

# **A Company who Operates Basic Public Utilities Business (Infrastructure Business)**

## **General Listing Requirements**

An infrastructure project is a project investing in Basic Public Utilities that is beneficial to its country. The Stock Exchange of Thailand (SET) is aware of those benefits, so the special listing policy is ruled to facilitate those companies to raise fund in the Exchange.

“Basic Public Utilities”, namely:

1. Rail or pipeline transportation system
2. Electricity
3. Water supply
4. Road, toll road or concession road;
5. Airport
6. Deep sea port
7. Telecommunication or information and communication technology infrastructure;
8. Alternative energy
9. Water management system or irrigation
10. Natural disaster preventive system, including the warning and management systems to mitigate the severity resulting from natural disaster
11. Waste management system
12. a business in the nature of multi-infrastructure business under 1 to 11, having all of the following characteristics
  1. linking, promoting or generating mutual benefits or benefits to the same or nearby communities.
  2. generating or to generate income not less than eighty percent of the total aggregate income of all such mufti-infrastructure businesses.

### **Advantageous requirements for an infrastructure company**

- To raise fund quicker as the company is not required a 2-3-year track record.
- To reduce financial risk and establish reputation.
- To encourage infrastructure company as the fundamental necessity.
- To expand the opportunity for investment of investors.

### **Listing criteria for common shares in the Stock Exchange of Thailand (SET) and Market for Alternative Investment (mai)**

A company applying to list its common shares on the SET must have the following qualifications:

#### **1.1 Qualifications for common shares**

- Having a par value of not less than THB 0.50 and fully paid-in share
- 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 for infrastructure companies before January 1, 2025

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative Investment (mai)
<b>Status</b>	Must be a public limited company or corporation established under special law.	
<b>Paid-Up Capital in Common Shares (After Public Offering)</b>	≥ THB 300 million	≥ THB 50 million
<b>Financial condition and liquidity</b>	<ul style="list-style-type: none"> <li>Must have a minimum total shareholder equity of THB 300 million and total shareholder equity &gt; 0 before apply the listing application.</li> <li>Must be in a stable and healthy financial condition and have sufficient working capital.</li> </ul>	<ul style="list-style-type: none"> <li>Must have a minimum total shareholder equity of THB 50 million and total shareholder equity &gt; 0 before apply the listing application.</li> <li>Must be in a stable and healthy financial condition and have sufficient working capital.</li> </ul>
<b>Distribution of minority shareholders or free float<sup>1</sup> (After IPO)</b>	<ul style="list-style-type: none"> <li>Issued shares in hands ≥ 1,000 shareholders</li> <li>Shareholding Ratio <ul style="list-style-type: none"> <li>Total shareholding ≥ 25% of paid-up capital ( or ≥ 20% of paid-up capital if the paid-up capital ≥ THB 3 billion)</li> <li>Each shareholder must hold at least 1 trading unit in accordance with the rule</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Issued shares in hands ≥ 300 shareholders</li> <li>Shareholding Ratio <ul style="list-style-type: none"> <li>Total shareholding ≥ 25% of paid-up capital ( or ≥ 20% of paid-up capital if the paid-up capital ≥ THB 3 billion)</li> <li>Each shareholder must hold at least 1 trading unit in accordance with the rule</li> </ul> </li> </ul>
<b>Public Offering Approval</b>	<ul style="list-style-type: none"> <li>Must have been granted approval by the SEC (except for a company established under a special law).</li> <li>Offered through an underwriter</li> </ul>	
	<ul style="list-style-type: none"> <li>Number of shares cumulatively offered for sale: <ul style="list-style-type: none"> <li>Offer for sale ≥ 15% of paid-up capital ( If the paid-up capital is ≥ Baht 500 million, the company offer ≥ 10% or value of the ordinary shares based on par value ≥ Baht 75 million, whichever is higher.)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Number of shares cumulatively offered for sale: <ul style="list-style-type: none"> <li>≥ 15% of paid-up capital</li> </ul> </li> </ul>

