Window of Opportunity

Guide for Foreign Listing on The Stock Exchange of Thailand
Thailand: Springboard to the ASEAN and Indochinese market

The country’s close geographical and cultural ties with ASEAN and Indochina make Thailand’s stock market your perfect location. In addition, being listed on SET will earn you recognition in your target markets as well as with foreign investors investing through SET.

Freeflow of information, and going towards liberalization

Thailand is an open society where information is communicated freely and easily. You will be instantly updated as to the current situation world-wide, while having a closer and easier access to the Asian markets you’re operating in. Also, Thailand’s capital market is becoming more liberalized, with rules on capital flows and tax and business regulations have been relaxed accordingly.

Strong investor demand and fund-raising capability

Thai investors have been showing rising interest in alternative securities, including foreign listed securities. The growth of Foreign Investment Funds (FIF) has been impressive and the number is rising. This shows that Thai investors are receptive towards overseas investment alternatives. Also, as a listed company in Asia, you will get more media and analyst coverage in Asian markets.

Less burden in maintaining discrepancy rules in case of dual listing

Listing on two exchanges may not incur additional and burdensome costs from having to comply with regulations of both exchanges. Your additional costs should be minimal. As far as the Thai market is concerned, all you need to do in terms of compliance will be to disclose any discrepancies between the two markets.

“ASEAN Hub & Window to Promising Asia”

Take advantage of Thailand’s positioning and potential to becoming your company’s hub in Indochina or the ASEAN – a key part of Asia, the fastest-growing region in the world. ASEAN, which is fast moving towards economic unification, is becoming increasingly attractive to global fund managers, due to its market size and impressive growth. When it comes to Asia, Thailand is well-positioned to connect you across the region. Take the leap.

“Enhance your company’s value through listing on SET”

Thailand: Springboard to the ASEAN and Indochinese market

The country’s close geographical and cultural ties with ASEAN and Indochina make Thailand’s stock market your perfect location. In addition, being listed on SET will earn you recognition in your target markets as well as with foreign investors investing through SET.
Listing Criteria

Listing Procedure

FAQ
Listing Criteria
To respond to promising trends of business expansion, and fundraising needs of businesses, the SET has been adjusting its listing rules and regulations to better encourage and facilitate listing. Foreign listings will get secondary listing status at this stage. Primary listing rules is expected to come into effect soon.

The home exchange of a company seeking a SET listing must be a member of the World Federation of Exchanges (WFE), and its regulatory organization must be a member of the International Organization of Securities Commissions (IOSCO).
### Secondary Listing Criteria

Potential companies are required to meet the following criterion on size and operational performance:

- The company must be in the first quartile of its home exchange in terms of market capitalization, or must have a market capitalization of no less than THB10,000 m.
- The company must be listed on its home exchange for at least 3 years.

### Summary of SET's foreign listing requirements for secondary listing

<table>
<thead>
<tr>
<th>Listing</th>
<th>Only allowed to list on SET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantitative criteria:</strong></td>
<td></td>
</tr>
<tr>
<td>• Size and track record</td>
<td>• Market Cap (in home exchange) must be in first quartile of all listed companies or over THB 10,000 m (whichever the lower)</td>
</tr>
<tr>
<td></td>
<td>• Be listed in home exchange for no less than 3 years</td>
</tr>
<tr>
<td>• Performance</td>
<td>• Paid-up capital</td>
</tr>
<tr>
<td>- Paid-up capital</td>
<td>➥ THB 300 m</td>
</tr>
<tr>
<td>- Equity</td>
<td>➥ THB 300 m</td>
</tr>
<tr>
<td>- Net profit</td>
<td>Combined net profit of latest 2-3 years ➥ THB 50 m and latest year ➥ THB 30 m and current year ➥ THB 0</td>
</tr>
<tr>
<td><strong>Public offering and free float</strong></td>
<td>• More than 1,000 persons and more than 25% of paid-up capital (with exception) or</td>
</tr>
<tr>
<td></td>
<td>• Market Cap ➥ THB 300 m or ➥ 5% of paid-up capital</td>
</tr>
<tr>
<td></td>
<td>(whichever the lower)</td>
</tr>
<tr>
<td><strong>Qualitative criteria</strong></td>
<td>• Comply with home exchange regulations</td>
</tr>
<tr>
<td></td>
<td>• Contact person and registrar located in Thailand</td>
</tr>
<tr>
<td><strong>Disclosure:</strong></td>
<td>• Comply with home exchange regulations</td>
</tr>
<tr>
<td>- Filing</td>
<td>• Additional concerns and risk factors</td>
</tr>
<tr>
<td></td>
<td>• Language at least in English</td>
</tr>
<tr>
<td>- Post-listing disclosure</td>
<td>• Comply with home exchange requirements and disclose no later than in home exchange</td>
</tr>
<tr>
<td></td>
<td>• Disclosure in English as a minimum</td>
</tr>
<tr>
<td>- Financial statement</td>
<td>• Thai Accounting Standard, IFRS, home plus reconciled IFRS, or other standard acceptable to Thai SEC</td>
</tr>
<tr>
<td>- Intermediaries</td>
<td>• Auditor and valuer: comply with home exchange regulations</td>
</tr>
<tr>
<td></td>
<td>• FA: not compulsory</td>
</tr>
<tr>
<td></td>
<td>• Underwriter: must appoint an underwriter approved by SEC</td>
</tr>
<tr>
<td><strong>Contact person</strong></td>
<td>Contact person located in Thailand authorized to act on issuer’s behalf</td>
</tr>
</tbody>
</table>

*For a completed foreign listing regulations, please go to [www.set.or.th](http://www.set.or.th) under rules & regulations.*
A foreign company interested in getting a secondary listing status can apply through this process:

1. **Apply to SET for preliminary examination of listing requirements**
2. SET issues pre-approval documents to the company to submit to Thai SEC for approval of securities offering
3. Submit an application and filling with Thai SEC
4. Securities offering
5. **First Trading Day**

- Home exchange is WFE member
- Regulatory body is IOSCO member
- There is a MMOU or bilateral agreement with Thai SEC

- Approval period ≤ 10 business days
- Filing period ≥ 14 days (if documentation requirements are completed)
- Within 6 months after SEC approval
- Within a week
FAQ

Q What is the definition of a “foreign company” for listing purposes?
A A foreign company listed on the SET refers to a firm which has been registered as a juristic person under legislation of a country or region other than Thailand.

Q Can a foreign company list on the Market for Alternative Investment (mai)?
A At this early stage, no. Foreign companies can be listed only on SET.

Q To list on the SET, is the company required to issue new shares?
A No. Both existing share and new shares are allowed.

Q After listing, can a foreign company list other types of securities besides common shares?
A Yes. The firm can list its preferred shares or warrants after the company itself has gained listing status.

Q In case the firm has to comply with its home exchange’s silent period rules, does it still have to comply with those of SET?
A The company shall primarily comply with its home exchange rules and regulations.

Q Will foreign listings be in a separate sector from local listings?
A No. Foreign securities will not be listed on any particular sector. They will be on the same board as Thai securities. There will, however, be a suffix (-I) added to their company name, to signify that the firm is a foreign listing.

Q To list on SET, must the firm have a financial advisor helping it with the application, and an underwriter helping in share distribution?
A Having FA is not compulsory but firm requires to appoint an underwriter approved by SEC.
For more information, please contact

New Listing Department

Tel. (66) 2229 2050-5  Fax. (66) 2654 5766
NewListingDepartment-International@set.or.th