

Holding Company Listing Admission

General Listing Criteria

Presently, the business structure as a holding company is one of the most popular company structures for several reasons;

- A company tends to establish its new subsidiaries in order to expand the business both domestically or overseas, which can be related or unrelated to its current business.
- Many companies acquire subsidiaries with various firm structures while some of their subsidiaries also expect to list on the Exchange.
- For the conglomerates, listing as a holding company allows them to avoid difficulty in terms of selecting the best representative to submit for listing.

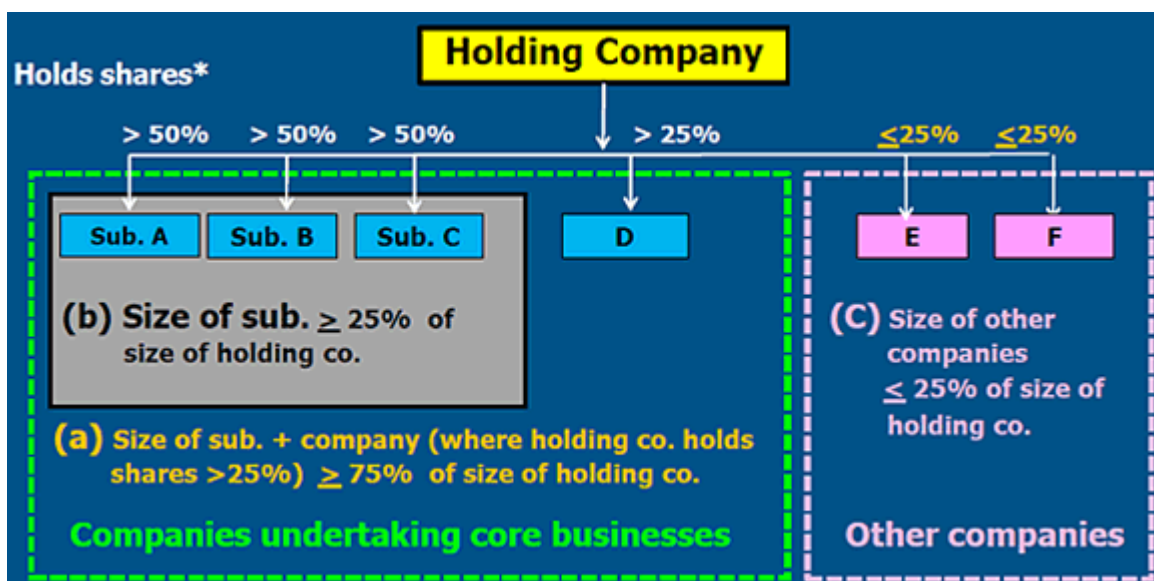
Holding Company refers to a company, which generate revenue from holding shares in other companies and the company itself does not have a full operating activity. The company may invest in a subsidiary operating main business which conducts business domestically and/or internationally, but it must not be an investment company.

The company being categorized as a company operating main business

- The said company must be a subsidiary of Holding Company.
- If a subsidiary operating main business is subject to government-joint investment or other laws, the holding company must hold $\geq 40\%$ of the subsidiary operating main business shares and be able to show management control proportionally to its shareholding.

The holding company has to meet the qualification of operating result as listing regulation and maintain its shareholding in the subsidiary operating main business through the listing period. The subsidiary operating main business can be changed after three years from listing date. Holding company which has not reached 3 years of holding its core company has to be complied with specified period.

Holding Company Structure



The holding company must hold its core business and other business proportionally to its asset size as following requirements;

1. Core business

- A holding company must hold its subsidiaries and associates' stakes, which operating the core business, not less than 75% of the holding company's total assets.
- A holding company must hold its core-business subsidiaries not less than 25% of the holding company's total assets.

2. Other businesses

The total value of non-core business investments must be less than 25% of the holding company's total assets.

Remark: * If the company considers that the requirements is not appropriate to the business, it may use alternative variables e.g. revenue or profits. The company must provide reasons, the needs, and rationale of alternative variables.

Listing Rules and Regulation in the Stock Exchange of Thailand (SET) and Market for Alternative Investment (mai)

The Exchange shall consider both qualification of common share and qualification of both the applicant and its subsidiary operating main business.