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative Investment (mai)
<b>Investment in the Basic Public Utilities</b>	<p>Totaling investment value <math>\geq</math> THB 10,000 million and have the qualifications concerning operating results and continuously until the date of approval for being listed securities shall be as follows:</p> <ul style="list-style-type: none"> <li>• In case of investment in a project which is a Basic Public Utilities beneficial to <u>Thailand</u>, there must be commercial income prior to the filing of an application. In case of investment in several similar projects which are Basic Public Utilities beneficial to Thailand, the commercial income shall not be less than 30 percent of the total project value prior to the filing of an application.</li> <li>• In case of investment in a project which is a Basic Public Utilities beneficial to <u>foreign countries</u>, it shall have the business operations under the management of most directors and Management in the same group for not less than 1 year consecutively prior to the filing of an application and shall have the operating results and commercial income for not less than 1 year prior to the filing of an application.</li> </ul>	<p>Totaling investment value <math>\geq</math> THB 2,000 million and have the qualifications concerning operating results shall be as follows:</p> <ul style="list-style-type: none"> <li>• Investment in a project which is a Basic Public Utilities beneficial to <u>Thailand</u></li> <li>• The company 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"> <li>○ shall have the business operations under the management of most directors and Management in the same group for not less than 1 year consecutively prior to the filing of an application</li> <li>○ shall have the operating results and commercial income for not less than 1 year prior to the filing of an application.</li> </ul> </li> </ul>
<b>Project Characteristics (any of the following conditions)</b>	<p>Having an investment in the project that generates a sound income in the future and having the characteristics in accordance with any of the following conditions:</p> <ul style="list-style-type: none"> <li>• Having been obtained a concession or permission to undertake the project from a government agency or state enterprise with a concession period or permission period of not less than 20 years and the remaining concession period or permission period of not less than 15 years from the date.</li> <li>• Having a product or service supply agreement with a government agency or state enterprise, and such agreement could generate a sound income in the future and has the remaining term of not less than 15 years</li> </ul>	

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative Investment (mai)
<b>Sources of fund</b>	Having clear and sufficient sources of fund	
<b>Feasibility Study</b>	Shall establish feasibility analysis to describe probability of the infrastructure investment returns <ul style="list-style-type: none"> <li>Specify the period of Feasibility Study Not over 3 years. If over 3 years, the Financial Advisor's opinion is required to ensure that the feasibility study of project is still the same as appeared in such documents.</li> </ul>	
<b>Legal Due Diligence</b>	For the company that operate the infrastructure projects overseas, the legal due diligence must be prepared to ensure legal stability <ul style="list-style-type: none"> <li>Specify the period of Legal Due Diligence Not over 1 years.</li> </ul>	
<b>Technological Feasibility</b>	In case of an unprecedented technology project in Thailand, the company shall prepare Technological feasibility analysis to explain the possibility of the business. <ul style="list-style-type: none"> <li>Specify the period of Technological Feasibility Not over 1 years.</li> </ul>	
<b>Management</b>	<ul style="list-style-type: none"> <li>Committee and Management must hold qualifications accordingly;               <ul style="list-style-type: none"> <li>Not having any characteristics prohibited by The Capital Market Supervisory Board<sup>2/</sup>.</li> <li>Committee and Management and control personnel must not have any characteristics prohibited by SET regulations that may affect an investor's rights or an investor's decision or a change of share price.</li> </ul> </li> <li>The Board of Director's duties and responsibilities must be clearly defined as specified by The Capital Market Supervisory Board <sup>2/</sup></li> <li>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<sup>2/</sup>.</li> <li>The Chairman and the Chief Executive Officer or equivalent position in other names must not be the same person.</li> </ul>	
<b>Corporate governance and Internal control</b>	<ul style="list-style-type: none"> <li>The audit committee's duties and responsibilities must be clearly defined as specified by The Capital Market Supervisory Board<sup>2/</sup></li> <li>Must demonstrate good corporate governance practice as specified by The Capital Market Supervisory Board<sup>2/</sup> and have a qualified audit committee as specified by SET.</li> </ul>	
<b>Conflicts of interest</b>	Must have no existing or potential conflicts of interest as defined by The Capital Market Supervisory Board <sup>2/</sup> .	
<b>Nature of Business Operation</b>	No operations are conducted in the manner of an investment management business (Investment Company) as prescribed under the Notifications of the Capital Market Supervisory Board <sup>1/2/3</sup> that effective from July 1, 2024 onwards.	
<b>Financial statements and auditors</b>	<ul style="list-style-type: none"> <li>Must ensure that financial statements have been prepared in accordance with The Capital Market Supervisory Board<sup>2/</sup> rules and regulations.</li> <li>Must have an auditor approved by the SEC.</li> </ul>	

