified therein, when the price or the value of the underlying asset is higher than the price or the value of the underlying asset specified in such instrument, under the conditions provided in such instrument; or
 - (4) an instrument in which the issuer gives the holder of the put option (Put Warrant) the right to receive payment at the predetermined time or period of time, in the amount calculated on the difference between the price or the value of the underlying asset and the price or the value of the underlying asset specified therein, when the price or the value of the underlying asset is lower than the price or the value of the underlying asset specified in such instrument, under the conditions provided in such instrument;

“CLMV Countries” means the Kingdom of Cambodia, the Lao People's Democratic Republic, the Republic of the Union of Myanmar, and the Socialist Republic of Vietnam;

“terms and conditions” means the terms and conditions governing the rights and duties of the derivative warrants issuer and the holders of derivative warrants including term sheet;

“offering via direct listing” means a public offering of the newly issued derivative warrants by means of trading mechanism via direct listing, whether or not such derivative warrants have been offered to the market maker.

Chapter 1

Qualifications of the Derivative Warrants

Section 1

General Qualifications of the Derivative Warrants

3. The derivative warrants for which an application for listing may be filed with the Exchange shall have the following qualifications:

Qualifications

(1) being derivative warrants for which the applicant has been approved by the Office for public offering as prescribed in the SEC notifications;

(2) bearing holders' name;

(3) having no restriction on the transfer of derivative warrants;

(4) having any of the following underlying assets:

(a) one or several ordinary shares which are listed securities;

(b) Exchange index or foreign index;

(c) investment units of ETF; or

(d) other assets as prescribed by the Board.

(5) In case the underlying assets of derivative warrants are ordinary shares listed on the Exchange, such ordinary shares shall not be shares issued by a listed company which is prohibited from trading due to any of the following causes:

(a) being in the process of rectifying the ground for delisting after the notice of such ground has been received from the Exchange;

(b) being in the process of implementing the reorganization plan under the laws on bankruptcy; or

(c) other causes which materially affect the rights and benefits of the shareholders.

Section 2

Specific Qualifications of the Derivative Warrants for which there is Partial Collateral or no Collateral

4. The derivative warrants, whether for which there is partial collateral or no collateral, for which application may be filed with the Exchange shall have the qualifications under clause 3 and the following qualifications:

Qualifications of DW for which there is partial collateral or no collateral

(1) having any of the following underlying assets on the date of the filing of the application for the listing of such derivative warrants:

(a) ordinary shares which are the constituents of SET50 Index or SET100 Index.

The ordinary shares in the 51st – 100th places which are the constituents of SET100 Index under the first paragraph shall have the qualifications with respect to market capitalization as prescribed in the SEC notifications and shall be on the list of underlying assets of derivative warrants as announced by the Exchange;

(b) SET Index, SET50 Index, SET100 Index, SET High Dividend 30 Index or Industry Group Index and Sectoral Index;

(c) foreign index with the following qualifications:

(c.1) possess all the qualifications stipulated by the SEC notifications;

(c.2) possess all the elements of foreign index which are ordinary shares with any one of the following characteristics:

(c.2.1) ordinary shares traded on a foreign stock exchange of a CLMV countries; or

(c.2.2) ordinary shares traded on a foreign stock exchange approved by the Office with the market capitalization ranked within top 30 as stipulated by the Exchange;

(c.3) there is source of information for the foreign index that investors may access and follow up on during the day on a regular basis; and

(c.4) there is a list of foreign index as announced by the Exchange;

(d) investment units of ETF having the qualifications as prescribed in the SEC notifications.

In considering the underlying assets under the first paragraph, the Exchange may prescribe additional conditions of the foregoing underlying assets as it deems appropriate.

(2) being the derivative warrants with a term of not less than 2 months and not more than 2 years commencing from the date of the issuance of the derivative warrants;

(3) being the derivative warrants under (3) or (4) of the definition of “derivative warrant” in clause 2 which the exercise date has been specified in accordance with the applicant’s specification (European Style);

(4) being the derivative warrants with a value of each batch of not less than Baht 20 million when applying for the listing, and with the issue price specified in the terms and conditions being not less than Baht 1 million on the date of the filing of the application for the listing of the derivative warrants; and

(5) in case the underlying assets are ordinary shares with all the derivative warrants based on any share, which have already been issued or which are being applied for by all applicants, at any time for all types of offering, not more than 50 percent of the total number of underlying shares sold shall be required to accommodate the exercise of rights under the terms and conditions.