1.1 Qualifications for common shares

- having a par value not less than Baht 0.5 per share and being fully paid-up
- bearing holders' names
- having no restrictions on transfer of ordinary shares, unless the restrictions are in accordance with laws and are included in the articles of association of the company

1.2 Qualifications of listing applicant and its subsidiary operating main business

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative investment (mai)
Status	Must be a public limited company or corporation established under specific law.	
Paid-up Capital (after IPO)	≥ THB 300 million	≥ THB 50 million
Financial condition and liquidity	<ul style="list-style-type: none"> • Total equity ≥ THB 300 million and total equity > 0 before apply the listing application. • Must be in a stable and healthy financial condition and have sufficient working capital. 	<ul style="list-style-type: none"> • Total equity ≥ THB 50 million and total shareholder equity > 0 before apply the listing application. • Must be in a stable and healthy financial condition and have sufficient working capital.
Track record	<ul style="list-style-type: none"> • <u>Profit Approach</u> Must have the operating results in accordance with the specified requirements and continuously until the date of approval for being listed securities <ul style="list-style-type: none"> ○ At least 3 years of operating track record under at least one year of the same management prior to the application date ○ Combined minimum net profits from operations of THB 50 million over the past two or three years, net profits from operations of THB 30 million for the latest full year, and an accumulated net profit in the latest period prior to the filing of an application 	<ul style="list-style-type: none"> • <u>Profit Approach</u> Must have the operating results in accordance with the specified requirements and continuously until the date of approval for being listed securities <ul style="list-style-type: none"> ○ At least 2 years of operating track record under at least one year of the same management prior to the application date. ○ Minimum net profits from operations of THB 10 million over the latest year, and an accumulated net profit in the latest period prior to the filing of an application

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative investment (mai)
	<p>Market Capitalization Approach^{1/}:</p> <ul style="list-style-type: none"> • Doing business in a specified industry • Being promoted by the Board of Investment in a specified industry • Must have market capitalization \geq THB 7.5 billion and the operating results shall be in accordance with the following criteria at all times up to the date of approval of the shares of the applicant as listed securities <ul style="list-style-type: none"> - At least 3 years of operating track record under at least one year of the same management prior to the application date - Whose majority of revenue is derived from, or whose majority of assets are involved in, the specified industries 	-
<p>Distribution of minority shareholders or free float^{2/}</p> <p>(After IPO)</p>	<ul style="list-style-type: none"> • Issued shares in hands \geq 1,000 shareholders • Shareholding Ratio <ul style="list-style-type: none"> ○ Total shareholding \geq25% of paid-up capital (or \geq20% of paid-up capital if the paid-up capital \geq THB 3 billion) ○ Each shareholder must hold at least 1 trading unit in accordance with the rule. 	<ul style="list-style-type: none"> • Issued shares in hands \geq 300 shareholders • Shareholding Ratio <ul style="list-style-type: none"> ○ Total shareholding \geq25% of paid-up capital (or \geq20% of paid-up capital if the paid-up capital \geq THB 3 billion) ○ Each shareholder must hold at least 1 trading unit in accordance with the rule.
<p>Public Offering Approval</p>	<ul style="list-style-type: none"> • Must have been granted approval by the SEC (except for a company established under a special law). • Offered through an underwriter • Number of shares cumulatively offered for sale: <ul style="list-style-type: none"> ○ Offer for sale \geq 15% of paid-up capital (or \geq 10% of paid-up capital if paid-up capital \geq THB 500 million or value of ordinary shares based on par value \geqTHB 75 million, whichever is higher) 	<ul style="list-style-type: none"> • Number of shares cumulatively offered for sale: <ul style="list-style-type: none"> ○ \geq 15% of paid-up capital
<p>Directors and executives</p>	<p>Having the directors and management who are responsible for the management of subsidiary operating main business \geq 1 years prior to listing application and continuously until the date of approval for being listed securities, except for the following events:</p> <p>(a) the Applicant is a financial institution of which the regulatory agency has otherwise prescribed rules in relation to directors and management; or</p> <p>(b) the Operating Core Business Company has an investment in a project which is a Basic Public Utilities that is beneficial to Thailand</p>	