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative Investment (mai)
<b>Provident fund</b>	By the date the listing application is filed, the applicant has established a provident fund.	
<b>Registrar</b>	Appoint TSD or an approved registrar by SET	
<b>Silent Period</b>	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. They are permitted to sell 20% of the locked-up shares after every six months.	
<b>Opportunity Day</b>	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.	

**Remarks:**

<sup>1/</sup> Free Floats are non-strategic shareholders including

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

<sup>2/</sup> Notification of the Capital Market Supervisory Board No.Tor Jor. 39/2559 : Application for Approval and Granting of Approval for Offering of Newly Issued Shares (Codified).

<sup>3/</sup> The definition of an Investment Company in accordance with the Notification of the Capital Market Supervisory Board, means investments in securities, derivatives or digital assets in one or more of the following manners at a collective total exceeding 40 percent of the total assets as per the most recent financial statements or the consolidated financial statements.

(1) Investments in shares in another company which is not, or will not become, a subsidiary or an associate, except for the investment in companies that cooperate or support businesses, or an affiliated company under the same parent company, or a network company that can demonstrate a policy or direction of cooperation or support for mutual operations.

(2) Investments with the objective of generating returns from increases in capital gain or other returns exempted investment in government bonds, debt instruments issued by the Ministry of Finance with an unconditional, full guarantee of principal and interest and units in money market funds or units in general fixed income funds.

The calculation of the proportion of such investments includes the investments in securities, derivatives or digital assets of subsidiary which is a non-financial institution and the investments in shares which are issued by an associate and engaged a non-financial institution.