5. The applicant shall procure a market maker with the qualifications and duties under the regulations of the Exchange on persons related to the trading system with respect to the market makers, and shall maintain such market maker throughout the period the derivative warrants remain its listed securities.

**Market
maker**

Chapter 2
Qualifications of the Derivative Warrant Issuers

6. The applicant who will file an application for the listing of the derivative warrants shall possess the qualifications stipulated by the SEC notifications.

**Qualifications
of applicant**

Chapter 3
Filing of Application and Consideration for the Listing of Securities

Section 1
Filing of Application and Consideration for the Listing of Securities

7. The applicant shall file the application to the Exchange and any other documents as prescribed by the Exchange.

**Filing for the
listing of DW**

With respect to the filing of application under the first paragraph, the applicant shall apply for the listing of all the derivative warrants which have been approved by the Office.

In the filing the application for the listing of the derivative warrants under clause 4, the applicant shall receive confirmation on the allocation of ordinary shares to be used as the underlying assets under clause 4(5) from the Exchange in accordance with the guideline prescribed by the Exchange.

Upon the receipt of confirmation on the allocation of ordinary shares used as the underlying assets under paragraph three, the applicant shall proceed to offer such derivative warrants for sale within the period prescribed by the Exchange, or otherwise such confirmation shall be deemed to be terminated upon the expiration of the said period.

8. The applicant may file the application with the Exchange for the listing of derivative warrants as listed securities simultaneously with the filing of an application for permission to offer the securities for sale with the Office.

**Filing with
Exchange
simultaneously
with the Office**

9. In filing the application for the listing of derivative warrants as listed securities, the applicant shall procure a financial advisor in accordance with the criteria prescribed by the SEC notifications.

**Financial
advisor**

Where the SEC notifications require the applicant to procure the financial advisor for the joint preparation of the application, the financial advisor shall have the qualifications and the scope of work in accordance with the regulations of the Exchange on the listing of ordinary shares or preferred shares as listed securities with respect to the financial advisors of the applicant who is a company established under Thai law. On this basis, the prohibitions against the financial advisors jointly preparing the application for the listing of securities as listed securities with the applicant shall not apply to the preparation of the application under this clause.

Where the applicant is a financial advisor, the applicant may prepare the application under this clause without the need to procure another financial advisor for the joint preparation of such application.

10. The Board shall order the listing of the derivative warrants as listed securities when:

(1) The applicant has reported the result of the sale of the derivative warrants to the Exchange, except for offering via direct listing; and

(2) The Exchange has considered and found that the derivative warrants have all the qualifications prescribed in this Regulation.

Listing of DW

In listing the derivative warrants, the Board may prescribe any conditions as it deems appropriate.

The trading of listed securities under the first paragraph on the Exchange shall commence within 2 business days from the date on which the Board lists such securities.

11. In considering the application and listing the derivative warrants, the Board shall complete the consideration within 7 days from the date on which the Exchange receives correct and complete documents and evidence from the applicant. In this regard, the Board may entrust the President of the Exchange or a person designated by the President of the Exchange with the power and duty to consider the qualifications of the derivative warrants and the applicant, and list the derivative warrants for which the listing application has been filed when it is found that such derivative warrants have the correct qualifications in accordance with the criteria, conditions and procedures under this Regulation.

Period for consideration

In considering the application, the Exchange may instruct the applicant to provide additional clarifications, documents or evidence as it deems appropriate within a specified period.

For the purpose of the period of time under the first paragraph, the period of time between the date on which the applicant amends the information or documents or the date on which the Exchange gives instruction under the second paragraph and the date on which the Exchange receives correct and complete information or documents shall be excluded.

12. In listing the derivative warrants as listed securities, the Exchange shall not guarantee the performance of the applicant's obligations under the terms and conditions.

The Exchange shall not guarantee

13. The applicant shall pay the fee for the listing of derivative warrants consisting of the application fee, admission fee and annual fee at the rate determined by the Board whereby the payment shall be made in accordance with the procedures and within the period of time as prescribed by the Exchange.

Fee

For the listing of additional derivative warrants (Further Issue), the applicant shall only pay the annual fee in accordance with the rate, procedures and within the period of time as prescribed under the first paragraph.

The applicant may not file the application for the listing of additional derivative warrants (Further Issue) or new derivative warrants (New Issue) as listed securities if the applicant has not yet fully paid the fee for the listing of derivative warrants for which application for listing has been filed with the Exchange in accordance with the procedures and within the period of time as prescribed by the Exchange.