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative investment (mai)
Undertaking Business	<ul style="list-style-type: none"> • Holding Company must not have characteristic as an investment company prescribed under the Notifications of the Capital Market Supervisory Board. • Holding Company must hold shares in at least 1 Subsidiary Operating Core Business which generates main profit as of the date of the submission of application for at least 3 years from the commencement date of trading on the Exchange, whereby <ul style="list-style-type: none"> ○ Such Subsidiary Operating Core Business must not be a Listed Company ; and ○ Be able to prove that the Applicant is the Person who has Controlling Power or has the power to manage such Subsidiary Operating Core Business according to its shareholding proportion. ○ In case the Subsidiary Operating Core Business is established under foreign laws, such subsidiary shall have directors residing in Thailand pursuant to the rules prescribed in the Notification of the Capital Market Supervisory Board. 	
Management and control personnel	<ul style="list-style-type: none"> • Board of directors and Management must hold qualifications accordingly; <ul style="list-style-type: none"> ○ Not have any characteristics prohibited by The Capital Market Supervisory Board^{3/} ○ Board of directors and Management and control personnel must not have any characteristics prohibited by SET regulations that may affect an investor's rights or decision, or a change of share price. • The Board of Director's duties and responsibilities must be clearly defined as specified by The Capital Market Supervisory Board ^{3/} • The person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO) and the person supervising accounting (Chief Accountant) have to meet the qualifications specified by SEC^{3/}. • The Chairman and the Chief Executive Officer or equivalent position in other names must not be the same person. 	
Corporate governance and internal control	<ul style="list-style-type: none"> • The audit committee's duties and responsibilities must be clearly defined as specified by The Capital Market Supervisory Board^{3/} • Must demonstrate good corporate governance practice as specified by The Capital Market Supervisory Board^{3/} and have a qualified audit committee as specified by SET • Must maintain effective auditing and internal control systems as specified by The Capital Market Supervisory Board^{3/}. 	
Conflicts of interest	Must have no existing or potential conflicts of interest as defined by The Capital Market Supervisory Board ^{3/} .	
Financial statements and auditors	<ul style="list-style-type: none"> • Must ensure that financial statements have been prepared in accordance with The Capital Market Supervisory Board rules and regulations^{3/}. • Must have an auditor approved by the SEC. 	
Provident fund	By the date the listing application is filed, the applicant has established a provident fund.	
Registrar	Appoint TSD or an approved registrar by SET	

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative investment (mai)
Silent Period	<u>Net Profit Approach</u> The silent period extends for one year after listing. Those who meet the criteria for strategic shareholders are not allowed to sell their shares totaling 55% of paid-up capital after the IPO. They are permitted to sell 25% of the locked-up shares after 6 months.	
	<u>Infrastructure Business Approach</u> The silent period extends for three years after the trading date. Those who meet the criteria for strategic shareholders are not allowed to sell their shares totaling 55% of paid-up capital after the IPO. Upon completion of 1 year period, they are permitted to sell 20% of the lock-up shares. Then, after every six months they are permitted to sell 20% of the locked-up shares.	
	<u>Market Capitalization Approach</u> The silent period extends for three years after listing. Those who meet the criteria for strategic shareholders are not allowed to sell their shares totaling 55% of paid-up capital after the IPO. They are permitted to sell 20% of the locked-up shares after 1 year. Upon completion of every 6-month period thereafter, those persons shall be able to gradually sell their shares at 20% of the number of all shares subject to the prohibition of sale.	-
Opportunity Day	The company must organize a meeting to present and clarify the information about business and performance to shareholders, investors and related persons at least 1 time within the first year after having been listed in order to allow them access to relevant information and opportunity of raising queries to the management of the listed company.	

Remark

^{1/} The Additional regulations of listing ordinary shares in the Stock Exchange of Thailand (SET) by Market Capitalization Test - please visit Common Shares Listing Admission - General Listing for Common Shares Market Capitalization Calculation

- IPO price: the candidate applies for listing within a year from the last date of its IPO.
- Fair price determined by financial advisor: the candidate applies for listing after a year from the last date of its IPO.