### 1.3 Qualifications for infrastructure companies since January 1, 2025

	Qualifications	
	The Stock Exchange of Thailand (SET)	Market for Alternative Investment (mai)
<b>Status</b>	Must be a public limited company or corporation established under special law.	
<b>Paid-Up Capital in Common Shares (After Public Offering)</b>	≥ THB 100 million	≥ THB 50 million
<b>Financial condition and liquidity</b>	<ul style="list-style-type: none"> <li>Must have a minimum total shareholder equity of THB 800 million and total shareholder equity &gt; 0 before apply the listing application.</li> <li>Must be in a stable and healthy financial condition and have sufficient working capital.</li> </ul>	<ul style="list-style-type: none"> <li>Must have a minimum total shareholder equity of THB 100 million and total shareholder equity &gt; 0 before apply the listing application.</li> <li>Must be in a stable and healthy financial condition and have sufficient working capital.</li> </ul>
<b>Distribution of minority shareholders or free float<sup>1/</sup> (After IPO)</b>	<ul style="list-style-type: none"> <li>Issued shares in hands ≥ 1,000 shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Issued shares in hands ≥ 300 shareholders</li> </ul>
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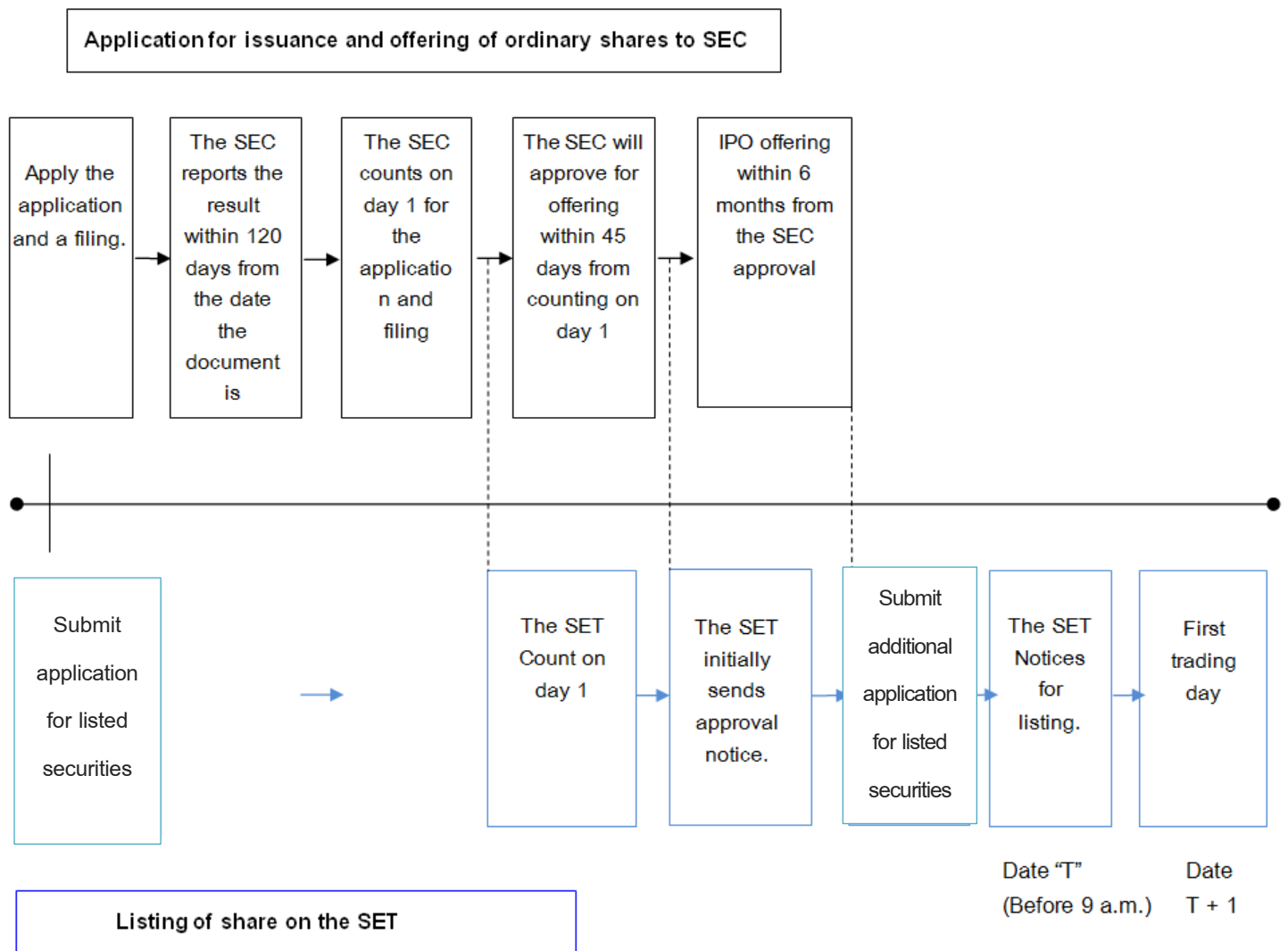
(1) Investments in shares in another company which is not, or will not become, a subsidiary or an associate, except for the investment in companies that cooperate or support businesses, or an affiliated company under the same parent company, or a network company that can demonstrate a policy or direction of cooperation or support for mutual operations.

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## Process

### Listing procedure in the Stock Exchange of Thailand (SET) and 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)
- Regulation of the Stock Exchange of Thailand: Listing of Securities, Disclosure of Information and Delisting of Securities in the "Market for Alternative Investment (mai)" B.E. 2563 (2020)
- Bor.Jor (Wor) 2/2024 Re: Revision to the rules of the Stock Exchange of Thailand to enhance supervision of listed companies and disclosure of information
- Bor.Jor (Wor) 5/2024 Re: Revision to the Rules of Investment Company

### **Other organization's regulations**

- Notification of the Capital Market Supervisory Board No.Tor Jor. 39/2559 : Application for Approval and Granting of Approval for Offering of Newly Issued Shares (Codified)
- Notification of the Securities and Exchange Commission Kor Jor. 17/ 2551: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities

## **Forms**

- Listing Applications and required documents
- Checklist of Company and Securities Qualification for SET
- Checklist of Company and Securities Qualification for mai
- User Manual of DIPO : Preparation for top 10 and minority shareholders
- Template-Major Shareholders and Free Float of IPO Stocks
- Method of dissemination of information concerning CFO and Chief Accountant of IPO