14. In case of the derivative warrants for which there is partial collateral or no collateral, the applicant shall distribute the holding of derivative warrants in aggregate of not less than Baht 20 million or not less than 50 percent of the amount of the derivative warrants for which application has been filed excluding the amount of the derivative warrants held by the applicant and the market maker.

Distribution of DW holding

The applicant shall distribute the holding of derivative warrants in accordance with the first paragraph within 3 months or within the term of the derivative warrants from the date on which the Board lists those securities, whichever is earlier.

Where the applicant cannot comply with the conditions and procedures under the first and second paragraphs, the Board may consider prescribing additional fee for the listing of derivative warrants.

15. In case of the occurrence of any circumstances which affects or may affect the trading of the derivative warrants for which there is partial collateral or no collateral, or there is any reasonable ground to believe that the ability of the applicant to perform the obligations or comply with the terms and conditions may be affected, the Exchange may consider not listing such derivative warrants as listed securities.

Grounds for the Exchange to refuse listing DW

16. When the applicant has distributed the holding of derivative warrants in accordance with the criteria and conditions under clause 14, the applicant may file an application for the listing of additional derivative warrants (Further Issue) with the Exchange provided that such additional derivative warrants (Further Issue) have qualifications under clause 4(5).

Filing the application for the listing of further issue

In considering listing the additional derivative warrants (Further Issue) under the first paragraph, the provisions in clauses 10 and 11 shall apply *mutatis mutandis* and the President of the Exchange or a person designated by the President of the Exchange may order the listing of additional derivative warrants (Further Issue) as listed securities.

17. The applicant shall designate the Exchange or a third person approved by the Exchange to act as its listed securities registrar.

Securities registrar

18. The applicant shall comply with the laws on securities and exchange, the regulations of the Exchange, the resolutions of the Board, the listing agreements with the Exchange and the circulars of the Exchange required to be observed.

The applicant's duty

**Chapter 4
Disclosure of Information**

**Section 1
Preparation of Financial Statements and Reports on Financial and Non-Financial Information**

19. The derivative warrants issuer has the duty to prepare the financial statements and reports on financial and non-financial information of the derivative warrants issuer and disclose such information to the Exchange in accordance with the criteria, conditions and procedures prescribed in the regulations of the Exchange on preparation and submission of financial statements and reports on financial and non-financial information of listed companies *mutatis mutandis*. However, the derivative warrants issuer is not required to prepare and disclose the interim management discussion and analysis and the reports summarizing its operating results.

Preparation and disclosure of financial statements and reports on financial and non-financial

Section 2
Disclosure of Information Upon Occurrence of an Event

20. The derivative warrants issuer shall disclose information to the Exchange upon the occurrence of any of the following events:

- (1) the derivative warrants issuer suffers a serious damage;
- (2) the derivative warrants issuer ceases operating all or part of its business;
- (3) the derivative warrants issuer adjusts its rights thereby causing change in the rate and the price for the exercise of rights under the derivatives warrants or in the period for the final exercise of rights
- (4) the board of directors of the derivative warrants issuer passes a resolution fixing the meeting of the derivative warrants holders whereby the agenda of such meeting shall be simultaneously disclosed;
- (5) the board of directors of the derivative warrants issuer passes a resolution fixing the date of closing of the derivative warrants register book or the record date of the derivative warrants holders;
- (6) the board of directors of the derivative warrants issuer passes a resolution changing or amending the terms and conditions;
- (7) the derivative warrants issuer changes its market maker, registrar or custodian;
- (8) there exists any event that affects or may affect the ability of the market maker to perform its duties; or
- (9) there exists any other event that affects or may affect the rights and benefits of the derivative warrants holders, the investment decision or the change in the price of the derivative warrants.

The derivative warrants issuers shall disclose the information under the first paragraph to the Exchange without delay on the date of the occurrence of such event at least 1 hour before the trading hours of each session or after the trading hours. Where the derivative warrants issuer is unable to disclose the information within such period due to force majeure, it shall disclose the information at least 1 hour before the trading hours of the first session on the following business day.

21. The derivative warrants issuer shall disclose the following information together with reason to the Exchange:

- (1) in case delivery is made in cash, the underlying price used to calculate the value of such cash without delay on the date such price is known;
- (2) compensation has been paid due to the inability to deliver the underlying assets or pay the price when there is an exercise of rights under the derivative warrants, the fact of which shall be disclosed within 3 business days from the date such event occurs;
- (3) there is a change or amendment to the trust deed under the laws on trust for transactions in the capital market or a trust deed is executed, the fact of which shall be disclosed within 7 days from the date of the change or amendment;
- (4) the derivative warrants holders exercise the rights under the derivative warrants whereby the report on the result of such exercise shall be disclosed within the business day following the date of the exercise.

