

19 March 2024

THAILAND

Newsletter

Key Contacts



Tananan Thammakiat

☎ +66-2-009-5126

✉ tananan.t@mhm-global.com



Worapan Wuttisarn

☎ +66-2-009-5133

✉ worapa.n.w@mhm-global.com



Tanaporn Rattanapichetkul

☎ 66-2-009-5131

✉ tanaporn.r@mhm-global.com

Navigating SET's Regulatory Shifts: Amendments to the Listing Rules Elevate Financial and Operational Performance of Companies to be listed on SET & MAI

To enhance investor confidence and fortify the Thai capital markets, the Stock Exchange of Thailand (SET) has recently implemented a comprehensive revamp of its listing regulations, set to take effect on 1 January 2025. The modifications aim to raise the bar for companies seeking to list on both the main board, (the SET) and the Market for Alternative Investment (MAI), with a focus on financial robustness and operational performance. Key enhancements include:

- establishing a more stringent profitability threshold to reflect a company's good performance;
- setting a higher threshold for shareholders' equity to demonstrate a solid financial foundation;
- reducing the required paid-up capital for SET listing, although still remains above the minimum set by the current MAI regulations. This adjustment supports companies with lower paid-up capital but strong operational and financial profiles.
- increasing free-float and the public offering allocation ratio, a move designed to boost liquidity within the secondary market.

The table below provides a summary of the existing qualifications and the revised qualifications, highlighted in **red** to reflect the changes mentioned above:



Onpreeya Pimol

☎ 66-2-009-5124

✉ onpreeya.p@mhm-global.com



Thitiporn Prasertpakdee

☎ 66-2-009-5138

✉ thitiporn.p@mhm-global.com

Key changes	SET		MAI	
	Existing Rules	Revised Rules	Current Rules	Revised Rules
1. Profit				
• Latest year	THB 30 m	THB 75 m	THB 10 m	THB 25 m
• 2-3 years accumulated	THB 50 m	THB 125 m	-	THB 40 m
2. Equity (after IPO)	THB 300 m	THB 800 m	THB 50 m	THB 100 m
3. Paid-up capital (after IPO)	THB 300 m	THB 100 m	THB 50 m	THB 50 m
4. Free float	1,000 minority shareholders and <ul style="list-style-type: none"> paid-up < THB 3,000 m: 25% free float paid-up ≥ THB 3,000 m: 20% free float 	1,000 minority shareholders and <ul style="list-style-type: none"> paid-up < THB 300 m: 30% free float paid-up ≥ THB 300 m but < THB 3,000 m: 25% free float paid-up ≥ THB 3,000 m: 20% free float 	300 minority shareholders and <ul style="list-style-type: none"> paid-up < THB 3,000 m: 25% free float paid-up ≥ THB 3,000 m: 20% free float 	300 minority shareholders and <ul style="list-style-type: none"> paid-up < THB 300 m: 30% free float paid-up ≥ THB 300 m but < THB 3,000 m: 25% free float paid-up ≥ THB 3,000 m: 20% free float
5. Public offering	<ul style="list-style-type: none"> paid-up < THB 500 m: 15% paid-up ≥ THB 500 m: 10% or THB 75 m (calculated by par value) whichever is higher 	<ul style="list-style-type: none"> paid-up < THB 300 m: 20% paid-up ≥ THB 300 m but < THB 500 m: 15% or THB 60 m (calculated by par value) whichever is higher 	Same with the SET	Same with the SET

The SET is also set to enhance regulations governing backdoor listings and the criteria for resuming trading of shares, effective from 25 March 2024. The changes include:

- requiring the involvement of a financial advisor to prepare and submit the filing application;
- involving the Securities and Exchange Commission (SEC) in assessing the qualifications of the listing company, conducting a comprehensive review of documents submitted by the listing company, financial advisor, and auditor. Particular emphasis will be placed on internal controls and conflict of interest considerations;

- conducting an 'Opportunity Day' at least once during the first year when ordinary shares of a backdoor listing company being introduced to the market for trading or when ordinary shares of a listed company resume trading.

If you have any questions in relation to the topic raised in this briefing, please contact the authors listed in the left-hand column.

Contact Us

Chandler MHM Limited
17th and 36th Floors
Sathorn Square Office Tower
98 North Sathorn Road
Silom, Bangrak, Bangkok 10500
Thailand
www.chandlermhm.com

This publication is intended to highlight an overview of key issues for ease of understanding, and not for the provision of legal advice. If you have any questions about this publication, please contact your regular contact persons at Mori Hamada & Matsumoto or Chandler MHM Limited. If you should have any inquiries about the publications, or would like more information about Chandler MHM Limited, please contact bd@mhm-global.com.