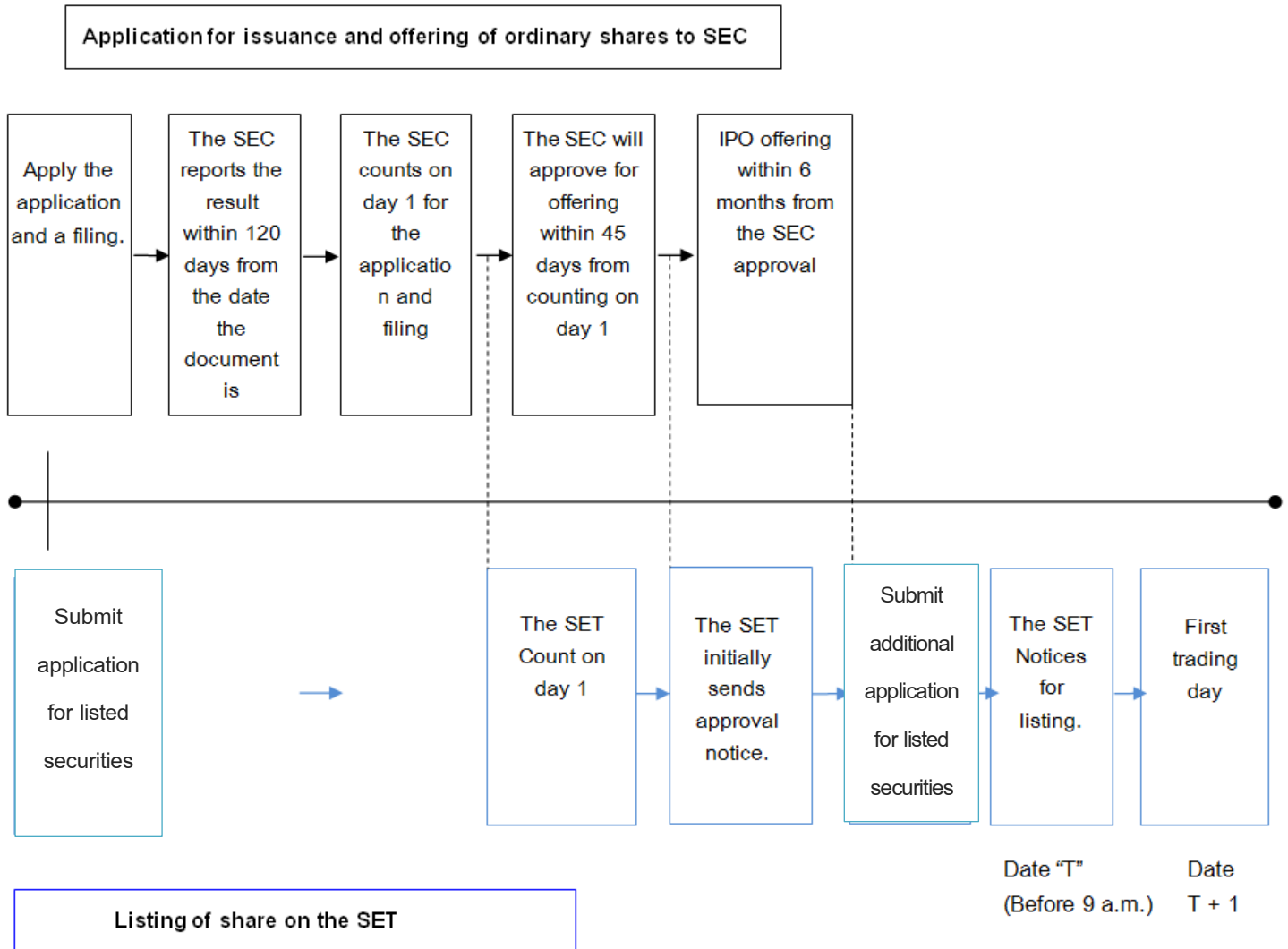
^{2/}Free Floats are non-strategic shareholders. The strategic shareholders are;

- Board of director, management, and related person
- Shareholders holding > 5% of paid-up capital and related persons
- Persons who has controlling power

^{3/} Notification of Capital Market Supervisory Board 39/2559 on Application for and Approval of Offer for Sale of Newly Issued Shares.

Process

Listing procedure in the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (mai)



Related Regulations

SET's regulations

- Regulation of the Stock Exchange of Thailand: Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015)
- Listing of Securities, Disclosure of Information and Delisting of Securities in the "Market for Alternative Investment (mai)" B.E. 2563 (2020)
- Regulation of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company B.E. 2560 (2017)
- Notification of the Board of Governors of the Stock Exchange of Thailand Re: The regulations of listing ordinary shares for in the Stock Exchange of Thailand (SET) by Market Capitalization Test for Target group of industries and Industries involved in the development of technology and innovation B.E 2564 (2021)
- SET Circular Bor.Jor (Wor) 1 / 2009 RE : The regulations adjustment according to Regulation Reform plan
- SET Circular Bor.Jor (Wor) 3 /2020 RE : The regulations adjustment of listed companies
- Bor.Jor (Wor) 1/2021 Re: The regulations adjustment regarding listing of ordinary shares as listed securities in the Stock Exchange of Thailand (SET) by Market Capitalization Test

Other organization's regulations

- Notification of Capital Market Supervisory Board 39/2559: Application for Approval and Granting of Approval for Offering of Newly Issued Shares
- Notification of the Securities and Exchange Commission KorChor. 17/2551: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities
- SEC's Circular No. KorChor (Wor) 24/2560: Rehearsal for the understanding of qualifications for CFO and Chief Accountant of companies offering newly issued shares to the public

Forms

- Listing Applications and required documents
- The checklist and comparison of all listing criteria and the company's share properties
- The documents that must upload via SETLink
- The manual for strategic shareholder and free float preparation and disclosure.
- Template-Major Shareholders and Free Float of IPO Stocks
- Method of dissemination of information concerning CFO and Chief Accountant of IPO