**Events that
must be
disclosed**

**Events that
must be
disclosed
within a
specified
period**

22. In case the underlying assets of derivative warrants are foreign index, the derivative warrants issuer shall disclose channels for access to up-to-date information on such foreign index through channels accessible to the derivative warrants holders or investors.

Disclosure of channels for access to information on foreign index

The information on the foreign index under the first paragraph shall at least contain information in English which may be accompanied by the Thai translation.

23. When the derivative warrants issuer has sent written notice convening the meeting together with supporting documents to the derivative warrants holders, the derivative warrants issuer shall simultaneously send such written notice and supporting documents to the Exchange.

Submission of meeting notice and supporting documents for the meeting

Where there are foreign derivative warrants holders in the derivative warrants issuer, the derivative warrants issuer shall also send the English translation of the written notice convening the meeting and supporting documents to those foreign derivative warrants holders.

24. The derivative warrants issuer shall submit the minutes of the derivative warrants holders' meeting to the Exchange within 14 days from the date of such meeting.

Submission of the meeting's minutes

25. The derivative warrants issuer shall disclose of the date of closing of the derivative warrants register book or the record date of the derivative warrants holders for the purpose of any rights to the Exchange at least 14 days in advance before the date of closing of the derivative warrants register book or the record date of the derivative warrants holders.

Disclosure of the date of the closing of register book or for the conferral of any rights

If the derivative warrants issuer changes the date of closing of the derivative warrants register book or the record date of the derivative warrants holders from the date previously disclosed to the Exchange under the first paragraph, the derivative warrants issuer shall disclose such change to the Exchange at least 7 days in advance before the date of closing of the derivative warrants register book or the record date of the derivative warrants holders as previously disclosed in the first paragraph.

26. The derivative warrants issuer shall submit the information on the number of outstanding units with respect to the derivative warrants for which there is partial collateral or no collateral on the last business day of each week to the Exchange, whereby the Exchange may disclose such information generally for a period of time as it deems appropriate.

Report on the change to DW

27. The derivative warrants issuer that issues derivative warrants for which there is partial collateral or no collateral shall disclose the performance of the market maker on a monthly basis within 3 business days from the last day of each month.

Report on the performance of the market maker

Section 3

Method for the Disclosure of Information and Submission of Documents or Copies of Documents

28. With regard to the method for the disclosure of information and submission of documents or copies of documents to the Exchange under this Regulation, the derivative warrants issuer shall disclose or submit the information or documents via electronic means pursuant to the regulations of the Exchange on disclosure of information and submission of documents of listed companies via electronic means *mutatis mutandis*.

Method for the disclosure of information and submission of documents or copies of documents

Chapter 5

Posting of Signs for the Temporary Suspension of Listed Securities Trading

29. The criteria, conditions and procedures for the temporary suspension of derivative warrants trading shall be in accordance with the regulations of the Exchange on temporary suspension of listed securities trading.

Criteria for the temporary suspension of DW trading

Where the derivative warrants issuer's operation or financial position may affect its ability to perform the obligations or comply with the duties under the terms and conditions, the Exchange may suspend the trading of the derivative warrants issued by such derivative warrants issuer.

The Exchange may temporarily suspend the trading of derivative warrants by posting the SP (Suspension) sign on such derivative warrants in advance before the expiration of the term of the derivative warrants and on the date of the expiration of the term of the derivative warrants, which amounts to 3 business days in total.

30. In case of the derivative warrants with index as underlying assets, the derivative warrants issuer may request the Exchange to temporarily suspend the trading of derivative warrants issued by such issuer when such issuer deems that there exists abnormal circumstances preventing the derivative warrants holders or investors from accessing information on the underlying index. The Exchange may temporarily suspend the trading of such derivative warrants by posting the SP (Suspension) sign on the derivative warrants.

Temporary suspension of the trading of DW with index as underlying assets

In temporarily suspending the trading of derivative warrants under the first paragraph, the Exchange may order the suspension for a period of no more than 7 business days from the date of the suspension order. In case of approval from the Board, the Exchange may extend such suspension beyond the period of 7 business days.

31. Where the Exchange temporarily suspends the trading of listed securities which are underlying assets of the derivative warrants by posting the H (Trading Halt) sign or the SP (Suspension) sign on such securities, and the Exchange shall suspend the trading of such derivative warrants.

Temporary suspension of the trading of underlying assets

Chapter 6

Posting of the NP (Notice Pending) Sign and the NR (Notice Received) Sign

32. The Exchange shall post the NP (Notice Pending) Sign and the NR (Notice Received) Sign on the derivative warrants when the Exchange posts such signs on the underlying assets. **Posting of signs on the underlying assets**
33. The Exchange may post the NP (Notice Pending) Sign and the NR (Notice Received) Sign on the derivative warrants upon the occurrence of any of the following events: **Posting of signs on DW**
- (1) the derivative warrants issuer does not submit the reports or other information to the Exchange within the period of time prescribed; or
 - (2) the Exchange is awaiting additional clarifications or reports from the derivative warrants issuer or the news or information received from the issuer remains incomplete or lacks sufficient clarity.
34. The criteria, conditions and procedures for the posting of the NP (Notice Pending) Sign and the NR (Notice Received) Sign shall be in accordance with the regulations of the Exchange on procedures on trading, clearing and settlement of securities in the Exchange **Criteria for the posting of signs**

Chapter 7

Delisting

35. The derivative warrants for which there is partial collateral or no collateral shall be deemed to be delisted and cease to be listed securities upon the occurrence of the following events: **Events in which DW is deemed to be delisted and cease to be listed securities**
- (1) upon the expiration of the term of the derivative warrants as prescribed in the terms and conditions; or
 - (2) when the underlying assets have been delisted.
 - (3) when the calculation of underlying index has been cancelled.
36. The derivative warrants for which there is partial collateral or no collateral may be delisted upon the occurrence of any of the following events: **Grounds for delisting**
- (1) when the derivative warrants issuer requests for the delisting of its derivative warrants as listed securities;
 - (2) when it appears that the information on the offer for sale of derivative warrants in the registration statement or the prospectus submitted by the derivative warrants issuer to the Office is incorrect or the information on the filing of listing application in the application form or any other documents submitted to the Exchange is incorrect;
 - (3) when the Exchange temporarily suspends the trading of ordinary shares which are underlying assets of the derivative warrants by posting the SP (Suspension) sign on such ordinary shares pursuant to the regulations of the Exchange on temporary suspension of listed securities trading for a period of at least 20 business days;

(4) In case of the derivative warrants with index as underlying assets, when the derivative warrants issuer deems that there exists circumstances which cause the information on the underlying index to be insufficient for the making of investment decision by the derivative warrants holders or investors or there are circumstances preventing the derivative warrants holders or investors from accessing information on the underlying index, and the derivative warrants issuer request for the delisting of its derivative warrants as listed securities as it deems that such circumstances have the tendency to exist for a long time;

(5) When the Exchange opines that the derivative warrants issuer takes any action in a manner which may cause serious damage to the benefits of the derivative warrants holders or there is any change which materially affects the operating results, financial position and liquidity of the derivative warrants issuer; or

(6) any other grounds prescribed by the Board.

37. The Board may entrust the President of the Exchange with the power and duty to order the delisting of derivative warrants as listed securities under the following events:

(1) when the derivative warrants issuer requests for the delisting of its derivative warrants as listed securities under clause 34(1) before the trading of such derivative warrants on the Exchange; or

(2) when the event under clauses 36 (2), 36 (3) or 36 (4) occurs and there are no derivative warrants holders remained, excluding the amount of derivative warrants held by the derivative warrants issuer and the market maker.

38. The regulations of the Exchange on delisting of securities shall apply to the delisting of derivative warrants as listed securities under clause 34 *mutatis mutandis* to the extent that they are not inconsistent with this Regulation.

Entrusting the President with the power to order the delisting

Criteria for the delisting of DW

Notified on 30 May 2019

(Signed) Chaiyawat Wibulswasdi

(Mr. Chaiyawat Wibulswasdi)

Chairman

The Stock Exchange of Thailand

Reason for Promulgation : As the Exchange deems it appropriate to cancel the rules on the disclosure of information by derivative warrants issuers which prescribe criminal penalty in order to conform to the enforcement guideline of the Office with respect to actions to be taken in case of criminal penalty, and to include foreign index as underlying assets of derivative warrants in order to increase the investment alternatives for investors as well as to revise the criteria in relation to the qualifications of the derivative warrants issuers, disclosure of information, temporary suspension of the trading of derivative warrants by posting the SP (Suspension) sign and delisting of the derivative warrants, it is, therefore, appropriate to issue this Regulation.